

# HOUSE BILL 805

A3, L1

4lr2602  
CF SB 537

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By: **Delegate Wilson**

Introduced and read first time: January 31, 2024

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 1, 2024

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Cannabis – Licensee Locations – Restrictions**

3 FOR the purpose of altering the distance restrictions applicable to a licensed cannabis  
4 dispensary; prohibiting a political subdivision from establishing certain zoning  
5 requirements for licensed cannabis dispensaries and certain licensed cannabis  
6 growers that are more restrictive than certain zoning restrictions applicable to  
7 certain other entities; clarifying the authority of a political subdivision to alter  
8 certain distance requirements; authorizing certain individuals to file a protest with  
9 the Maryland Cannabis Administration against the renewal of a cannabis license;  
10 establishing standards and requirements for the Administration’s consideration of a  
11 protest; and generally relating to cannabis licensees and zoning restrictions.

12 BY repealing and reenacting, without amendments,  
13 Article – Alcoholic Beverages and Cannabis  
14 Section 1–101(a) and (dd)  
15 Annotated Code of Maryland  
16 (2016 Volume and 2023 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – Alcoholic Beverages and Cannabis  
19 Section 36–405 and 36–410  
20 Annotated Code of Maryland  
21 (2016 Volume and 2023 Supplement)

22 BY adding to

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Alcoholic Beverages and Cannabis  
2 Section 36–411  
3 Annotated Code of Maryland  
4 (2016 Volume and 2023 Supplement)

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
6 That the Laws of Maryland read as follows:

7 **Article – Alcoholic Beverages and Cannabis**

8 1–101.

9 (a) In this article the following words have the meanings indicated.

10 (dd) (1) “Retail dealer” means a person that sells an alcoholic beverage to any  
11 person other than a license holder.

12 (2) “Retail dealer” includes a county dispensary.

13 36–405.

14 (a) **IN THIS SECTION, “UNDULY BURDEN” INCLUDES IMPOSING A ZONING**  
15 **REQUIREMENT OR RESTRICTION ON THE USE OF PROPERTY BY A CANNABIS**  
16 **LICENSEE THAT IS MORE RESTRICTIVE THAN THE REQUIREMENTS ESTABLISHED**  
17 **UNDER § 36–410 OF THIS SUBTITLE.**

18 **(B)** A political subdivision may:

19 (1) establish reasonable zoning requirements for cannabis businesses; and

20 (2) decide how to distribute its allocation of revenue under § 2–1302.2 of  
21 the Tax – General Article.

22 **[(b)] (C)** A political subdivision may not:

23 (1) establish zoning or other requirements that unduly burden a cannabis  
24 licensee;

25 (2) impose licensing, operating, or other fees or requirements on a cannabis  
26 licensee that are disproportionately greater or more burdensome than those imposed on  
27 other businesses with a similar impact on the area where the cannabis licensee is located;

28 (3) prohibit transportation through or deliveries within the political  
29 subdivision by cannabis businesses located in other political subdivisions;

1 (4) prevent an entity whose license may be converted under §  
2 36–401(b)(1)(ii) of this subtitle and that is in compliance with all relevant medical cannabis  
3 regulations from being granted the license conversion; or

4 (5) negotiate or enter into an agreement with a cannabis licensee or an  
5 applicant for a cannabis license requiring that the cannabis licensee or applicant provide  
6 money, donations, in-kind contributions, services, or anything of value to the political  
7 subdivision.

8 [(c)] (D) The use of a facility by a cannabis licensee is not required to be  
9 submitted to, or approved by, a county or municipal zoning board, authority, or unit if ~~the~~  
10 ~~facility~~:

11 (1) THE FACILITY was properly zoned and operating on or before January  
12 1, 2023; or

13 (2) ~~is used by a grower, processor, or dispensary that~~ THE CANNABIS  
14 LICENSEE:

15 (i) held a Stage One Preapproval for a license before October 1,  
16 2022; and

17 (ii) was not ~~operational~~ ACTIVELY ENGAGED IN THE GROWING,  
18 PROCESSING, OR DISPENSING OF CANNABIS before October 1, 2022.

19 [(d)] (E) A political subdivision or special taxing district may not impose a tax  
20 on cannabis.

21 36–410.

22 (a) Beginning July 1, 2023, a cannabis licensee that is operating a dispensary  
23 shall:

24 (1) ensure that it has adequate supply for qualifying patients and  
25 caregivers;

26 (2) set aside operating hours or dedicated service lines to serve only  
27 qualifying patients and caregivers; and

28 (3) ensure that at least 25% of cannabis and cannabis products in the  
29 dispensary are from social equity licensees and growers and processors that do not share  
30 common ownership with the dispensary.

31 (b) Except as provided in subsection (d) of this section, a licensed dispensary may  
32 not locate within:

1 (1) 500 feet of:

2 (i) a pre-existing primary or secondary school in the State, or a  
3 licensed child care center or registered family child care home under Title 9.5 of the  
4 Education Article; or

5 (ii) a **PRE-EXISTING** playground, recreation center, library, [or]  
6 public park, **OR PLACE OF WORSHIP**; or

7 (2) 1,000 feet of another dispensary under this title.

8 (c) **(1) ~~A EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,~~**  
9 **A** political subdivision may adopt an ordinance reducing, **BUT NOT INCREASING**, the  
10 distance requirements under subsection (b) of this section.

11 **(2) A POLITICAL SUBDIVISION MAY BY ORDINANCE INCREASE THE**  
12 **DISTANCE LIMITATION FOR DISPENSARIES UNDER SUBSECTION (B)(2) OF THIS**  
13 **SECTION TO NOT MORE THAN 2,000 FEET.**

14 (d) The distance requirements under subsection (b) of this section do not apply to  
15 a dispensary license that was:

16 (1) converted under § 36-401(b)(1)(ii) of this subtitle; and

17 (2) properly zoned and operating before July 1, 2023.

18 **(E) A POLITICAL SUBDIVISION MAY NOT ADOPT AN ORDINANCE**  
19 **ESTABLISHING ZONING REQUIREMENTS FOR LICENSED DISPENSARIES THAT ARE**  
20 **MORE RESTRICTIVE THAN ZONING REQUIREMENTS FOR A RETAIL DEALER LICENSED**  
21 **UNDER THIS ARTICLE.**

22 **(F) A POLITICAL SUBDIVISION MAY NOT ADOPT AN ORDINANCE**  
23 **ESTABLISHING A ZONING REQUIREMENT FOR A LICENSED GROWER CULTIVATING**  
24 **CANNABIS EXCLUSIVELY OUTDOORS IN AN AREA ZONED ONLY FOR AGRICULTURAL**  
25 **USE THAT IS MORE RESTRICTIVE THAN ANY ZONING REQUIREMENTS THAT EXISTED**  
26 **ON JUNE 30, 2023, GOVERNING A HEMP FARM REGISTERED UNDER TITLE 14 OF THE**  
27 **AGRICULTURE ARTICLE IN THE POLITICAL SUBDIVISION.**

28 **36-411.**

29 **(A) (1) A PROTEST AGAINST A LICENSE RENEWAL MAY BE FILED WITH**  
30 **THE ADMINISTRATION BY AT LEAST 10 INDIVIDUALS WHO ARE:**

31 **(I) RESIDENTS, COMMERCIAL TENANTS WHO ARE NOT**  
32 **HOLDERS OF OR APPLICANTS FOR A LICENSE, OR REAL ESTATE OWNERS; AND**



1                   **(I) ISSUES ARISING OUT OF SPECIFIC COMPLAINTS ABOUT THE**  
2 **OPERATION OF THE LICENSED PREMISES; AND**

3                   **(II) THE PERFORMANCE OF THE LICENSE HOLDER FOR THE**  
4 **4-YEAR PERIOD IMMEDIATELY PRECEDING THE DATE OF THE RENEWAL**  
5 **APPLICATION; AND**

6                   **(2) MAY NOT CONSIDER ZONING ISSUES.**

7                   **(D) THE ADMINISTRATION MAY ADOPT REGULATIONS TO IMPLEMENT THIS**  
8 **SECTION.**

9                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
10 1, 2024.

Approved:

\_\_\_\_\_ Governor.

\_\_\_\_\_ Speaker of the House of Delegates.

\_\_\_\_\_ President of the Senate.