

SENATE BILL 927

Q4

7lr1953
CF 7lr2815

By: **Senators Madaleno, Currie, Feldman, Ferguson, Guzzone, Kelley, and Smith**
Introduced and read first time: February 3, 2017
Assigned to: Budget and Taxation and Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Excise Tax and Sales Tax – Cannabis**

3 FOR the purpose of establishing an excise tax on cannabis; providing for the distribution
4 of cannabis excise tax revenues; establishing certain excise tax rates on the sale of
5 cannabis; excluding certain sales of cannabis from the excise tax; requiring cannabis
6 excise tax revenue to be appropriated in a certain manner; requiring the State
7 Comptroller to administer the cannabis excise tax; establishing a sales tax on
8 cannabis at a certain rate; authorizing the State Comptroller to adopt certain
9 regulations; requiring the State Comptroller to adopt certain regulations; requiring
10 the State Comptroller to make certain forms and reports free of charge; requiring
11 the State Comptroller to issue certain registrations; requiring the State Comptroller
12 to keep certain information regarding cannabis establishments confidential, except
13 under certain circumstances; authorizing the State Comptroller to confirm certain
14 information upon a certain request; requiring the State Comptroller to begin
15 accepting certain applications by a certain date; authorizing a certain action to be
16 filed by a person to compel the State Comptroller to take certain actions; providing
17 that a cannabis establishment may deduct certain business expenses from certain
18 State taxes; requiring a cannabis cultivation facility, a cannabis product
19 manufacturer, a craft cannabis cultivator, and a retailer to file a certain tax return
20 with the State Comptroller; requiring a cannabis cultivation facility, a cannabis
21 product manufacturer, and a retailer to pay certain taxes when filing a certain tax
22 return; establishing the Cannabis Tax Distribution Fund as a special, nonlapsing
23 fund; specifying the purpose of the Fund; requiring the Comptroller to administer
24 the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to
25 account for the Fund; specifying the contents of the Fund; specifying the purposes
26 for which the Fund may be used; providing for the investment of money in and
27 expenditures from the Fund; requiring the State Comptroller to develop and
28 implement a certain program by a certain date; requiring the State Comptroller to
29 report certain information by a certain date; defining certain terms; making this Act
30 subject to a certain contingency; and generally relating to the taxation of cannabis.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
2 Article – Tax – General
3 Section 2–1701 and 2–1702 to be under the new subtitle “Subtitle 17. Maryland
4 Cannabis Tax”; and 12.5–101 through 12.5–401 to be under the new title “Title
5 12.5. Maryland Cannabis Tax”
6 Annotated Code of Maryland
7 (2016 Replacement Volume)

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

10 **Article – Tax – General**

11 **SUBTITLE 17. MARYLAND CANNABIS TAX.**

12 **2–1701.**

13 **FROM THE CANNABIS TAX REVENUE COLLECTED UNDER § 12.5–102 OF THIS**
14 **ARTICLE, THE STATE COMPTROLLER SHALL DISTRIBUTE THE AMOUNT NECESSARY**
15 **TO ADMINISTER THE CANNABIS TAX LAWS TO AN ADMINISTRATIVE COST ACCOUNT.**

16 **2–1702.**

17 **AFTER MAKING THE DISTRIBUTION REQUIRED UNDER § 2–1701 OF THIS**
18 **SUBTITLE, THE STATE COMPTROLLER SHALL DISTRIBUTE THE REMAINING**
19 **CANNABIS TAX REVENUE TO THE CANNABIS TAX DISTRIBUTION FUND UNDER §**
20 **12.5–401 OF THIS ARTICLE.**

21 **TITLE 12.5. MARYLAND CANNABIS TAX.**

22 **SUBTITLE 1. GENERAL PROVISIONS.**

23 **12.5–101.**

24 **(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
25 **INDICATED.**

26 **(B) “CANNABIS” HAS THE MEANING STATED IN § 5–1201 OF THE CRIMINAL**
27 **LAW ARTICLE.**

28 **(C) “CANNABIS CULTIVATION FACILITY” HAS THE MEANING STATED IN §**
29 **5–1201 OF THE CRIMINAL LAW ARTICLE.**

30 **(D) “CANNABIS ESTABLISHMENT” HAS THE MEANING STATED IN § 5–1201**
31 **OF THE CRIMINAL LAW ARTICLE.**

1 (E) "CANNABIS PRODUCT MANUFACTURER" HAS THE MEANING STATED IN
2 § 5-1201 OF THE CRIMINAL LAW ARTICLE.

3 (F) "CRAFT CANNABIS CULTIVATOR" HAS THE MEANING STATED IN §
4 5-1201 OF THE CRIMINAL LAW ARTICLE.

5 (G) "ON-SITE CONSUMPTION" HAS THE MEANING STATED IN § 5-1201 OF
6 THE CRIMINAL LAW ARTICLE.

7 (H) "RETAILER" HAS THE MEANING STATED IN § 5-1201 OF THE CRIMINAL
8 LAW ARTICLE.

9 12.5-102.

10 (A) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, AN EXCISE
11 TAX IS IMPOSED ON THE SALE OF CANNABIS IN THE STATE.

12 (B) (1) THE EXCISE TAX RATE FOR CANNABIS SOLD BY A CANNABIS
13 CULTIVATION FACILITY TO A CANNABIS PRODUCT MANUFACTURER OR A RETAILER
14 IS \$30 PER OUNCE.

15 (2) THE EXCISE TAX RATE FOR CANNABIS SOLD BY A CRAFT CANNABIS
16 CULTIVATOR TO A CANNABIS CULTIVATION FACILITY OR CANNABIS PRODUCT
17 MANUFACTURER IS \$30 PER OUNCE.

18 (3) THE EXCISE TAX MAY NOT APPLY TO CANNABIS ON WHICH THE
19 EXCISE TAX HAS PREVIOUSLY BEEN PAID UNDER PARAGRAPHS (1) AND (2) OF THIS
20 SUBSECTION.

21 (4) BEGINNING IN FISCAL YEAR 2020, THE STATE COMPTROLLER
22 MAY ADJUST THE AMOUNT OF THE EXCISE TAX ANNUALLY TO ACCOUNT FOR
23 INFLATION.

24 (C) (1) A CANNABIS CULTIVATION FACILITY SHALL PAY TO THE STATE
25 COMPTROLLER THE EXCISE TAX ON ALL CANNABIS IT SELLS, AND ON ALL CANNABIS
26 IT PURCHASES FROM A CRAFT CANNABIS CULTIVATOR.

27 (2) A CANNABIS PRODUCT MANUFACTURER SHALL PAY TO THE STATE
28 COMPTROLLER THE EXCISE TAX ON ALL CANNABIS IT PURCHASES DIRECTLY FROM
29 A CRAFT CANNABIS CULTIVATOR.

1 **(D) (1) ALL RETAIL SALES OF CANNABIS ARE SUBJECT TO A SALES TAX OF**
2 **9% OF THE CHARGE FOR THE CANNABIS.**

3 **(2) A RETAILER SHALL PAY TO THE STATE COMPTROLLER THE SALES**
4 **TAX ON ALL CANNABIS IT SELLS.**

5 **(E) THIS SECTION IS NOT APPLICABLE TO CANNABIS SOLD UNDER TITLE 13,**
6 **SUBTITLE 33 OF THE HEALTH – GENERAL ARTICLE.**

7 **12.5–103.**

8 **TAX REMITTED TO THE STATE COMPTROLLER IN ACCORDANCE WITH THIS**
9 **SUBTITLE SHALL BE APPROPRIATED IN ACCORDANCE WITH TITLE 2, SUBTITLE 17**
10 **OF THIS ARTICLE.**

11 **12.5–104.**

12 **(A) THE STATE COMPTROLLER IS RESPONSIBLE FOR ADMINISTERING AND**
13 **CARRYING OUT THIS TITLE.**

14 **(B) THE STATE COMPTROLLER SHALL ADOPT REGULATIONS TO**
15 **IMPLEMENT THIS TITLE.**

16 **(C) THE STATE COMPTROLLER SHALL ADOPT REGULATIONS THAT:**

17 **(1) SET FORTH PROCEDURES FOR THE APPLICATION FOR AND**
18 **ISSUANCE OF REGISTRATIONS TO CANNABIS ESTABLISHMENTS, INCLUDING THE**
19 **CONTENT AND FORM FOR AN APPLICATION TO BE REGISTERED AS A CANNABIS**
20 **ESTABLISHMENT;**

21 **(2) SPECIFY THE PROCEDURES FOR THE COLLECTION OF TAXES**
22 **LEVIED IN ACCORDANCE WITH THIS TITLE;**

23 **(3) SPECIFY THE CONTENT, FORM, AND TIMING OF REPORTS THAT**
24 **SHALL BE COMPLETED BY EACH CANNABIS ESTABLISHMENT;**

25 **(4) REQUIRE THAT REPORTS COMPLETED BY CANNABIS**
26 **ESTABLISHMENTS SHALL BE MADE AVAILABLE FOR INSPECTION BY THE STATE**
27 **COMPTROLLER, INCLUDING INFORMATION ON SALES, EXPENSES, INVENTORY, AND**
28 **TAXES, AND BE RETAINED FOR AT LEAST 1 YEAR;**

1 **(5) ESTABLISH QUALIFICATIONS FOR REGISTRATION THAT ARE**
2 **DIRECTLY AND DEMONSTRABLY RELATED TO THE OPERATION OF A CANNABIS**
3 **ESTABLISHMENT;**

4 **(6) SPECIFY THE REQUIREMENTS FOR THE PACKAGING AND**
5 **LABELING OF CANNABIS, INCLUDING THOSE IN § 5-1220 OF THE CRIMINAL LAW**
6 **ARTICLE;**

7 **(7) SPECIFY THE REQUIREMENTS FOR THE SAFETY INSERT TO BE**
8 **INCLUDED WITH CANNABIS BY RETAILERS, WHICH MAY INCLUDE THOSE DESCRIBED**
9 **IN § 5-1219 OF THE CRIMINAL LAW ARTICLE AT THE DISCRETION OF THE STATE**
10 **COMPTRROLLER;**

11 **(8) ESTABLISH REASONABLE SECURITY REQUIREMENTS FOR**
12 **CANNABIS ESTABLISHMENTS;**

13 **(9) REQUIRE THE POSTING OR DISPLAY OF THE REGISTRATION OF A**
14 **CANNABIS ESTABLISHMENT;**

15 **(10) ESTABLISH RESTRICTIONS ON ADVERTISING FOR THE SALE OF**
16 **CANNABIS THAT SHALL BE IN COMPLIANCE WITH THE MARYLAND CONSTITUTION**
17 **AND THE U.S. CONSTITUTION AND THAT DO NOT PREVENT APPROPRIATE SIGNS ON**
18 **THE PROPERTY OF THE RETAILER OR CANNABIS CULTIVATION FACILITY, LISTINGS**
19 **IN BUSINESS DIRECTORIES AND TELEPHONE BOOKS, LISTINGS IN PUBLICATIONS**
20 **FOCUSED ON CANNABIS, OR THE SPONSORSHIP OF HEALTH OR NOT-FOR-PROFIT**
21 **CHARITY OR ADVOCACY EVENTS;**

22 **(11) ESTABLISH PROCEDURES FOR INSPECTING AND AUDITING THE**
23 **RECORDS OR PREMISES OF CANNABIS ESTABLISHMENTS;**

24 **(12) SET A SCHEDULE OF CIVIL FINES FOR VIOLATIONS OF THIS TITLE**
25 **AND REGULATIONS ISSUED IN ACCORDANCE WITH THIS TITLE;**

26 **(13) SET FORTH THE PROCEDURES FOR HEARINGS ON CIVIL FINES AND**
27 **SUSPENSIONS AND REVOCATIONS OF A REGISTRATION AS A CANNABIS**
28 **ESTABLISHMENT FOR A VIOLATION OF THIS TITLE OR THE REGULATIONS ADOPTED**
29 **IN ACCORDANCE WITH THIS TITLE;**

30 **(14) ESTABLISH REASONABLE ENVIRONMENTAL CONTROLS,**
31 **INCLUDING RESTRICTIONS ON THE USE OF PESTICIDES, TO ENSURE THAT CANNABIS**
32 **ESTABLISHMENTS MINIMIZE HARM TO THE ENVIRONMENT, ADJOINING AND NEARBY**
33 **LANDOWNERS, AND INDIVIDUALS PASSING WITHIN PROXIMITY OF A CANNABIS**
34 **ESTABLISHMENT;**

1 **(15) REQUIRE CANNABIS ESTABLISHMENTS TO CREATE**
2 **IDENTIFICATION CARDS FOR THEIR EMPLOYEES AND PROVIDING FOR THE**
3 **CONTENTS OF THE IDENTIFICATION CARDS;**

4 **(16) ESTABLISH PROCEDURES FOR THE SAFE TRANSPORTATION OF**
5 **CANNABIS; AND**

6 **(17) ESTABLISH LIMITS ON ON-SITE CONSUMPTION AREAS IN RETAIL**
7 **STORES, INCLUDING REQUIREMENTS FOR SECURITY, VENTILATION, ODOR**
8 **CONTROL, RESTRICTIONS ON SALES, DISCOUNTS, AND ADVERTISING, AND**
9 **CONSUMPTION BY PATRONS.**

10 **(D) (1) THE STATE COMPTROLLER SHALL ADOPT REGULATIONS**
11 **GOVERNING CRAFT CANNABIS CULTIVATORS.**

12 **(2) THE REGULATIONS REQUIRED UNDER PARAGRAPH (1) OF THIS**
13 **SUBSECTION SHALL:**

14 **(I) INCLUDE SECURITY AND INSPECTION REQUIREMENTS;**

15 **(II) BE LESS RESTRICTIVE THAN REGULATORY REQUIREMENTS**
16 **FOR CANNABIS CULTIVATION FACILITIES, CANNABIS PRODUCT MANUFACTURERS,**
17 **AND RETAILERS;**

18 **(III) INCLUDE SUFFICIENT CONTROLS TO MONITOR AND**
19 **PREVENT DIVERSION OF CANNABIS;**

20 **(IV) LIMIT CRAFT CANNABIS CULTIVATORS TO SELLING**
21 **CANNABIS ONLY IN PLANT FORM;**

22 **(V) PROHIBIT SALES BY A CRAFT CANNABIS CULTIVATOR TO A**
23 **RETAILER; AND**

24 **(VI) ESTABLISH LIMITS ON THE AMOUNT OF CANNABIS THAT**
25 **MAY BE CULTIVATED BY A CRAFT CANNABIS CULTIVATOR BASED ON:**

26 **1. THE NUMBER OF PLANTS OR THE CANOPY AREA OF A**
27 **CRAFT CANNABIS CULTIVATOR; AND**

28 **2. WHETHER THE CRAFT CANNABIS CULTIVATOR IS**
29 **ENGAGED IN INDOOR CULTIVATION, OUTDOOR CULTIVATION, OR CULTIVATION IN**
30 **ENCLOSED OR PARTIALLY ENCLOSED STRUCTURES.**

1 (E) THE STATE COMPTROLLER MAY ADOPT REGULATIONS THAT ALLOW
2 AND REGULATE THE CONSUMPTION OF CANNABIS IN PRIVATE CLUBS AND AT
3 PRIVATE EVENTS.

4 (F) THE STATE COMPTROLLER SHALL MAKE AVAILABLE FREE OF CHARGE
5 ALL FORMS FOR APPLICATIONS AND REPORTS REQUIRED UNDER THIS TITLE.

6 (G) THE STATE COMPTROLLER SHALL ISSUE ALL REGISTRATIONS AS
7 REQUIRED BY THIS TITLE AND TITLE 5, SUBTITLE 12 OF THE CRIMINAL LAW
8 ARTICLE.

9 (H) (1) EXCEPT AS PROVIDED IN THIS SUBSECTION, THE STATE
10 COMPTROLLER SHALL KEEP THE NAME AND ADDRESS OF EACH CANNABIS
11 ESTABLISHMENT AND EACH OWNER, EMPLOYEE, OR AGENT OF A CANNABIS
12 ESTABLISHMENT CONFIDENTIAL AND REFUSE TO DISCLOSE THIS INFORMATION TO
13 AN INDIVIDUAL OR A PUBLIC OR PRIVATE ENTITY, EXCEPT AS NECESSARY FOR
14 AUTHORIZED EMPLOYEES OF THE STATE COMPTROLLER TO PERFORM OFFICIAL
15 DUTIES OF THE STATE COMPTROLLER IN ACCORDANCE WITH THIS TITLE.

16 (2) THE STATE COMPTROLLER MAY CONFIRM TO A STATE OR LOCAL
17 LAW ENFORCEMENT OFFICER THAT A CANNABIS ESTABLISHMENT HOLDS A VALID
18 REGISTRATION IF THE LAW ENFORCEMENT OFFICER REQUESTS CONFIRMATION.

19 12.5-105.

20 (A) THE STATE COMPTROLLER SHALL ADOPT REGULATIONS TO
21 IMPLEMENT THIS TITLE AND SHALL BEGIN ACCEPTING APPLICATIONS FOR
22 CANNABIS ESTABLISHMENT FACILITIES WITHIN 180 DAYS AFTER OCTOBER 1, 2017.

23 (B) IF THE STATE COMPTROLLER FAILS TO ADOPT REGULATIONS TO
24 IMPLEMENT THIS TITLE AND BEGIN PROCESSING APPLICATIONS FOR CANNABIS
25 ESTABLISHMENTS WITHIN 180 DAYS AFTER OCTOBER 1, 2017, A PERSON MAY
26 COMMENCE AN ACTION IN A COURT OF COMPETENT JURISDICTION TO COMPEL THE
27 STATE COMPTROLLER TO PERFORM THE ACTIONS MANDATED IN ACCORDANCE
28 WITH THIS TITLE.

29 12.5-106.

30 NOTWITHSTANDING ANY FEDERAL TAX LAW TO THE CONTRARY, IN
31 COMPUTING NET INCOME FOR BUSINESSES EXEMPTED FROM CRIMINAL PENALTIES
32 UNDER STATE LAW, THERE SHALL BE ALLOWED AS A DEDUCTION FROM STATE
33 TAXES ALL THE ORDINARY AND NECESSARY EXPENSES PAID OR INCURRED DURING

1 THE TAXABLE YEAR IN CARRYING ON A TRADE OR BUSINESS AS A CANNABIS
2 ESTABLISHMENT, INCLUDING REASONABLE ALLOWANCE FOR SALARIES OR OTHER
3 COMPENSATION FOR PERSONAL SERVICES ACTUALLY RENDERED.

4 **SUBTITLE 2. RETURNS.**

5 **12.5–201.**

6 (A) A CANNABIS CULTIVATION FACILITY SHALL COMPLETE AND FILE WITH
7 THE STATE COMPTROLLER A CANNABIS CULTIVATION FACILITY TAX RETURN ON
8 DATES ESTABLISHED BY REGULATION BY THE STATE COMPTROLLER.

9 (B) A CANNABIS PRODUCT MANUFACTURER SHALL COMPLETE AND FILE
10 WITH THE STATE COMPTROLLER A CANNABIS PRODUCT MANUFACTURER TAX
11 RETURN ON DATES ESTABLISHED BY REGULATION BY THE STATE COMPTROLLER.

12 (C) A CRAFT CANNABIS CULTIVATOR SHALL COMPLETE AND FILE WITH THE
13 STATE COMPTROLLER A CRAFT CANNABIS CULTIVATOR FACILITY TAX RETURN ON
14 DATES ESTABLISHED BY REGULATION BY THE STATE COMPTROLLER.

15 (D) A RETAILER SHALL COMPLETE AND FILE WITH THE STATE
16 COMPTROLLER A RETAILER TAX RETURN ON DATES ESTABLISHED BY REGULATION
17 BY THE STATE COMPTROLLER.

18 **SUBTITLE 3. TAX PAYMENT.**

19 **12.5–301.**

20 (A) A CANNABIS CULTIVATION FACILITY SHALL PAY THE TAX REQUIRED
21 UNDER § 12.5–102 OF THIS TITLE THAT COVERS THE PERIOD FOR WHICH THE TAX IS
22 DUE.

23 (B) A CANNABIS PRODUCT MANUFACTURER SHALL PAY THE TAX REQUIRED
24 UNDER § 12.5–102 OF THIS TITLE THAT COVERS THE PERIOD FOR WHICH THE TAX IS
25 DUE.

26 (C) A RETAILER SHALL PAY THE TAX REQUIRED UNDER § 12.5–102 OF THIS
27 TITLE THAT COVERS THE PERIOD FOR WHICH THE TAX IS DUE.

28 **SUBTITLE 4. CANNABIS TAX DISTRIBUTION FUND.**

29 **12.5–401.**

1 (A) **IN THIS SECTION, “FUND” MEANS THE CANNABIS TAX DISTRIBUTION**
2 **FUND.**

3 (B) **THERE IS A CANNABIS TAX DISTRIBUTION FUND.**

4 (C) **THE PURPOSE OF THE FUND IS TO PROVIDE SUPPLEMENTAL FUNDING**
5 **FOR THE PROGRAMS AND PURPOSES INDICATED IN SUBSECTION (G) OF THIS**
6 **SECTION.**

7 (D) **THE COMPTROLLER SHALL ADMINISTER THE FUND.**

8 (E) **(1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
9 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

10 **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
11 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

12 (F) **THE FUND CONSISTS OF:**

13 **(1) REVENUE DISTRIBUTED TO THE FUND UNDER § 2-1702 OF THE**
14 **TAX – GENERAL ARTICLE;**

15 **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND**

16 **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
17 **THE BENEFIT OF THE FUND.**

18 (G) **(1) THE FUND MAY BE USED ONLY TO PROVIDE SUPPLEMENTAL**
19 **FUNDING FOR:**

20 **(i) THE MARYLAND SUBSTANCE ABUSE FUND ESTABLISHED**
21 **UNDER § 8-6A-01 OF THE HEALTH – GENERAL ARTICLE, FOR PREVENTION,**
22 **EVALUATION, AND TREATMENT OF PROBLEMATIC USE AND ADDICTION, INCLUDING**
23 **ADDICTION TO OVER-THE-COUNTER DRUGS, PRESCRIPTION DRUGS, AND OPIOIDS;**

24 **(ii) STATE PROGRAMS TO PROVIDE PUBLIC EDUCATION AND**
25 **ADDITIONAL LAW ENFORCEMENT TRAINING TO ADDRESS THE DANGERS OF DRIVING**
26 **UNDER THE INFLUENCE;**

27 **(iii) THE PUBLIC SCHOOL OPPORTUNITIES ENHANCEMENT**
28 **PROGRAM, ESTABLISHED UNDER TITLE 7, SUBTITLE 17 OF THE EDUCATION**
29 **ARTICLE, FOR USE BY COMMUNITY SCHOOLS IN WHICH 50% OR MORE OF STUDENTS**

1 QUALIFY FOR A FREE OR REDUCED PRICE LUNCH UNDER THE NATIONAL SCHOOL
2 LUNCH PROGRAM; AND

3 (IV) THE WORKFORCE DEVELOPMENT PROGRAMS ESTABLISHED
4 UNDER TITLE 11, SUBTITLE 5 OF THE LABOR AND EMPLOYMENT ARTICLE.

5 (2) EACH FISCAL YEAR, THE FUND SHALL PROVIDE SUPPLEMENTAL
6 FUNDING FOR THE PURPOSES STATED UNDER PARAGRAPH (1) OF THIS SUBSECTION
7 IN THE FOLLOWING AMOUNTS:

8 (I) 25% OF THE FUND REVENUE FOR THE PURPOSES STATED
9 UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION;

10 (II) 10% OF THE FUND REVENUE FOR THE PURPOSES STATED
11 UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION;

12 (III) 50% OF THE FUND REVENUE FOR THE PURPOSES STATED
13 UNDER PARAGRAPH (1)(III) OF THIS SUBSECTION; AND

14 (IV) 15% OF THE FUND REVENUE FOR THE PURPOSES STATED
15 UNDER PARAGRAPH (1)(IV) OF THIS SUBSECTION.

16 (3) ANY FUNDS NOT EXPENDED IN A FISCAL YEAR UNDER PARAGRAPH
17 (2) OF THIS SUBSECTION SHALL BE APPROPRIATED IN THE FOLLOWING FISCAL YEAR
18 IN ACCORDANCE WITH THE DISTRIBUTION REQUIRED UNDER PARAGRAPH (2) OF
19 THIS SUBSECTION.

20 (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND
21 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

22 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO
23 THE GENERAL FUND OF THE STATE.

24 (I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE
25 WITH THE STATE BUDGET.

26 (J) MONEY EXPENDED FROM THE FUND TO BE USED FOR PURPOSES IN
27 ACCORDANCE WITH SUBSECTION (G) OF THIS SECTION IS SUPPLEMENTAL TO AND IS
28 NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE
29 APPROPRIATED FOR THE PURPOSES UNDER SUBSECTION (G) OF THIS SUBSECTION.

30 SECTION 2. AND BE IT FURTHER ENACTED, That the State Comptroller shall:

1 (1) on or before January 1, 2018, develop and implement a program to
2 conduct outreach to and education for minority communities, women, veterans, and small
3 business owners to ensure that those groups are aware of the business opportunities
4 created by this Act and know how to apply for registration as a cannabis establishment;
5 and

6 (2) on or before April 1, 2018, report to the Governor and, in accordance
7 with § 2-1246 of the State Government Article, the General Assembly on its activities and
8 efforts in this regard.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 contingent on the taking effect of Chapter ____ (S.B. ____/H.B. ____)(7lr1253) of the Acts of
11 the General Assembly of 2017, and if Chapter ____ (S.B. ____/H.B. ____)(7lr1253) does not
12 become effective, this Act shall be null and void without the necessity of further action by
13 the General Assembly.

14 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions of
15 Section 3 of this Act, this Act shall take effect October 1, 2017.