

# SENATE BILL 708

E1, E2, J1

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By: **Senators Feldman, Ferguson, Guzzone, King, Smith, Waldstreicher, and Washington**

Introduced and read first time: February 3, 2021

Assigned to: Finance and Budget and Taxation

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## A BILL ENTITLED

AN ACT concerning

### **Cannabis – Legalization and Regulation**

FOR the purpose of substituting the term “cannabis” for the term “marijuana” in certain provisions of law; altering a certain quantity threshold and establishing a certain age limit applicable to a certain civil offense of use or possession of cannabis; establishing a civil offense for use or possession of a certain amount of cannabis for a person of at least a certain age; establishing a civil offense for cultivating cannabis plants in a certain manner; prohibiting an individual from knowingly and willfully making a certain misrepresentation or false statement to a certain person for a certain purpose; prohibiting an individual from obtaining or attempting to obtain cannabis in a certain manner for consumption by a certain individual; prohibiting a person from furnishing cannabis or certain cannabis accessories to an individual under certain circumstances; providing for the expungement of certain records relating to certain charges of possession of cannabis; providing for the disposition and expungement of certain charges relating to possession, cultivation, processing, or sale of cannabis; providing for a certain application for resentencing; establishing an Office of Social Equity within the Alcohol and Tobacco Commission; requiring the Governor to appoint an executive director of the Office; requiring that the executive director have certain experience; authorizing the Office to employ staff and retain contractors for a certain purpose; specifying the duties of the Office; establishing the Social Equity Start-Up Fund, the Cannabis Education and Training Fund, the Community Reinvestment and Repair Fund, and the Cannabis Regulation Fund; specifying the purposes of the funds; requiring the Office or the Commission to administer certain funds; requiring the State Treasurer to hold the funds and the Comptroller to account for the funds; specifying the contents of the funds; specifying the purposes for which and the manner in which money in the funds may be used; providing for the investment of money in and expenditures from the funds; providing that the funds are subject to audit by a certain office; establishing certain duties and powers of the Commission in relation to the use of certain funds; authorizing certain education programs to use hemp instead of cannabis for certain training; requiring

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**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.



the Commission and the Office to adopt certain regulations; authorizing the Commission to issue certain dual licenses only for certain types of licenses and locations; requiring the Commission to develop a certain label, handout, or both after consulting with certain researchers; requiring that certain materials be available to each consumer; requiring the Commission to review and update certain materials at certain intervals and in a certain manner for a certain purpose; prohibiting the Commission from requiring a consumer to provide or a retailer to acquire certain information; requiring the Commission to develop certain policies and procedures governing the Commission's approval of transfer of licenses; providing for the licensing of cannabis establishments, including certain dual licensing; establishing certain powers and duties of and prohibitions on the Commission regarding the licensing of cannabis establishments; establishing the terms of certain licenses; prohibiting a person from holding certain interest, directly or indirectly, in more than a certain number of cultivators or a certain number of retailers; prohibiting a cultivator from producing certain products except under certain circumstances; prohibiting a cultivator from cultivating medical cannabis except under certain circumstances; prohibiting a processor from processing or producing medical cannabis or medical cannabis products except under certain circumstances; prohibiting a retailer from selling medical cannabis or medical cannabis products to patients except under certain circumstances; establishing certain licensing fees; requiring that certain licensing fees be credited to a certain fund; establishing certain requirements for qualification for a dual license; authorizing an applicant for a certain license to apply for conditional approval under certain circumstances; requiring the Commission, in conjunction with the Office, to annually evaluate the cannabis market in the State and solicit certain input regarding certain matters; requiring the Commission, on or before a certain date, to commission a certain study of the cannabis market in the State; requiring the Commission to annually report certain recommendations to the General Assembly based on certain findings; authorizing an on-site consumption establishment to operate only if a certain local regulatory authority issued a certain permit or license; authorizing a locality to prohibit the operation of certain cannabis establishments in a certain manner under certain circumstances; requiring that a person seeking licensure as a cannabis establishment meet certain requirements; prohibiting a locality from negotiating or entering into a certain agreement with a cannabis establishment or cannabis establishment applicant; establishing that certain acts relating to cannabis are not unlawful and are not a criminal or civil offense under State law or the law of any political subdivision of the State or a basis for seizure or forfeiture of assets under State law; establishing that certain acts are not a violation of certain conditions of parole or probation under certain circumstances; establishing certain criminal and civil immunities and protections for a person who engages in conduct permitted under this Act; providing that a person may not be denied certain licenses or permits for engaging in conduct permitted under this Act; clarifying that a provision of law is included in this Act to satisfy a certain federal requirement; prohibiting a certain law enforcement officer from expending certain resources to take certain actions on a certain basis if the officer has reason to believe that certain activity is in compliance with this Act; requiring the interest earnings of certain funds to be credited to the funds; exempting certain funds from a certain provision of law requiring interest

earnings on State money to accrue to the General Fund of the State; imposing certain excise taxes on the sale or transfer of cannabis from a certain cannabis establishment to a consumer; providing that sales of cannabis by a cannabis establishment to a consumer are not subject to a certain sales and use tax; authorizing a political subdivision to impose a sales tax not exceeding a certain amount on sales of cannabis and cannabis products to certain consumers, subject to a certain exception; requiring that certain revenues be distributed in a certain manner; authorizing a certain deduction from State taxes; providing certain penalties for violating certain provisions of this Act; requiring the Speaker of the House of Delegates, on or before a certain date, to submit to the Governor a certain number of names of individuals who are qualified and suitable to serve as Executive Director of the Office; requiring the Governor, on or before a certain date, to select an Executive Director of the Office from among certain names; requiring the Office and the Commission to conduct a certain study on or before certain dates and report certain information to the General Assembly; providing for the application of certain provisions of this Act; defining certain terms; making conforming changes; and generally relating to cannabis.

BY repealing and reenacting, without amendments,

Article – Criminal Law

Section 5–101(a)

Annotated Code of Maryland

(2012 Replacement Volume and 2020 Supplement)

BY adding to

Article – Criminal Law

Section 5–101(e–1) and (t), 5–601.2, 5–601.3, and 5–629

Annotated Code of Maryland

(2012 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,

Article – Criminal Law

Section 5–101(p), (s), and (t), 5–601(a), (c), and (d), 5–601.1, 5–612, 5–614, 5–619(c), 5–620, 10–113, 10–116, and 10–117

Annotated Code of Maryland

(2012 Replacement Volume and 2020 Supplement)

BY repealing

Article – Criminal Law

Section 5–101(r)

Annotated Code of Maryland

(2012 Replacement Volume and 2020 Supplement)

BY adding to

Article – Criminal Procedure

Section 10–105.1 and 10–105.2

Annotated Code of Maryland

(2018 Replacement Volume and 2020 Supplement)

BY adding to

Article – Health – General  
Section 23–101 through 23–702 to be under the new title “Title 23. Cannabis”  
Annotated Code of Maryland  
(2019 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement  
Section 6–226(a)(2)(i)  
Annotated Code of Maryland  
(2015 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement  
Section 6–226(a)(2)(ii)122. and 123.  
Annotated Code of Maryland  
(2015 Replacement Volume and 2020 Supplement)

BY adding to

Article – State Finance and Procurement  
Section 6–226(a)(2)(ii)124. through 127.  
Annotated Code of Maryland  
(2015 Replacement Volume and 2020 Supplement)

BY adding to

Article – Tax – General  
Section 12.5–101 through 12.5–104 to be under the new title “Title 12.5. Cannabis  
Tax”  
Annotated Code of Maryland  
(2016 Replacement Volume and 2020 Supplement)

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

### **Article – Criminal Law**

5–101.

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

**(E-1) (1) “CANNABIS” MEANS THE PLANT CANNABIS SATIVA L. AND ANY PART OF THE PLANT, INCLUDING ALL DERIVATIVES, EXTRACTS, CANNABINOIDs, ISOMERS, ACIDS, SALTS, AND SALTS OF ISOMERS, WHETHER GROWING OR NOT, WITH A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION GREATER THAN 0.3% ON A DRY WEIGHT BASIS.**

**(2) “CANNABIS” DOES NOT INCLUDE HEMP AS DEFINED IN § 14-101 OF THE AGRICULTURE ARTICLE.**

(p) (1) “Drug paraphernalia” means equipment, a product, or material that is used, intended for use, or designed for use, in:

(i) planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, packaging, repackaging, storing, containing, or concealing a controlled dangerous substance in violation of this title; or

(ii) injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled dangerous substance in violation of this title.

(2) “Drug paraphernalia” includes:

(i) a kit used, intended for use, or designed for use in planting, propagating, cultivating, growing, or harvesting any species of plant that is a controlled dangerous substance **OTHER THAN CANNABIS** or from which a controlled dangerous substance can be derived;

(ii) a kit used, intended for use, or designed for use in manufacturing, compounding, converting, producing, processing, or preparing a controlled dangerous substance **OTHER THAN CANNABIS**;

(iii) an isomerization device used, intended for use, or designed for use in increasing the potency of any species of plant that is a controlled dangerous substance **OTHER THAN CANNABIS**;

(iv) testing equipment used, intended for use, or designed for use in analyzing the strength, effectiveness, or purity of a controlled dangerous substance **OTHER THAN CANNABIS**;

(v) a scale or balance used, intended for use, or designed for use in weighing or measuring a controlled dangerous substance **OTHER THAN CANNABIS**;

(vi) a diluent or adulterant, such as quinine hydrochloride, mannitol, mannite, dextrose, or lactose, used, intended for use, or designed for use in cutting a controlled dangerous substance **OTHER THAN CANNABIS**;

(vii) a separation gin or sifter used, intended for use, or designed for use in removing twigs and seeds from, or in otherwise cleaning or refining, [marijuana] **A CONTROLLED DANGEROUS SUBSTANCE OTHER THAN CANNABIS**;

(viii) a blender, bowl, container, spoon, or mixing device used,

intended for use, or designed for use in compounding a controlled dangerous substance **OTHER THAN CANNABIS**;

(ix) a capsule, balloon, envelope, or other container used, intended for use, or designed for use in packaging small quantities of a controlled dangerous substance **OTHER THAN CANNABIS**;

(x) a container or other object used, intended for use, or designed for use in storing or concealing a controlled dangerous substance **OTHER THAN CANNABIS**;

(xi) a hypodermic syringe, needle, or other object used, intended for use, or designed for use in parenterally injecting a controlled dangerous substance into the human body; and

(xii) an object used, intended for use, or designed for use in ingesting, inhaling, or otherwise introducing [marijuana,] cocaine[, hashish, or hashish oil] into the human body [such as:

1. a metal, wooden, acrylic, glass, stone, plastic, or ceramic pipe with or without screen, permanent screen, hashish head, or punctured metal bowl;

2. a water pipe;

3. a carburetion tube or device;

4. a smoking or carburetion mask;

5. an object known as a roach clip used to hold burning material, such as a marijuana cigarette that has become too small or too short to be held in the hand;

6. a miniature spoon used for cocaine and cocaine vials;

7. a chamber pipe;

8. a carburetor pipe;

9. an electric pipe;

10. an air–driven pipe;

11. a chillum;

12. a bong; and

13. an ice pipe or chiller].

**(3) “DRUG PARAPHERNALIA” DOES NOT INCLUDE CANNABIS ACCESSORIES AS DEFINED IN § 23–101 OF THE HEALTH – GENERAL ARTICLE.**

[(r) (1) “Marijuana” means:

- (i) all parts of any plant of the genus Cannabis, whether or not the plant is growing;
- (ii) the seeds of the plant;
- (iii) the resin extracted from the plant; and
- (iv) each compound, manufactured product, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin.

(2) “Marijuana” does not include:

- (i) the mature stalks of the plant;
- (ii) fiber produced from the mature stalks;
- (iii) oil or cake made from the seeds of the plant;
- (iv) except for resin, any other compound, manufactured product, salt, derivative, mixture, or preparation of the mature stalks, fiber, oil, or cake;
- (v) the sterilized seed of the plant that is incapable of germination; or
- (vi) hemp as defined in § 14–101 of the Agriculture Article.]

[(s)] (R) (1) “Narcotic drug” means a substance:

- (i) that has been found to present an extreme danger to the health and welfare of the community because of addiction-forming and addiction-sustaining qualities;
- (ii) that is:
  - 1. an opiate;
  - 2. a compound, manufactured substance, salt, derivative, or preparation of opium, coca leaf, or an opiate; or
  - 3. a substance and any compound, manufactured substance, salt, derivative, or preparation that is chemically identical with a substance listed in items

1 and 2 of this item; and

(iii) that is produced:

1. directly or indirectly by extraction from substances of vegetable origin;
2. independently by chemical synthesis; or
3. by a combination of extraction and chemical synthesis.

(2) "Narcotic drug" includes decocainized coca leaf or an extract of coca leaf that does not contain cocaine or ecgonine.

**[(t)] (S)** "Noncontrolled substance" means a substance that is not classified as a controlled dangerous substance under Subtitle 4 of this title.

**(T) "PERSONAL USE AMOUNT" MEANS:**

**(1) (I) AN AMOUNT OF CANNABIS THAT DOES NOT EXCEED 4 OUNCES;**

**(II) AN AMOUNT OF CONCENTRATED CANNABIS THAT DOES NOT EXCEED 15 GRAMS;**

**(III) AN AMOUNT OF CANNABIS PRODUCTS CONTAINING DELTA-9 TETRAHYDROCANNABINOL THAT DOES NOT EXCEED 1,500 MILLIGRAMS; OR**

**(IV) SIX OR FEWER CANNABIS PLANTS; OR**

**(2) ANY ADDITIONAL CANNABIS PRODUCED BY A PERSON'S CANNABIS PLANT OR PLANTS, IF THE AMOUNT OF CANNABIS IN EXCESS OF THE AMOUNT LISTED IN ITEM (1)(I), (II), OR (III) OF THIS SUBSECTION IS PROCESSED IN A LOCATION:**

**(I) WHERE THE PLANT OR PLANTS WERE CULTIVATED; AND**

**(II) THAT IS SECURE FROM UNAUTHORIZED ACCESS AND ACCESS BY A PERSON WHO IS UNDER THE AGE OF 21 YEARS.**

5-601.

(a) Except as otherwise provided in this title, a person may not:

(1) possess or administer to another a controlled dangerous substance,

unless:

**(I) obtained directly or by prescription or order from an authorized provider acting in the course of professional practice; [or]**

**(II) THE CONTROLLED DANGEROUS SUBSTANCE IS CANNABIS, THE INDIVIDUAL IS AT LEAST 21 YEARS OLD, AND THE AMOUNT POSSESSED DOES NOT EXCEED A PERSONAL USE AMOUNT; OR**

**(III) THE CONTROLLED DANGEROUS SUBSTANCE IS CANNABIS AND POSSESSION IS LEGAL UNDER TITLE 13, SUBTITLE 33 OR TITLE 23 OF THE HEALTH – GENERAL ARTICLE; OR**

(2) obtain or attempt to obtain a controlled dangerous substance, or procure or attempt to procure the administration of a controlled dangerous substance by:

(i) fraud, deceit, misrepresentation, or subterfuge;

order;

(ii) the counterfeiting or alteration of a prescription or a written

(iii) the concealment of a material fact;

(iv) the use of a false name or address;

(v) falsely assuming the title of or representing to be a manufacturer, distributor, or authorized provider; or

(vi) making, issuing, or presenting a false or counterfeit prescription or written order.

(c) (1) Except as provided in paragraphs (2), (3), and (4) of this subsection, a person who violates this section is guilty of a misdemeanor and on conviction is subject to:

(i) for a first conviction, imprisonment not exceeding 1 year or a fine not exceeding \$5,000 or both;

(ii) for a second or third conviction, imprisonment not exceeding 18 months or a fine not exceeding \$5,000 or both; or

(iii) for a fourth or subsequent conviction, imprisonment not exceeding 2 years or a fine not exceeding \$5,000 or both.

(2) (i) Except as provided in [subparagraph (ii)] **SUBPARAGRAPHS (II) AND (III)** of this paragraph **AND TITLE 23 OF THE HEALTH – GENERAL ARTICLE**, a person whose violation of this section involves the use or possession of [marijuana]

**CANNABIS** is guilty of [a] THE misdemeanor of possession of [marijuana] **CANNABIS** and is subject to imprisonment not exceeding 6 months or a fine not exceeding \$1,000 or both.

(ii) 1. **A.** A first finding of guilt under this section involving the use or possession of [less than 10 grams of marijuana] **AN AMOUNT OF CANNABIS NOT EXCEEDING THE PERSONAL USE AMOUNT BY AN INDIVIDUAL UNDER THE AGE OF 21 YEARS** is a civil offense punishable by a fine not exceeding \$100.

**B. A PERSON WHO IS FOUND RESPONSIBLE FOR A CIVIL OFFENSE UNDER THIS SUBSUBPARAGRAPH MAY REQUEST, AND SHALL BE GRANTED, A PENALTY OF UP TO 6 HOURS OF COMMUNITY SERVICE IN LIEU OF A FINE.**

2. **A.** A second finding of guilt under this section involving the use or possession of [less than 10 grams of marijuana] **AN AMOUNT OF CANNABIS NOT EXCEEDING THE PERSONAL USE AMOUNT BY AN INDIVIDUAL UNDER THE AGE OF 21 YEARS** is a civil offense punishable by a fine not exceeding \$250.

**B. A PERSON WHO IS FOUND RESPONSIBLE FOR A CIVIL OFFENSE UNDER THIS SUBSUBPARAGRAPH MAY REQUEST, AND SHALL BE GRANTED, A PENALTY OF UP TO 16 HOURS OF COMMUNITY SERVICE IN LIEU OF A FINE.**

3. **A.** A third or subsequent finding of guilt under this section involving the use or possession of [less than 10 grams of marijuana] **AN AMOUNT OF CANNABIS NOT EXCEEDING THE PERSONAL USE AMOUNT BY AN INDIVIDUAL UNDER THE AGE OF 21 YEARS** is a civil offense punishable by a fine not exceeding \$500.

**B. A PERSON WHO IS FOUND RESPONSIBLE FOR A CIVIL OFFENSE UNDER THIS SUBSUBPARAGRAPH MAY REQUEST, AND SHALL BE GRANTED, A PENALTY OF UP TO 32 HOURS OF COMMUNITY SERVICE IN LIEU OF A FINE.**

4. **A.** In addition to a fine, a court shall order a person under the age of 21 years who commits a violation punishable under subsubparagraph 1, 2, or 3 of this subparagraph to attend a drug education program approved by the Maryland Department of Health, refer the person to an assessment for substance abuse disorder, and refer the person to substance abuse treatment, if necessary.

**B.** [In addition to a fine, a court shall order a person at least 21 years old who commits a violation punishable under subsubparagraph 3 of this subparagraph to attend a drug education program approved by the Maryland Department of Health, refer the person to an assessment for substance abuse disorder, and refer the person to substance abuse treatment, if necessary.

**C.]** A court that orders a person to a drug education program or substance abuse assessment or treatment under this subsubparagraph may hold the case sub curia pending receipt of proof of completion of the program, assessment, or

treatment.

**(III) 1. A VIOLATION OF THIS SECTION INVOLVING A PERSON AT LEAST 21 YEARS OLD POSSESSING CANNABIS IN AN AMOUNT GREATER THAN THE PERSONAL USE AMOUNT BUT NOT EXCEEDING DOUBLE THE PERSONAL USE AMOUNT IS A CIVIL OFFENSE PUNISHABLE BY A FINE NOT EXCEEDING \$250.**

**2. A PERSON WHO IS FOUND RESPONSIBLE FOR A CIVIL OFFENSE UNDER THIS SUBPARAGRAPH MAY REQUEST, AND SHALL BE GRANTED, A PENALTY OF UP TO 16 HOURS OF COMMUNITY SERVICE IN LIEU OF A FINE.**

(3) (i) 1. In this paragraph the following words have the meanings indicated.

2. “Bona fide physician–patient relationship” means a relationship in which the physician has ongoing responsibility for the assessment, care, and treatment of a patient’s medical condition.

3. “Caregiver” means an individual designated by a patient with a debilitating medical condition to provide physical or medical assistance to the patient, including assisting with the medical use of [marijuana] CANNABIS, who:

A. is a resident of the State;  
B. is at least 21 years old;  
C. is an immediate family member, a spouse, or a domestic partner of the patient;  
D. has not been convicted of a crime of violence as defined in § 14–101 of this article;

E. has not been convicted of a violation of a State or federal controlled dangerous substances law;

F. has not been convicted of a crime of moral turpitude;  
G. has been designated as caregiver by the patient in writing that has been placed in the patient’s medical record prior to arrest;  
H. is the only individual designated by the patient to serve as caregiver; and

I. is not serving as caregiver for any other patient.

4. “Debilitating medical condition” means a chronic or

debilitating disease or medical condition or the treatment of a chronic or debilitating disease or medical condition that produces one or more of the following, as documented by a physician with whom the patient has a bona fide physician–patient relationship:

- A. cachexia or wasting syndrome;
- B. severe or chronic pain;
- C. severe nausea;
- D. seizures;
- E. severe and persistent muscle spasms; or
- F. any other condition that is severe and resistant to conventional medicine.

(ii) 1. In a prosecution for the use or possession of [marijuana] CANNABIS, the defendant may introduce and the court shall consider as a mitigating factor any evidence of medical necessity.

2. Notwithstanding paragraph (2) of this subsection, if the court finds that the person used or possessed [marijuana] CANNABIS because of medical necessity, the court shall dismiss the charge.

(iii) 1. In a prosecution for the use or possession of [marijuana] CANNABIS under this section, it is an affirmative defense that the defendant used or possessed [marijuana] CANNABIS because:

A. the defendant has a debilitating medical condition that has been diagnosed by a physician with whom the defendant has a bona fide physician–patient relationship;

B. the debilitating medical condition is severe and resistant to conventional medicine; and

C. [marijuana] CANNABIS is likely to provide the defendant with therapeutic or palliative relief from the debilitating medical condition.

2. A. In a prosecution for the possession of [marijuana] CANNABIS under this section, it is an affirmative defense that the defendant possessed [marijuana] CANNABIS because the [marijuana] CANNABIS was intended for medical use by an individual with a debilitating medical condition for whom the defendant is a caregiver.

B. A defendant may not assert the affirmative defense under

this subsubparagraph unless the defendant notifies the State's Attorney of the defendant's intention to assert the affirmative defense and provides the State's Attorney with all documentation in support of the affirmative defense in accordance with the rules of discovery provided in Maryland Rules 4-262 and 4-263.

3. An affirmative defense under this subparagraph may not be used if the defendant was:

A. using [marijuana] CANNABIS in a public place or assisting the individual for whom the defendant is a caregiver in using the [marijuana] CANNABIS in a public place; or

B. in possession of more than 1 ounce of [marijuana] CANNABIS.

[(4) A violation of this section involving the smoking of marijuana in a public place is a civil offense punishable by a fine not exceeding \$500.]

(d) The provisions of subsection (c)(2)(ii) of this section making the possession of [marijuana] CANNABIS a civil offense **FOR INDIVIDUALS UNDER THE AGE OF 21 YEARS AND THE PROVISIONS OF TITLE 23 OF THE HEALTH – GENERAL ARTICLE MAKING THE POSSESSION OF CANNABIS LEGAL FOR INDIVIDUALS AT LEAST 21 YEARS OLD** may not be construed to affect the laws relating to[:

(1)] operating a vehicle or vessel while under the influence of or while impaired by a controlled dangerous substance[; or

(2) seizure and forfeiture].

5-601.1.

(a) A police officer shall issue a citation to a person who the police officer has probable cause to believe has committed a violation of § 5-601 of this part involving the use or possession of [less than 10 grams of marijuana] **AN AMOUNT OF CANNABIS NOT EXCEEDING DOUBLE THE PERSONAL USE AMOUNT**.

(b) (1) A violation of § 5-601 of this part involving the use or possession of [less than 10 grams of marijuana] **AN AMOUNT OF CANNABIS NOT EXCEEDING DOUBLE THE PERSONAL USE AMOUNT** is a civil offense.

(2) Adjudication of a violation under § 5-601 of this part involving the use or possession of [less than 10 grams of marijuana] **AN AMOUNT OF CANNABIS NOT EXCEEDING DOUBLE THE PERSONAL USE AMOUNT**:

(i) is not a criminal conviction for any purpose; and

(ii) does not impose any of the civil disabilities that may result from a criminal conviction.

(c) (1) A citation issued for a violation of § 5–601 of this part involving the use or possession of [less than 10 grams of marijuana] **AN AMOUNT OF CANNABIS NOT EXCEEDING DOUBLE THE PERSONAL USE AMOUNT** shall be signed by the police officer who issues the citation and shall contain:

- (i) the name, address, and date of birth of the person charged;
- (ii) the date and time that the violation occurred;
- (iii) the location at which the violation occurred;
- (iv) the fine **OR AMOUNT OF COMMUNITY SERVICE** that may be imposed;

(v) a notice stating that prepayment of the fine is allowed, except as provided in paragraph (2) of this subsection; and

- (vi) a notice in boldface type that states that the person shall:
  - 1. pay the full amount of the preset fine; **[or]**
  - 2. **REQUEST COMMUNITY SERVICE IN LIEU OF THE FINE;**

**OR**

3. request a trial date at the date, time, and place established by the District Court by writ or trial notice.

(2) **[(i)]** If a citation for a violation of § 5–601 of this part involving the use or possession of [less than 10 grams of marijuana] **AN AMOUNT OF CANNABIS NOT EXCEEDING DOUBLE THE PERSONAL USE AMOUNT** is issued to a person under the age of 21 years, the court shall summon the person for trial.

**[(ii)]** If the court finds that a person at least 21 years old who has been issued a citation under this section has at least twice previously been found guilty under § 5–601 of this part involving the use or possession of less than 10 grams of marijuana, the court shall summon the person for trial.]

(d) The form of the citation shall be uniform throughout the State and shall be prescribed by the District Court.

(e) (1) The Chief Judge of the District Court shall establish a schedule for the prepayment of the fine **AND PROCEDURES FOR INDIVIDUALS TO REQUEST AND BE**

**GRANTED COMMUNITY SERVICE IN LIEU OF A FINE.**

(2) Prepayment of a fine **OR ACCEPTANCE OF COMMUNITY SERVICE IN LIEU OF A FINE** shall be considered a plea of guilty to a Code violation.

(3) A person described in subsection (c)(2) of this section may not prepay the fine.

(f) (1) A person may request a trial by sending a request for trial to the District Court in the jurisdiction where the citation was issued within 30 days of the issuance of the citation.

(2) If a person other than a person described in subsection (c)(2) of this section does not request a trial [or], prepay the fine, **OR REQUEST COMMUNITY SERVICE IN LIEU OF A FINE** within 30 days of the issuance of the citation, the court may impose the maximum fine and costs against the person and find the person is guilty of a Code violation for purposes of subsection (c)(2)(ii) of this section.

(g) The issuing jurisdiction shall forward a copy of the citation and a request for trial to the District Court in the district having venue.

(h) (1) The failure of a defendant to respond to a summons described in subsection (c)(2) of this section shall be governed by § 5-212 of the Criminal Procedure Article.

(2) If a person at least 21 years old fails to appear after having requested a trial, the court may impose the maximum fine **OR COMMUNITY SERVICE** and costs against the person and find the person is guilty of a Code violation [for purposes of subsection (c)(2)(ii) of this section].

(i) In any proceeding for a Code violation under § 5-601 of this part involving the use or possession of [less than 10 grams of marijuana] **AN AMOUNT OF CANNABIS NOT EXCEEDING DOUBLE THE PERSONAL USE AMOUNT**:

(1) the State has the burden to prove the guilt of the defendant by a preponderance of the evidence;

(2) the court shall apply the evidentiary standards as prescribed by law or rule for the trial of a criminal case;

(3) the court shall ensure that the defendant has received a copy of the charges against the defendant and that the defendant understands those charges;

(4) the defendant is entitled to cross-examine all witnesses who appear against the defendant, to produce evidence or witnesses on behalf of the defendant, and to testify on the defendant's own behalf, if the defendant chooses to do so;

(5) the defendant is entitled to be represented by counsel of the defendant's choice and at the expense of the defendant; and

(6) the defendant may enter a plea of guilty or not guilty, and the verdict of the court in the case shall be:

(i) guilty of a Code violation;

(ii) not guilty of a Code violation; or

(iii) probation before judgment, imposed by the court in the same manner and to the same extent as is allowed by law in the trial of a criminal case.

(j) (1) The defendant is liable for the costs of the proceedings in the District Court.

(2) The court costs in a Code violation case under § 5-601 of this part involving the use or possession of [less than 10 grams of marijuana] **AN AMOUNT OF CANNABIS NOT EXCEEDING DOUBLE THE PERSONAL USE AMOUNT** in which costs are imposed are \$5.

(k) (1) The State's Attorney for any county may prosecute a Code violation under § 5-601 of this part involving the use or possession of [less than 10 grams of marijuana] **AN AMOUNT OF CANNABIS NOT EXCEEDING DOUBLE THE PERSONAL USE AMOUNT** in the same manner as prosecution of a violation of the criminal laws of the State.

(2) In a Code violation case under § 5-601 of this part involving the use or possession of [less than 10 grams of marijuana] **AN AMOUNT OF CANNABIS NOT EXCEEDING DOUBLE THE PERSONAL USE AMOUNT**, the State's Attorney may:

(i) enter a nolle prosequi or move to place the case on the stet docket; and

(ii) exercise authority in the same manner as prescribed by law for violation of the criminal laws of the State.

(l) A person issued a citation for a violation of § 5-601 of this part involving the use or possession of [less than 10 grams of marijuana] **AN AMOUNT OF CANNABIS NOT EXCEEDING DOUBLE THE PERSONAL USE AMOUNT** who is under the age of 18 years shall be subject to the procedures and dispositions provided in Title 3, Subtitle 8A of the Courts Article.

(m) A citation for a violation of § 5-601 of this part involving the use or possession of [less than 10 grams of marijuana] **AN AMOUNT OF CANNABIS NOT EXCEEDING DOUBLE THE PERSONAL USE AMOUNT** and the official record of a court regarding the

citation are not subject to public inspection and may not be included on the public website maintained by the Maryland Judiciary if:

- (1) the defendant has prepaid the fine **OR PERFORMED THE COMMUNITY SERVICE**;
- (2) the defendant has pled guilty to or been found guilty of the Code violation and has fully paid the fine **OR PERFORMED THE COMMUNITY SERVICE** and **PAID THE** costs imposed for the violation;
- (3) the defendant has received a probation before judgment and has fully paid the fine **OR PERFORMED THE COMMUNITY SERVICE** and completed any terms imposed by the court;
- (4) the case has been removed from the stet docket after the defendant fully paid the fine and completed any terms imposed by the court;
- (5) the State has entered a nolle prosequi;
- (6) the defendant has been found not guilty of the charge; or
- (7) the charge has been dismissed.

## **5-601.2.**

**(A) A PERSON MAY NOT SMOKE CANNABIS IN A PUBLIC PLACE, AS DEFINED IN § 23-101 OF THE HEALTH – GENERAL ARTICLE.**

**(B) (1) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A CIVIL OFFENSE PUNISHABLE BY A FINE NOT EXCEEDING \$50.**

**(2) A PERSON WHO IS FOUND RESPONSIBLE FOR A CIVIL OFFENSE UNDER THIS SECTION MAY REQUEST, AND SHALL BE GRANTED, A PENALTY OF UP TO 5 HOURS OF COMMUNITY SERVICE IN LIEU OF A FINE.**

**(C) A POLICE OFFICER SHALL ISSUE A CITATION TO A PERSON WHO THE POLICE OFFICER HAS PROBABLE CAUSE TO BELIEVE HAS COMMITTED A VIOLATION OF THIS SECTION.**

**(D) (1) A VIOLATION OF THIS SECTION IS A CIVIL OFFENSE.**

**(2) ADJUDICATION OF A VIOLATION UNDER THIS SECTION:**

**(I) IS NOT A CRIMINAL CONVICTION FOR ANY PURPOSE; AND**

(II) DOES NOT IMPOSE ANY OF THE CIVIL DISABILITIES THAT MAY RESULT FROM A CRIMINAL CONVICTION.

(E) (1) A CITATION ISSUED FOR A VIOLATION OF THIS SECTION SHALL BE SIGNED BY THE POLICE OFFICER WHO ISSUES THE CITATION AND SHALL CONTAIN:

(I) THE NAME, ADDRESS, AND DATE OF BIRTH OF THE PERSON CHARGED;

(II) THE DATE AND TIME THAT THE VIOLATION OCCURRED;

(III) THE LOCATION AT WHICH THE VIOLATION OCCURRED;

(IV) THE FINE OR AMOUNT OF COMMUNITY SERVICE THAT MAY BE IMPOSED;

(V) A NOTICE STATING THAT PREPAYMENT OF THE FINE IS ALLOWED, EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION; AND

(VI) A NOTICE IN BOLDFACE TYPE THAT STATES THAT THE PERSON SHALL:

1. PAY THE FULL AMOUNT OF THE PRESET FINE;

2. REQUEST COMMUNITY SERVICE IN LIEU OF THE FINE;

OR

3. REQUEST A TRIAL AT THE DATE, TIME, AND PLACE ESTABLISHED BY THE DISTRICT COURT BY WRIT OR TRIAL NOTICE.

(2) IF A CITATION FOR A VIOLATION OF THIS SECTION IS ISSUED TO A PERSON UNDER THE AGE OF 21 YEARS, THE COURT SHALL SUMMON THE PERSON FOR TRIAL.

(F) THE FORM OF THE CITATION SHALL BE UNIFORM THROUGHOUT THE STATE AND SHALL BE PRESCRIBED BY THE DISTRICT COURT.

(G) (1) THE CHIEF JUDGE OF THE DISTRICT COURT SHALL ESTABLISH A SCHEDULE FOR THE PREPAYMENT OF THE FINE AND PROCEDURES FOR INDIVIDUALS TO REQUEST AND BE GRANTED COMMUNITY SERVICE IN LIEU OF A FINE.

(2) PREPAYMENT OF A FINE OR ACCEPTANCE OF COMMUNITY

SERVICE IN LIEU OF A FINE SHALL BE CONSIDERED A PLEA OF GUILTY TO A CODE VIOLATION.

(3) A PERSON UNDER THE AGE OF 21 YEARS MAY NOT PREPAY THE FINE.

(H) (1) A PERSON MAY REQUEST A TRIAL BY SENDING A REQUEST FOR TRIAL TO THE DISTRICT COURT IN THE JURISDICTION WHERE THE CITATION WAS ISSUED WITHIN 30 DAYS AFTER THE ISSUANCE OF THE CITATION.

(2) IF A PERSON DOES NOT REQUEST A TRIAL, PREPAY THE FINE, OR REQUEST COMMUNITY SERVICE IN LIEU OF A FINE WITHIN 30 DAYS AFTER THE ISSUANCE OF THE CITATION, THE COURT MAY IMPOSE THE MAXIMUM FINE OR COMMUNITY SERVICE AND COSTS AGAINST THE PERSON AND FIND THE PERSON GUILTY OF A CODE VIOLATION.

(I) THE ISSUING JURISDICTION SHALL FORWARD A COPY OF THE CITATION AND A REQUEST FOR TRIAL TO THE DISTRICT COURT IN THE DISTRICT HAVING VENUE.

(J) (1) THE FAILURE OF A DEFENDANT TO RESPOND TO A SUMMONS DESCRIBED IN SUBSECTION (E)(2) OF THIS SECTION SHALL BE GOVERNED BY § 5-212 OF THE CRIMINAL PROCEDURE ARTICLE.

(2) IF A PERSON AT LEAST 21 YEARS OLD FAILS TO APPEAR AFTER HAVING REQUESTED A TRIAL, THE COURT MAY IMPOSE THE MAXIMUM FINE OR COMMUNITY SERVICE AND COSTS AGAINST THE PERSON AND FIND THE PERSON GUILTY OF A CODE VIOLATION.

(K) IN ANY PROCEEDING FOR A CODE VIOLATION UNDER THIS SECTION:

(1) THE STATE HAS THE BURDEN TO PROVE THE GUILT OF THE DEFENDANT BY A PREPONDERANCE OF THE EVIDENCE;

(2) THE COURT SHALL APPLY THE EVIDENTIARY STANDARDS AS PRESCRIBED BY LAW OR RULE FOR THE TRIAL OF A CRIMINAL CASE;

(3) THE COURT SHALL ENSURE THAT THE DEFENDANT HAS RECEIVED A COPY OF THE CHARGES AGAINST THE DEFENDANT AND THAT THE DEFENDANT UNDERSTANDS THOSE CHARGES;

(4) THE DEFENDANT IS ENTITLED TO CROSS-EXAMINE ALL WITNESSES WHO APPEAR AGAINST THE DEFENDANT, TO PRODUCE EVIDENCE OR

WITNESSES ON BEHALF OF THE DEFENDANT, AND TO TESTIFY ON THE DEFENDANT'S OWN BEHALF, IF THE DEFENDANT CHOOSES TO DO SO;

(5) THE DEFENDANT IS ENTITLED TO BE REPRESENTED BY COUNSEL OF THE DEFENDANT'S CHOICE AND AT THE EXPENSE OF THE DEFENDANT; AND

(6) THE DEFENDANT MAY ENTER A PLEA OF GUILTY OR NOT GUILTY, AND THE VERDICT OF THE COURT IN THE CASE SHALL BE:

(I) GUILTY OF A CODE VIOLATION;

(II) NOT GUILTY OF A CODE VIOLATION; OR

(III) PROBATION BEFORE JUDGMENT, IMPOSED BY THE COURT IN THE SAME MANNER AND TO THE SAME EXTENT AS IS ALLOWED BY LAW IN THE TRIAL OF A CRIMINAL CASE.

(L) (1) THE DEFENDANT IS LIABLE FOR THE COSTS OF THE PROCEEDINGS IN THE DISTRICT COURT.

(2) THE COURT COSTS IN A CODE VIOLATION CASE UNDER THIS SECTION IN WHICH COSTS ARE IMPOSED ARE \$5.

(M) (1) THE STATE'S ATTORNEY FOR ANY COUNTY MAY PROSECUTE A CODE VIOLATION UNDER THIS SECTION IN THE SAME MANNER AS PROSECUTION FOR A VIOLATION OF THE CRIMINAL LAWS OF THE STATE.

(2) IN A CODE VIOLATION CASE UNDER THIS SECTION, THE STATE'S ATTORNEY MAY:

(I) ENTER A NOLLE PROSEQUI OR MOVE TO PLACE THE CASE ON THE STET DOCKET; AND

(II) EXERCISE AUTHORITY IN THE SAME MANNER AS PRESCRIBED BY LAW FOR VIOLATION OF THE CRIMINAL LAWS OF THE STATE.

(N) A PERSON ISSUED A CITATION FOR A VIOLATION OF THIS SECTION WHO IS UNDER THE AGE OF 18 YEARS SHALL BE SUBJECT TO THE PROCEDURES AND DISPOSITIONS PROVIDED IN TITLE 3, SUBTITLE 8A OF THE COURTS ARTICLE.

(O) A CITATION FOR A VIOLATION OF THIS SECTION AND THE OFFICIAL RECORD OF A COURT REGARDING THE CITATION ARE NOT SUBJECT TO PUBLIC INSPECTION AND MAY NOT BE INCLUDED ON THE PUBLIC WEBSITE MAINTAINED BY

THE MARYLAND JUDICIARY IF:

- (1) THE DEFENDANT HAS PREPAID THE FINE OR PERFORMED THE COMMUNITY SERVICE;
  - (2) THE DEFENDANT HAS PLED GUILTY TO OR BEEN FOUND GUILTY OF THE CODE VIOLATION AND HAS FULLY PAID THE FINE OR PERFORMED THE COMMUNITY SERVICE AND PAID THE COSTS IMPOSED FOR THE VIOLATION;
  - (3) THE DEFENDANT HAS RECEIVED A PROBATION BEFORE JUDGMENT AND HAS FULLY PAID THE FINE OR PERFORMED THE COMMUNITY SERVICE AND COMPLETED ANY TERMS IMPOSED BY THE COURT;
  - (4) THE CASE HAS BEEN REMOVED FROM THE STET DOCKET AFTER THE DEFENDANT FULLY PAID THE FINE AND COMPLETED ANY TERMS IMPOSED BY THE COURT;
  - (5) THE STATE HAS ENTERED A NOLLE PROSEQUI;
  - (6) THE DEFENDANT HAS BEEN FOUND NOT GUILTY OF THE CHARGE;
- OR
- (7) THE CHARGE HAS BEEN DISMISSED.

**5-601.3.**

- (A) A PERSON MAY NOT CULTIVATE CANNABIS PLANTS IN A MANNER THAT IS CONTRARY TO THIS SECTION.
- (B) CANNABIS PLANTS MAY NOT BE CULTIVATED IN A LOCATION WHERE THE PLANTS ARE SUBJECT TO PUBLIC VIEW, INCLUDING A VIEW FROM ANOTHER PRIVATE PROPERTY, WITHOUT THE USE OF BINOCULARS, AIRCRAFT, OR OTHER OPTICAL AIDS.
- (C)
  - (1) IN THIS SUBSECTION, “REASONABLE PRECAUTIONS” INCLUDES CULTIVATING CANNABIS IN AN ENCLOSED LOCKED SPACE TO WHICH PERSONS UNDER THE AGE OF 21 YEARS DO NOT POSSESS A KEY.
  - (2) A PERSON WHO CULTIVATES CANNABIS SHALL TAKE REASONABLE PRECAUTIONS TO ENSURE THE PLANTS ARE SECURE FROM UNAUTHORIZED ACCESS AND ACCESS BY A PERSON UNDER THE AGE OF 21 YEARS.
- (D) CANNABIS CULTIVATION MAY OCCUR ONLY ON PROPERTY LAWFULLY IN

POSSESSION OF THE CULTIVATOR OR WITH THE CONSENT OF THE PERSON IN LAWFUL POSSESSION OF THE PROPERTY.

(E) A PERSON UNDER THE AGE OF 21 YEARS MAY NOT CULTIVATE CANNABIS PLANTS.

(F) (1) A PERSON MAY NOT CULTIVATE MORE THAN 6 CANNABIS PLANTS.

(2) IF TWO OR MORE PERSONS AT LEAST 21 YEARS OLD RESIDE AT THE SAME RESIDENCE, NO MORE THAN 12 CANNABIS PLANTS MAY BE CULTIVATED AT THAT RESIDENCE.

(G) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A CIVIL OFFENSE PUNISHABLE BY A FINE NOT EXCEEDING \$750.

(2) A PERSON WHO VIOLATES THIS SECTION BY CULTIVATING MORE THAN 6 PLANTS BUT LESS THAN 12 PLANTS IS GUILTY OF A CIVIL OFFENSE PUNISHABLE BY A FINE NOT EXCEEDING \$250.

(3) A PERSON WHO IS FOUND RESPONSIBLE FOR A CIVIL OFFENSE UNDER THIS SECTION MAY REQUEST, AND SHALL BE GRANTED, A PENALTY OF UP TO 50 HOURS OF COMMUNITY SERVICE IN LIEU OF A FINE.

(H) A POLICE OFFICER SHALL ISSUE A CITATION TO A PERSON WHO THE POLICE OFFICER HAS PROBABLE CAUSE TO BELIEVE HAS COMMITTED A VIOLATION OF THIS SECTION.

(I) (1) A VIOLATION OF THIS SECTION IS A CIVIL OFFENSE.

(2) ADJUDICATION OF A VIOLATION UNDER THIS SECTION:

(I) IS NOT A CRIMINAL CONVICTION FOR ANY PURPOSE; AND

(II) DOES NOT IMPOSE ANY OF THE CIVIL DISABILITIES THAT MAY RESULT FROM A CRIMINAL CONVICTION.

(J) (1) A CITATION ISSUED FOR A VIOLATION OF THIS SECTION SHALL BE SIGNED BY THE POLICE OFFICER WHO ISSUES THE CITATION AND SHALL CONTAIN:

(I) THE NAME, ADDRESS, AND DATE OF BIRTH OF THE PERSON CHARGED;

(II) THE DATE AND TIME THAT THE VIOLATION OCCURRED;  
(III) THE LOCATION AT WHICH THE VIOLATION OCCURRED;  
(IV) THE FINE OR AMOUNT OF COMMUNITY SERVICE THAT MAY BE IMPOSED;

(V) A NOTICE STATING THAT PREPAYMENT OF THE FINE IS ALLOWED, EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION; AND

(VI) A NOTICE IN BOLDFACE TYPE THAT STATES THAT THE PERSON SHALL:

1. PAY THE FULL AMOUNT OF THE PRESET FINE;
2. REQUEST COMMUNITY SERVICE IN LIEU OF THE FINE;

OR

3. REQUEST A TRIAL AT THE DATE, TIME, AND PLACE ESTABLISHED BY THE DISTRICT COURT BY WRIT OR TRIAL NOTICE.

(2) IF A CITATION FOR A VIOLATION OF THIS SECTION IS ISSUED TO A PERSON UNDER THE AGE OF 21 YEARS, THE COURT SHALL SUMMON THE PERSON FOR TRIAL.

(K) THE FORM OF THE CITATION SHALL BE UNIFORM THROUGHOUT THE STATE AND SHALL BE PRESCRIBED BY THE DISTRICT COURT.

(L) (1) THE CHIEF JUDGE OF THE DISTRICT COURT SHALL ESTABLISH A SCHEDULE FOR THE PREPAYMENT OF THE FINE AND PROCEDURES FOR INDIVIDUALS TO REQUEST AND BE GRANTED COMMUNITY SERVICE IN LIEU OF A FINE.

(2) PREPAYMENT OF A FINE OR ACCEPTANCE OF COMMUNITY SERVICE IN LIEU OF A FINE SHALL BE CONSIDERED A PLEA OF GUILTY TO A CODE VIOLATION.

(3) A PERSON UNDER THE AGE OF 21 YEARS MAY NOT PREPAY THE FINE.

(M) (1) A PERSON MAY REQUEST A TRIAL BY SENDING A REQUEST FOR TRIAL TO THE DISTRICT COURT IN THE JURISDICTION WHERE THE CITATION WAS ISSUED WITHIN 30 DAYS AFTER THE ISSUANCE OF THE CITATION.

(2) IF A PERSON DOES NOT REQUEST A TRIAL, PREPAY THE FINE, OR REQUEST COMMUNITY SERVICE IN LIEU OF A FINE WITHIN 30 DAYS AFTER THE ISSUANCE OF THE CITATION, THE COURT MAY IMPOSE THE MAXIMUM FINE OR COMMUNITY SERVICE AND COSTS AGAINST THE PERSON AND FIND THE PERSON GUILTY OF A CODE VIOLATION.

(N) THE ISSUING JURISDICTION SHALL FORWARD A COPY OF THE CITATION AND A REQUEST FOR TRIAL TO THE DISTRICT COURT IN THE DISTRICT HAVING VENUE.

(O) (1) THE FAILURE OF A DEFENDANT TO RESPOND TO A SUMMONS DESCRIBED IN SUBSECTION (H)(2) OF THIS SECTION SHALL BE GOVERNED BY § 5-212 OF THE CRIMINAL PROCEDURE ARTICLE.

(2) IF A PERSON AT LEAST 21 YEARS OLD FAILS TO APPEAR AFTER HAVING REQUESTED A TRIAL, THE COURT MAY IMPOSE THE MAXIMUM FINE OR COMMUNITY SERVICE AND COSTS AGAINST THE PERSON AND FIND THE PERSON GUILTY OF A CODE VIOLATION.

(P) IN ANY PROCEEDING FOR A CODE VIOLATION UNDER THIS SECTION:

(1) THE STATE HAS THE BURDEN TO PROVE THE GUILT OF THE DEFENDANT BY A PREPONDERANCE OF THE EVIDENCE;

(2) THE COURT SHALL APPLY THE EVIDENTIARY STANDARDS AS PRESCRIBED BY LAW OR RULE FOR THE TRIAL OF A CRIMINAL CASE;

(3) THE COURT SHALL ENSURE THAT THE DEFENDANT HAS RECEIVED A COPY OF THE CHARGES AGAINST THE DEFENDANT AND THAT THE DEFENDANT UNDERSTANDS THOSE CHARGES;

(4) THE DEFENDANT IS ENTITLED TO CROSS-EXAMINE ALL WITNESSES WHO APPEAR AGAINST THE DEFENDANT, TO PRODUCE EVIDENCE OR WITNESSES ON BEHALF OF THE DEFENDANT, AND TO TESTIFY ON THE DEFENDANT'S OWN BEHALF, IF THE DEFENDANT CHOOSES TO DO SO;

(5) THE DEFENDANT IS ENTITLED TO BE REPRESENTED BY COUNSEL OF THE DEFENDANT'S CHOICE AND AT THE EXPENSE OF THE DEFENDANT; AND

(6) THE DEFENDANT MAY ENTER A PLEA OF GUILTY OR NOT GUILTY, AND THE VERDICT OF THE COURT IN THE CASE SHALL BE:

- (I) GUILTY OF A CODE VIOLATION;
- (II) NOT GUILTY OF A CODE VIOLATION; OR

(III) PROBATION BEFORE JUDGMENT, IMPOSED BY THE COURT IN THE SAME MANNER AND TO THE SAME EXTENT AS IS ALLOWED BY LAW IN THE TRIAL OF A CRIMINAL CASE.

(Q) (1) THE DEFENDANT IS LIABLE FOR THE COSTS OF THE PROCEEDINGS IN THE DISTRICT COURT.

(2) THE COURT COSTS IN A CODE VIOLATION CASE UNDER THIS SECTION IN WHICH COSTS ARE IMPOSED ARE \$5.

(R) (1) THE STATE'S ATTORNEY FOR ANY COUNTY MAY PROSECUTE A CODE VIOLATION UNDER THIS SECTION IN THE SAME MANNER AS PROSECUTION FOR A VIOLATION OF THE CRIMINAL LAWS OF THE STATE.

(2) IN A CODE VIOLATION CASE UNDER THIS SECTION, THE STATE'S ATTORNEY MAY:

(I) ENTER A NOLLE PROSEQUI OR MOVE TO PLACE THE CASE ON THE STET DOCKET; AND

(II) EXERCISE AUTHORITY IN THE SAME MANNER AS PRESCRIBED BY LAW FOR VIOLATION OF THE CRIMINAL LAWS OF THE STATE.

(S) A PERSON ISSUED A CITATION FOR A VIOLATION OF THIS SECTION WHO IS UNDER THE AGE OF 18 YEARS SHALL BE SUBJECT TO THE PROCEDURES AND DISPOSITIONS PROVIDED IN TITLE 3, SUBTITLE 8A OF THE COURTS ARTICLE.

(T) A CITATION FOR A VIOLATION OF THIS SECTION AND THE OFFICIAL RECORD OF A COURT REGARDING THE CITATION ARE NOT SUBJECT TO PUBLIC INSPECTION AND MAY NOT BE INCLUDED ON THE PUBLIC WEBSITE MAINTAINED BY THE MARYLAND JUDICIARY IF:

(1) THE DEFENDANT HAS PREPAID THE FINE OR PERFORMED THE COMMUNITY SERVICE;

(2) THE DEFENDANT HAS PLED GUILTY TO OR BEEN FOUND GUILTY OF THE CODE VIOLATION AND HAS FULLY PAID THE FINE OR PERFORMED THE COMMUNITY SERVICE AND PAID THE COSTS IMPOSED FOR THE VIOLATION;

**(3) THE DEFENDANT HAS RECEIVED A PROBATION BEFORE JUDGMENT AND HAS FULLY PAID THE FINE OR PERFORMED THE COMMUNITY SERVICE AND COMPLETED ANY TERMS IMPOSED BY THE COURT;**

**(4) THE CASE HAS BEEN REMOVED FROM THE STET DOCKET AFTER THE DEFENDANT FULLY PAID THE FINE AND COMPLETED ANY TERMS IMPOSED BY THE COURT;**

**(5) THE STATE HAS ENTERED A NOLLE PROSEQUI;**

**(6) THE DEFENDANT HAS BEEN FOUND NOT GUILTY OF THE CHARGE;**

OR

**(7) THE CHARGE HAS BEEN DISMISSED.**

5-612.

**(a) [A] EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, A person may not manufacture, distribute, dispense, or possess:**

**(1) 50 pounds or more of [marijuana] CANNABIS;**

**(2) 448 grams or more of cocaine;**

**(3) 448 grams or more of any mixture containing a detectable amount, as scientifically measured using representative sampling methodology, of cocaine;**

**(4) 448 grams or more of cocaine base, commonly known as “crack”;**

**(5) 28 grams or more of morphine or opium or any derivative, salt, isomer, or salt of an isomer of morphine or opium;**

**(6) 28 grams or more of any mixture containing a detectable amount, as scientifically measured using representative sampling methodology, of morphine or opium or any derivative, salt, isomer, or salt of an isomer of morphine or opium;**

**(7) 5 grams or more of fentanyl or any structural variation of fentanyl that is scheduled by the United States Drug Enforcement Administration;**

**(8) 28 grams or more of any mixture containing a detectable amount, as scientifically measured using representative sampling methodology, of fentanyl or any structural variation of fentanyl that is scheduled by the United States Drug Enforcement Administration;**

**(9) 1,000 dosage units or more of lysergic acid diethylamide;**

(10) any mixture containing the equivalent of 1,000 dosage units of lysergic acid diethylamide;

(11) 16 ounces or more of phencyclidine in liquid form;

(12) 448 grams or more of any mixture containing a detectable amount, as scientifically measured using representative sampling methodology, of phencyclidine;

(13) 448 grams or more of methamphetamine; or

(14) 448 grams or more of any mixture containing a detectable amount, as scientifically measured using representative sampling methodology, of methamphetamine.

(b) For the purpose of determining the quantity of a controlled dangerous substance involved in individual acts of manufacturing, distributing, dispensing, or possessing under subsection (a) of this section, the acts may be aggregated if each of the acts occurred within a 90-day period.

(c) (1) A person who is convicted of a violation of subsection (a) of this section shall be sentenced to imprisonment for not less than 5 years and is subject to a fine not exceeding \$100,000.

(2) The court may not suspend any part of the mandatory minimum sentence of 5 years.

(3) Except as provided in § 4–305 of the Correctional Services Article, the person is not eligible for parole during the mandatory minimum sentence.

5–614.

(a) (1) Unless authorized by law to possess the substance, a person may not bring into the State:

(i) 45 kilograms or more of [marijuana] CANNABIS;

(ii) 28 grams or more of cocaine;

(iii) any mixture containing 28 grams or more of cocaine;

(iv) 4 grams or more of morphine or opium or any derivative, salt, isomer, or salt of an isomer of morphine or opium;

(v) 1,000 dosage units of lysergic acid diethylamide;

(vi) any mixture containing the equivalent of 1,000 dosage units of lysergic acid diethylamide;

- (vii) 28 grams or more of phencyclidine in liquid or powder form;
  - (viii) 112 grams or more of any mixture containing phencyclidine;
  - (ix) 1,000 dosage units or more of methaqualone;
  - (x) 28 grams or more of methamphetamine;
  - (xi) any mixture containing 28 grams or more of methamphetamine;
- or
- (xii) 4 grams or more of fentanyl or a fentanyl analogue.

(2) A person who violates this subsection is guilty of a felony and on conviction is subject to imprisonment not exceeding 25 years or a fine not exceeding \$50,000 or both.

(b) (1) Unless authorized by law to possess the [marijuana] CANNABIS, a person may not bring into the State more than 5 kilograms but less than 45 kilograms of [marijuana] CANNABIS.

(2) A person who violates this subsection is guilty of a felony and on conviction is subject to imprisonment not exceeding 10 years or a fine not exceeding \$10,000 or both.

5-619.

(c) (1) [This subsection does not apply to the use or possession of drug paraphernalia involving the use or possession of marijuana.

(2)] Unless authorized under this title, a person may not use or possess with intent to use drug paraphernalia to:

(i) plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, pack, repack, store, contain, or conceal a controlled dangerous substance; or

(ii) inject, ingest, inhale, or otherwise introduce into the human body a controlled dangerous substance.

[(3)] (2) A person who violates this subsection is guilty of a misdemeanor and on conviction is subject to:

(i) for a first violation, a fine not exceeding \$500; and

(ii) for each subsequent violation, imprisonment not exceeding 2 years or a fine not exceeding \$2,000 or both.

**[(4)] (3)** A person who is convicted of violating this subsection for the first time and who previously has been convicted of violating subsection (d)(4) of this section is subject to the penalty specified under paragraph **[(3)(ii)] (2)(II)** of this subsection.

5–620.

(a) Unless authorized under this title, a person may not:

(1) obtain or attempt to obtain controlled paraphernalia by:

(i) fraud, deceit, misrepresentation, or subterfuge;

(ii) counterfeiting a prescription or a written order;

(iii) concealing a material fact or the use of a false name or address;

(iv) falsely assuming the title of or representing to be a manufacturer, distributor, or authorized provider; or

(v) making or issuing a false or counterfeit prescription or written order; or

(2) possess or distribute controlled paraphernalia under circumstances which reasonably indicate an intention to use the controlled paraphernalia for purposes of illegally administering a controlled dangerous substance.

(b) Evidence of circumstances that reasonably indicate an intent to use controlled paraphernalia to manufacture, administer, distribute, or dispense a controlled dangerous substance unlawfully include the close proximity of the controlled paraphernalia to an adulterant, diluent, or equipment commonly used to illegally manufacture, administer, distribute, or dispense controlled dangerous substances, including:

(1) a scale;

(2) a sieve;

(3) a strainer;

(4) a measuring spoon;

(5) staples;

(6) a stapler;

(7) a glassine envelope;

- (8) a gelatin capsule;
- (9) procaine hydrochloride;
- (10) mannitol;
- (11) lactose;
- (12) quinine; and
- (13) a controlled dangerous substance.

(c) Information that is communicated to a physician to obtain controlled paraphernalia from the physician in violation of this subtitle is not a privileged communication.

(d) **[(1) Except as provided in paragraph (2) of this subsection, a] A** person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 4 years or a fine not exceeding \$25,000 or both.

**[(2) A person who violates this section involving the use or possession of marijuana is subject to imprisonment not exceeding 1 year or a fine not exceeding \$1,000 or both.]**

## **5-629.**

**THE OFFENSES AND PENALTIES IN THIS SUBTITLE DO NOT APPLY TO ACTIVITIES RELATED TO CANNABIS OR CANNABIS ACCESSORIES THAT ARE LEGAL UNDER:**

- (1) TITLE 13, SUBTITLE 33 OF THE HEALTH – GENERAL ARTICLE; OR**
- (2) TITLE 23 OF THE HEALTH – GENERAL ARTICLE.**

10-113.

An individual may not knowingly and willfully make a misrepresentation or false statement as to the age of that individual or another to any person licensed to sell alcoholic beverages **OR CANNABIS** or engaged in the sale of alcoholic beverages **OR CANNABIS**, for the purpose of unlawfully obtaining, procuring, or having unlawfully furnished an alcoholic beverage **OR CANNABIS** to an individual.

10-116.

An individual may not obtain, or attempt to obtain by purchase or otherwise, an alcoholic beverage **OR CANNABIS** from any person licensed to sell alcoholic beverages **OR**

**CANNABIS** for consumption by another who the individual obtaining or attempting to obtain the beverage **OR CANNABIS** knows is under the age of 21 years.

10–117.

(a) Except as provided in [subsection (c)] **SUBSECTIONS (C) AND (D)** of this section, a person may not furnish an alcoholic beverage, **CANNABIS**, **OR CANNABIS ACCESSORIES AS DEFINED IN § 23–101 OF THE HEALTH – GENERAL ARTICLE** to an individual if:

(1) the person furnishing the alcoholic beverage, **CANNABIS**, **OR CANNABIS ACCESSORIES** knows that the individual is under the age of 21 years; and

(2) the alcoholic beverage, **CANNABIS**, **OR CANNABIS ACCESSORIES** [is] **ARE** furnished for the purpose of consumption by the individual under the age of 21 years.

(b) Except as provided in subsection (c) of this section, an adult may not knowingly and willfully allow an individual under the age of 21 years actually to possess or consume an alcoholic beverage **OR CANNABIS** at a residence, or within the curtilage of a residence that the adult owns or leases and in which the adult resides.

(c) (1) The prohibition set forth in subsection (a) of this section does not apply if [the] A person furnishing [the] **AN** alcoholic beverage and the individual to whom the alcoholic beverage is furnished:

(i) are members of the same immediate family, and the alcoholic beverage is furnished and consumed in a private residence or within the curtilage of the residence; or

(ii) are participants in a religious ceremony.

(2) The prohibition set forth in subsection (b) of this section does not apply if [the] **AN** adult allowing the possession or consumption of [the] **AN** alcoholic beverage and the individual under the age of 21 years who possesses or consumes the alcoholic beverage:

(i) are members of the same immediate family, and the alcoholic beverage is possessed and consumed in a private residence, or within the curtilage of the residence, of the adult; or

(ii) are participants in a religious ceremony.

(d) **THE PROHIBITIONS SET FORTH IN SUBSECTIONS (A) AND (B) OF THIS SECTION DO NOT APPLY IN THE CASE OF AN INDIVIDUAL UNDER THE AGE OF 21 YEARS WHO IS ALLOWED TO POSSESS CANNABIS AND CANNABIS ACCESSORIES UNDER TITLE 13, SUBTITLE 33 OF THE HEALTH – GENERAL ARTICLE.**

(E) A person may not violate subsection (a) or (b) of this section if the violation involves an individual under the age of 21 years who:

(1) the person knew or reasonably should have known would operate a motor vehicle after consuming the alcoholic beverage **OR CANNABIS**; and

(2) as a result of operating a motor vehicle while under the influence of alcohol or while impaired by alcohol **OR CANNABIS**, causes serious physical injury or death to the individual or another.

### Article – Criminal Procedure

#### 10–105.1.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “AUTOMATIC EXPUNGEMENT” MEANS EXPUNGEMENT WITHOUT THE FILING OF A PETITION OR PAYMENT OF A FEE BY THE PERSON WHO IS THE SUBJECT OF THE RECORDS TO BE EXPUNGED.

(3) “PERSONAL USE AMOUNT” MEANS:

(I) AN AMOUNT OF CANNABIS THAT DOES NOT EXCEED 4 OUNCES;

(II) AN AMOUNT OF CONCENTRATED CANNABIS OR HASHISH THAT DOES NOT EXCEED 15 GRAMS; OR

(III) SIX OR FEWER CANNABIS PLANTS.

(B) ALL COURT RECORDS AND POLICE RECORDS RELATING TO ANY DISPOSITION OF A CHARGE OF POSSESSION OF CANNABIS UNDER § 5–601 OF THE CRIMINAL LAW ARTICLE INVOLVING A QUANTITY OF CANNABIS THAT DID NOT EXCEED THE PERSONAL USE AMOUNT ENTERED BEFORE OCTOBER 1, 2022, WHERE POSSESSION OF CANNABIS IS THE ONLY CHARGE IN THE CASE, SHALL BE AUTOMATICALLY EXPUNGED ON OR BEFORE OCTOBER 1, 2022.

(C) NOTWITHSTANDING § 10–107 OF THIS SUBTITLE, ALL COURT RECORDS AND POLICE RECORDS RELATING TO ANY DISPOSITION OF A CHARGE OF POSSESSION OF CANNABIS UNDER § 5–601 OF THE CRIMINAL LAW ARTICLE INVOLVING A QUANTITY OF CANNABIS THAT DID NOT EXCEED THE PERSONAL USE AMOUNT ENTERED BEFORE OCTOBER 1, 2022, WHERE THE DEFENDANT WAS ALSO CHARGED WITH ONE OR MORE OTHER CRIMES IN THE SAME CASE, REGARDLESS OF THE

DISPOSITION OF THE OTHER CHARGE OR CHARGES, SHALL BE AUTOMATICALLY EXPUNGED ON OR BEFORE OCTOBER 1, 2023.

(D) WITH REGARD TO ANY DISPOSITION OF A CHARGE OF POSSESSION OF CANNABIS UNDER § 5-601 OF THE CRIMINAL LAW ARTICLE INVOLVING A QUANTITY OF CANNABIS THAT DID NOT EXCEED THE PERSONAL USE AMOUNT ENTERED ON OR AFTER OCTOBER 1, 2021, OR A CIVIL CHARGE UNDER § 5-601.1 OR § 5-601.2 OF THE CRIMINAL LAW ARTICLE, NOTWITHSTANDING § 10-107 OF THIS SUBTITLE:

(1) THE COURT WITH JURISDICTION OVER THE CASE SHALL INITIATE EFFORTS TO AUTOMATICALLY EXPUNGE ALL COURT RECORDS AND POLICE RECORDS RELATING TO THE CHARGE 1 YEAR AFTER DISPOSITION OF THE CHARGE; AND

(2) EXPUNGEMENT OF COURT RECORDS AND POLICE RECORDS RELATING TO THE CHARGE SHALL BE COMPLETED ON OR BEFORE 1 YEAR AND 90 DAYS AFTER DISPOSITION.

## 10-105.2.

(A) IN THIS SECTION, “PERSONAL USE AMOUNT” MEANS:

(1) AN AMOUNT OF CANNABIS THAT DOES NOT EXCEED 4 OUNCES;

(2) AN AMOUNT OF CONCENTRATED CANNABIS OR HASHISH THAT DOES NOT EXCEED 15 GRAMS; OR

(3) SIX OR FEWER CANNABIS PLANTS.

(B) (1) THE LEGALIZATION OF POSSESSION AND CULTIVATION OF A PERSONAL USE AMOUNT OF CANNABIS BY PERSONS AT LEAST 21 YEARS OLD UNDER TITLE 23 OF THE HEALTH – GENERAL ARTICLE IS RETROACTIVE.

(2) ALL CHARGES PENDING ON OCTOBER 1, 2021, FOR POSSESSION OR CULTIVATION OF A PERSONAL USE AMOUNT OF CANNABIS BY A PERSON WHO IS AT LEAST 21 YEARS OLD SHALL BE DISMISSED.

(3) (I) A PERSON INCARCERATED OR UNDER SUPERVISION ON OR AFTER OCTOBER 1, 2021, FOR AN OFFENSE INVOLVING THE POSSESSION OR CULTIVATION OF A PERSONAL USE AMOUNT OF CANNABIS MAY PRESENT AN APPLICATION FOR RELEASE TO THE COURT THAT SENTENCED THE PERSON.

(II) 1. THE COURT SHALL GRANT THE PETITION AND

**VACATE THE CONVICTION.**

**2. IF THE PERSON IS NOT SERVING A CONCURRENT OR CONSECUTIVE SENTENCE FOR ANOTHER OFFENSE, THE PERSON SHALL BE RELEASED FROM INCARCERATION OR SUPERVISION.**

**(C) (1) A PERSON INCARCERATED OR UNDER SUPERVISION ON OCTOBER 1, 2021, FOR AN OFFENSE INVOLVING THE POSSESSION, CULTIVATION, PROCESSING, OR SALE OF CANNABIS MAY PRESENT AN APPLICATION FOR RESENTENCING TO THE COURT THAT SENTENCED THE PERSON REGARDLESS OF WHETHER THE PERSON HAS PREVIOUSLY FILED A PETITION FOR RESENTENCING.**

**(2) THE COURT SHALL CONSIDER THE INDIVIDUAL CIRCUMSTANCES OF EACH CASE AND SHALL REDUCE THE APPLICANT'S SENTENCE IF THE COURT FINDS THAT DOING SO WOULD BE IN THE INTERESTS OF JUSTICE, IN LIGHT OF THE ELIMINATION AND REDUCTION IN PENALTIES ASSOCIATED WITH CANNABIS-RELATED CONDUCT AND PAST RACIAL DISPARITIES IN THE ENFORCEMENT OF CANNABIS LAWS.**

**(3) THE SENTENCE OF THE APPLICANT MAY NOT BE INCREASED AT A PROCEEDING DESCRIBED IN PARAGRAPH (2) OF THIS SUBSECTION.**

**(D) (1) A PERSON PREVIOUSLY CONVICTED OF AN OFFENSE INVOLVING THE POSSESSION, CULTIVATION, PROCESSING, OR SALE OF CANNABIS NOT LISTED IN § 10-105.1 OF THIS SUBTITLE WHO IS NOT INCARCERATED OR UNDER SUPERVISION AT THE TIME OF THE PETITION MAY PRESENT AN APPLICATION FOR EXPUNGEMENT TO THE COURT.**

**(2) THE COURT SHALL CONSIDER THE INDIVIDUAL CIRCUMSTANCES OF A CASE DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION AND SHALL EXPUNGE THE APPLICANT'S RECORD IF THE COURT FINDS THAT DOING SO WOULD BE IN THE INTERESTS OF JUSTICE, IN LIGHT OF THE ELIMINATION AND REDUCTION IN PENALTIES ASSOCIATED WITH CANNABIS-RELATED CONDUCT AND PAST RACIAL DISPARITIES IN THE ENFORCEMENT OF CANNABIS LAWS.**

**(E) (1) ANY INDIVIDUAL PETITIONING FOR RELEASE OR RESENTENCING IN ACCORDANCE WITH SUBSECTION (B) OR (C) OF THIS SECTION IS ELIGIBLE FOR REPRESENTATION BY THE OFFICE OF THE PUBLIC DEFENDER.**

**(2) ON AND AFTER JANUARY 1, 2023, ANY INDIVIDUAL PETITIONING FOR EXPUNGEMENT UNDER SUBSECTION (D) OF THIS SECTION IS ELIGIBLE FOR REPRESENTATION BY THE OFFICE OF THE PUBLIC DEFENDER.**

(F) (1) IN A PROCEEDING BROUGHT UNDER THIS SECTION, THE STATE'S ATTORNEY SHALL RECEIVE NOTICE AND MAY BE HEARD.

(2) IN A FACTUAL DISPUTE WITHIN A PROCEEDING UNDER THIS SECTION, THE PROSECUTION SHALL BEAR THE BURDEN OF PROOF BY A PREPONDERANCE OF THE EVIDENCE.

(3) IF THE STATE'S ATTORNEY DOES NOT REQUEST TO BE HEARD IN A PROCEEDING UNDER THIS SECTION, THE COURT SHALL MAKE ALL FACTUAL DETERMINATIONS BASED ON A PREPONDERANCE OF THE EVIDENCE.

(G) FUNDS SHALL BE ALLOCATED BY THE OFFICE OF SOCIAL EQUITY FROM THE COMMUNITY REINVESTMENT AND REPAIR FUND TO COVER THE COST TO THE OFFICE OF THE PUBLIC DEFENDER, STATE'S ATTORNEY'S OFFICES, AND COURTS, AS PART OF THE COST OF ADMINISTERING TITLE 23 OF THE HEALTH – GENERAL ARTICLE.

(H) IF A NONCITIZEN REQUESTS IN WRITING TO THE OFFICE OF THE CLERK OF THE COURT RECORDS RELATED TO AN OFFENSE LISTED IN SUBSECTION (B), (C), OR (D) OF THIS SECTION FOR IMMIGRATION PURPOSES, THOSE RECORDS SHALL BE PROVIDED IF AVAILABLE, OR A STATEMENT SHALL BE PROVIDED THAT NO RECORDS CAN BE FOUND, WITHIN 30 DAYS AFTER THE REQUEST.

## Article – Health – General

### TITLE 23. CANNABIS.

#### SUBTITLE 1. DEFINITIONS.

##### 23–101.

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

(B) (1) “CANNABIS” MEANS THE PLANT CANNABIS SATIVA L. AND ANY PART OF THE PLANT, INCLUDING ALL DERIVATIVES, EXTRACTS, CANNABINOIDs, ISOMERS, ACIDS, SALTS, AND SALTS OF ISOMERS, WHETHER GROWING OR NOT, WITH A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION GREATER THAN 0.3% ON A DRY WEIGHT BASIS.

(2) “CANNABIS” DOES NOT INCLUDE HEMP AS DEFINED IN § 14–101 OF THE AGRICULTURE ARTICLE.

(C) “CANNABIS ACCESSORIES” MEANS ANY EQUIPMENT, PRODUCTS, OR

MATERIALS OF ANY KIND THAT ARE USED, INTENDED FOR USE, OR DESIGNED FOR USE IN PLANTING, PROPAGATING, CULTIVATING, GROWING, HARVESTING, COMPOSTING, MANUFACTURING, COMPOUNDING, CONVERTING, PRODUCING, PROCESSING, PREPARING, TESTING, ANALYZING, PACKAGING, REPACKAGING, STORING, VAPORIZING, OR CONTAINING CANNABIS, OR FOR INGESTING, INHALING, OR OTHERWISE INTRODUCING CANNABIS INTO THE HUMAN BODY.

(D) “CANNABIS EDUCATION AND TRAINING FUND” MEANS THE CANNABIS EDUCATION AND TRAINING FUND ESTABLISHED UNDER § 23–203 OF THIS TITLE.

(E) “CANNABIS ESTABLISHMENT” MEANS A CULTIVATOR, A DELIVERY SERVICE, A PROCESSOR, A RETAILER, AN INDEPENDENT TESTING LABORATORY, A TRANSPORTER, A DUAL LICENSE HOLDER, AN ON-SITE CONSUMPTION ESTABLISHMENT, OR ANY OTHER TYPE OF CANNABIS BUSINESS LICENSED UNDER THIS TITLE AND AUTHORIZED BY THE COMMISSION.

(F) “CANNABIS ESTABLISHMENT AGENT” OR “AGENT” MEANS AN EMPLOYEE OR OTHER AUTHORIZED PERSON WHO ACTS FOR OR AT THE DIRECTION OF A CANNABIS ESTABLISHMENT.

(G) “CANNABIS PRODUCTS” MEANS PRODUCTS THAT ARE COMPOSED OF CANNABIS, CANNABIS CONCENTRATE, OR CANNABIS EXTRACT AND OTHER INGREDIENTS AND ARE INTENDED FOR USE OR CONSUMPTION, INCLUDING EDIBLE PRODUCTS, OINTMENTS, AND TINCTURES.

(H) “CLASS A PROCESSOR” MEANS A PROCESSOR THAT MAY PERFORM SOLVENT-BASED EXTRACTIONS ON CANNABIS IN COMPLIANCE WITH REGULATIONS ADOPTED BY THE COMMISSION.

(I) “CLASS B PROCESSOR” MEANS A PROCESSOR THAT MAY NOT PERFORM SOLVENT-BASED EXTRACTIONS ON CANNABIS USING SOLVENTS OTHER THAN WATER, GLYCERIN, PROPYLENE GLYCOL, VEGETABLE OIL, OR FOOD-GRADE ETHANOL.

(J) “COMMISSION” MEANS THE ALCOHOL AND TOBACCO COMMISSION OR ITS SUCCESSOR AGENCY.

(K) “COMMUNITY REINVESTMENT AND REPAIR FUND” MEANS THE COMMUNITY REINVESTMENT AND REPAIR FUND ESTABLISHED UNDER § 23–204 OF THIS TITLE.

(L) “CONSUMER” MEANS AN INDIVIDUAL AT LEAST 21 YEARS OLD WHO PURCHASES CANNABIS OR CANNABIS PRODUCTS FOR PERSONAL USE BY

INDIVIDUALS AT LEAST 21 YEARS OLD.

(M) “CULTIVATOR” MEANS AN ENTITY LICENSED UNDER THIS TITLE THAT:

(1) CULTIVATES OR PACKAGES CANNABIS; AND

(2) IS AUTHORIZED BY THE COMMISSION TO PROVIDE CANNABIS TO OTHER CANNABIS ESTABLISHMENTS.

(N) “DELIVERY SERVICE” MEANS AN ENTITY LICENSED UNDER THIS TITLE THAT IS AUTHORIZED BY THE COMMISSION TO DELIVER CANNABIS TO CONSUMERS.

(O) “DISPROPORTIONATELY IMPACTED AREA” MEANS A GEOGRAPHIC AREA, AS IDENTIFIED BY THE OFFICE OF SOCIAL EQUITY, THAT:

(1) MEETS THREE OR MORE OF THE FOLLOWING CRITERIA:

(I) HAS A MEDIAN INCOME THAT IS 80% OR LESS OF THE AVERAGE MEDIAN HOUSEHOLD INCOME IN THE STATE;

(II) HAS AN UNEMPLOYMENT RATE THAT IS AT LEAST 150% OF THE UNEMPLOYMENT RATE IN THE STATE;

(III) HAS A HEALTH UNINSURED RATE THAT IS AT LEAST 150% OF THE HEALTH UNINSURED RATE IN THE STATE;

(IV) HAS A FOOD STAMP OR SUPPLEMENTAL NUTRITION ASSISTANCE PLAN RATE THAT IS AT LEAST 150% OF THE FOOD STAMP OR SUPPLEMENTAL NUTRITION ASSISTANCE PLAN RATE IN THE STATE; OR

(V) HAS A POVERTY RATE THAT IS AT LEAST 150% OF THE POVERTY RATE IN THE STATE; AND

(2) HAS BEEN IMPACTED BY HIGH RATES OF ARREST, CONVICTION, AND INCARCERATION FOR CANNABIS POSSESSION.

(P) “DUAL LICENSE” MEANS A LICENSE ISSUED BY THE COMMISSION TO AN ENTITY THAT IS ALSO LICENSED AS A MEDICAL CANNABIS DISPENSARY, MEDICAL CANNABIS PROCESSOR, MEDICAL CANNABIS INDEPENDENT TESTING LABORATORY, OR MEDICAL CANNABIS GROWER.

(Q) “INDEPENDENT TESTING LABORATORY” MEANS A FACILITY, AN ENTITY, OR A SITE THAT OFFERS OR PERFORMS TESTS RELATED TO THE INSPECTION AND

**TESTING OF CANNABIS AND PRODUCTS CONTAINING CANNABIS.**

**(R) “LOCALITY” MEANS A COUNTY, A MUNICIPAL CORPORATION, OR ANOTHER POLITICAL SUBDIVISION OF THE STATE.**

**(S) “MEDICAL CANNABIS DISPENSARY” MEANS A DISPENSARY LICENSED UNDER TITLE 13, SUBTITLE 33 OF THIS ARTICLE.**

**(T) “MEDICAL CANNABIS GROWER” MEANS A GROWER LICENSED UNDER TITLE 13, SUBTITLE 33 OF THIS ARTICLE.**

**(U) “MEDICAL CANNABIS INDEPENDENT TESTING LABORATORY” MEANS AN INDEPENDENT TESTING LABORATORY LICENSED UNDER TITLE 13, SUBTITLE 33 OF THIS ARTICLE.**

**(V) “MEDICAL CANNABIS PROCESSOR” MEANS A PROCESSOR LICENSED UNDER TITLE 13, SUBTITLE 33 OF THIS ARTICLE.**

**(W) “ON-SITE CONSUMPTION ESTABLISHMENT” MEANS AN ENTITY LICENSED UNDER THIS TITLE AND AUTHORIZED BY THE COMMISSION AND THE LOCALITY IN WHICH IT IS LOCATED TO SELL CANNABIS OR CANNABIS PRODUCTS FOR ON-SITE CONSUMPTION.**

**(X) “PERSONAL USE AMOUNT” MEANS:**

**(1) (I) AN AMOUNT OF CANNABIS THAT DOES NOT EXCEED 4 OUNCES;**

**(II) AN AMOUNT OF CONCENTRATED CANNABIS THAT DOES NOT EXCEED 15 GRAMS;**

**(III) AN AMOUNT OF CANNABIS PRODUCTS CONTAINING DELTA-9 TETRAHYDROCANNABINOL THAT DOES NOT EXCEED 1,500 MILLIGRAMS; OR**

**(IV) SIX OR FEWER CANNABIS PLANTS; OR**

**(2) ANY ADDITIONAL CANNABIS PRODUCED BY AN INDIVIDUAL’S CANNABIS PLANT OR PLANTS, IF THE AMOUNT OF CANNABIS IN EXCESS OF THE AMOUNTS LISTED IN ITEM (1)(I), (II), OR (III) OF THIS SUBSECTION IS POSSESSED IN A LOCATION:**

**(I) WHERE THE PLANT OR PLANTS WERE CULTIVATED; AND**

(II) THAT IS SECURE FROM UNAUTHORIZED ACCESS AND ACCESS BY AN INDIVIDUAL WHO IS UNDER THE AGE OF 21 YEARS.

(Y) (1) "PROCESSOR" MEANS AN ENTITY LICENSED UNDER THIS TITLE AND AUTHORIZED BY THE COMMISSION TO:

(I) TRANSFORM CANNABIS INTO ANOTHER PRODUCT OR EXTRACT; AND

(II) PACKAGE AND LABEL CANNABIS.

(2) "PROCESSOR" INCLUDES CLASS A AND CLASS B PROCESSORS.

(Z) (1) "PUBLIC PLACE" MEANS ANY PLACE TO WHICH THE GENERAL PUBLIC HAS ACCESS.

(2) "PUBLIC PLACE" DOES NOT INCLUDE:

(I) AN ON-SITE CONSUMPTION ESTABLISHMENT; OR

(II) ANY VENUE OR AREA WHERE INDIVIDUALS CONGREGATE TO CONSUME CANNABIS IN A MANNER CONSISTENT WITH LOCAL LAW.

(AA) "REMUNERATION" MEANS A THING OF VALUE, INCLUDING MONETARY PAYMENT, A DONATION, THE PROVISION OF A SERVICE, THE PURCHASE OF AN ITEM AT ABOVE FAIR MARKET VALUE, OR THE TRADE OF A PHYSICAL ITEM OF VALUE.

(BB) "RETAILER" MEANS AN ENTITY LICENSED TO:

(1) PURCHASE CANNABIS FROM CANNABIS ESTABLISHMENTS; AND

(2) SELL CANNABIS AND CANNABIS PRODUCTS TO CONSUMERS.

(CC) "SOCIAL EQUITY APPLICANT" MEANS AN APPLICANT FOR A CANNABIS ESTABLISHMENT LICENSE THAT:

(1) HAS AT LEAST 51% OWNERSHIP AND CONTROL BY ONE OR MORE STATE RESIDENTS WHO HAVE RESIDED FOR AT LEAST 5 OF THE IMMEDIATELY PRECEDING 10 YEARS IN A DISPROPORTIONATELY IMPACTED AREA;

(2) HAS AT LEAST 51% OWNERSHIP AND CONTROL BY ONE OR MORE STATE RESIDENTS WHO HAVE BEEN ARRESTED FOR, CONVICTED OF, OR FOUND

RESPONSIBLE IN JUVENILE COURT FOR ANY OFFENSE THAT IS ELIGIBLE FOR EXPUNGEMENT UNDER § 10–105.1 OF THE CRIMINAL PROCEDURE ARTICLE, OR ARE MEMBERS OF IMPACTED FAMILIES;

(3) HAS A MINIMUM OF 10 FULL-TIME EMPLOYEES, WITH AT LEAST 60% OF EMPLOYEES WHO:

(I) AT THE TIME OF APPLICATION, RESIDE IN A DISPROPORTIONATELY IMPACTED AREA; OR

(II) HAVE BEEN ARRESTED FOR, CONVICTED OF, OR FOUND RESPONSIBLE IN JUVENILE COURT FOR ANY OFFENSE THAT IS ELIGIBLE FOR EXPUNGEMENT UNDER § 10–105.1 OF THE CRIMINAL PROCEDURE ARTICLE, OR ARE MEMBERS OF IMPACTED FAMILIES; OR

(4) MEETS ANY OTHER CRITERIA ESTABLISHED BY THE COMMISSION BASED ON THE RESULTS OF A DISPARITY STUDY.

(DD) “SOCIAL EQUITY START-UP FUND” MEANS THE SOCIAL EQUITY START-UP FUND ESTABLISHED UNDER § 23–202 OF THIS TITLE.

(EE) “TRANSPORTER” MEANS AN ENTITY LICENSED UNDER THIS TITLE AND AUTHORIZED BY THE COMMISSION TO TRANSPORT CANNABIS BETWEEN CANNABIS ESTABLISHMENTS.

## **SUBTITLE 2. OFFICE OF SOCIAL EQUITY.**

**23–201.**

(A) THERE IS AN OFFICE OF SOCIAL EQUITY WITHIN THE COMMISSION.

(B) (1) THE GOVERNOR SHALL APPOINT AN EXECUTIVE DIRECTOR OF THE OFFICE OF SOCIAL EQUITY.

(2) THE EXECUTIVE DIRECTOR SHALL HAVE AT LEAST 5 YEARS OF EXPERIENCE IN CIVIL RIGHTS ADVOCACY, CIVIL RIGHTS LITIGATION, OR SOCIAL JUSTICE.

(C) THE OFFICE OF SOCIAL EQUITY MAY EMPLOY STAFF AND RETAIN CONTRACTORS AS MAY BE REQUIRED TO CARRY OUT THE FUNCTIONS OF THE OFFICE.

(D) THE OFFICE OF SOCIAL EQUITY SHALL:

(1) PROMOTE AND ENCOURAGE FULL PARTICIPATION IN THE REGULATED CANNABIS INDUSTRY BY PEOPLE FROM COMMUNITIES THAT HAVE PREVIOUSLY BEEN DISPROPORTIONATELY HARMED BY CANNABIS PROHIBITION AND ENFORCEMENT IN ORDER TO POSITIVELY IMPACT THOSE COMMUNITIES;

(2) CONSULT WITH AND ASSIST THE COMMISSION IN THE ADMINISTRATION OF THE COMMUNITY REINVESTMENT AND REPAIR FUND;

(3) CONSULT WITH AND ASSIST THE COMMISSION IN THE ADMINISTRATION OF THE SOCIAL EQUITY START-UP FUND;

(4) CONSULT WITH AND ASSIST THE COMMISSION IN THE ADMINISTRATION OF THE CANNABIS EDUCATION AND TRAINING FUND;

(5) ADVISE THE COMMISSION REGARDING REGULATIONS, INCLUDING:

(I) ADVISING AGAINST IMPLEMENTING REGULATIONS AND FINANCIAL REQUIREMENTS THAT UNNECESSARILY IMPOSE FINANCIAL BURDENS THAT UNDERMINE THE PURPOSES OF THIS SECTION; AND

(II) PROVIDING RECOMMENDATIONS ON REGULATIONS RELATED TO:

1. DIVERSITY; AND

2. SOCIAL EQUITY APPLICATIONS;

(6) WORK WITH THE COMMISSION TO IMPLEMENT FREE TECHNICAL ASSISTANCE FOR SOCIAL EQUITY AND MINORITY BUSINESS APPLICANTS;

(7) PRODUCE REPORTS AND RECOMMENDATIONS ON DIVERSITY AND EQUITY IN OWNERSHIP, MANAGEMENT, AND EMPLOYMENT IN THE LEGAL CANNABIS ECONOMY; AND

(8) DETERMINE WHICH INDIVIDUALS AND ENTITIES SHALL BE GRANTED LOANS OR GRANTS FROM THE SOCIAL EQUITY START-UP FUND, THE CANNABIS EDUCATION AND TRAINING FUND, AND THE COMMUNITY REINVESTMENT AND REPAIR FUND.

(E) ON OR BEFORE MARCH 1 EACH YEAR, THE OFFICE OF SOCIAL EQUITY SHALL PRODUCE AND MAKE PUBLICLY AVAILABLE A REPORT ON HOW THE

COMMUNITY REINVESTMENT AND REPAIR FUND, THE SOCIAL EQUITY START-UP FUND, AND THE CANNABIS EDUCATION AND TRAINING FUND WERE ALLOCATED DURING THE IMMEDIATELY PRECEDING YEAR.

(F) (1) ON OR BEFORE NOVEMBER 1 EACH YEAR, THE OFFICE OF SOCIAL EQUITY SHALL SOLICIT PUBLIC INPUT ON THE USES OF THE COMMUNITY REINVESTMENT AND REPAIR FUND, THE SOCIAL EQUITY START-UP FUND, AND THE CANNABIS EDUCATION AND TRAINING FUND.

(2) ON OR BEFORE DECEMBER 15 EACH YEAR, THE OFFICE OF SOCIAL EQUITY SHALL PUBLISH A REVIEW OF INPUT RECEIVED UNDER PARAGRAPH (1) OF THIS SUBSECTION.

23-202.

(A) (1) THERE IS A SOCIAL EQUITY START-UP FUND.

(2) THE PURPOSE OF THE SOCIAL EQUITY START-UP FUND IS TO PROVIDE NO-INTEREST LOANS AND GRANTS TO SUPPORT BUSINESSES IN THE LEGAL CANNABIS INDUSTRY THAT ARE SOCIAL EQUITY APPLICANTS.

(3) (1) THE COMMISSION SHALL ADMINISTER THE FUND, IN CONSULTATION WITH AND WITH THE ASSISTANCE OF THE OFFICE OF SOCIAL EQUITY AND THE MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY.

(II) THE OFFICE OF SOCIAL EQUITY HAS SOLE RESPONSIBILITY FOR APPROVING APPLICATIONS AND DETERMINING WHICH ENTITIES SHALL RECEIVE LOANS AND GRANTS FROM THE FUND.

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

(II) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(5) THE FUND CONSISTS OF:

(I) ALL LICENSING FEES PAID BY DUAL LICENSES UNDER § 23-403 OF THIS TITLE;

(II) ANY MONEY ALLOCATED TO THE FUND UNDER § 12.5-103 OF THE TAX - GENERAL ARTICLE;

(III) INTEREST EARNINGS; AND

(IV) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND, IN ACCORDANCE WITH ANY CONDITIONS ADOPTED BY THE COMMISSION FOR THE ACCEPTANCE OF DONATIONS OR GIFTS TO THE FUND.

(6) THE FUND MAY BE USED ONLY FOR CARRYING OUT THE PROGRAM ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION, INCLUDING FOR ANY ADMINISTRATIVE EXPENSES RELATED TO THE PROGRAM.

(7) (I) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(II) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

(8) NO PART OF THE FUND MAY REVERT OR BE CREDITED TO:

(I) THE GENERAL FUND OF THE STATE; OR

(II) ANY OTHER SPECIAL FUND OF THE STATE.

(9) THE COMPTROLLER SHALL PAY OUT MONEY FROM THE FUND AS DIRECTED BY THE OFFICE OF SOCIAL EQUITY.

(10) THE FUND IS SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

(B) (1) THE OFFICE OF SOCIAL EQUITY SHALL ESTABLISH A PROGRAM TO ALLOW APPLICANTS FOR LICENSES UNDER SUBTITLE 4 OF THIS TITLE THAT QUALIFY AS A SOCIAL EQUITY APPLICANT TO APPLY FOR LOANS OR GRANTS FROM THE SOCIAL EQUITY START-UP FUND.

(2) THE OFFICE OF SOCIAL EQUITY SHALL DEVELOP A PROCESS FOR SELECTING APPLICANTS TO RECEIVE LOANS OR GRANTS FROM THE PROGRAM ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(3) THE OFFICE OF SOCIAL EQUITY SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SUBSECTION.

(C) AT THE END OF EACH FISCAL YEAR, BEGINNING JUNE 30, 2025, IF THE OFFICE OF SOCIAL EQUITY REPORTS THAT THE SOCIAL EQUITY START-UP FUND

HAS A SURPLUS OF FUNDS AND THERE IS NO REASONABLE EXPECTATION THAT THE SURPLUS WILL BE NEEDED FOR LOANS OR GRANTS TO SOCIAL EQUITY APPLICANTS, THE OFFICE OF SOCIAL EQUITY MAY TRANSFER THE EXCESS FUNDS IN THE FOLLOWING MANNER:

- (1) HALF TO THE CANNABIS EDUCATION AND TRAINING FUND; AND
- (2) HALF TO THE COMMUNITY REINVESTMENT AND REPAIR FUND.

23-203.

- (A) (1) THERE IS A CANNABIS EDUCATION AND TRAINING FUND.
  - (2) THE PURPOSE OF THE CANNABIS EDUCATION AND TRAINING FUND IS TO PROVIDE FREE OR LOW-COST TRAINING AND EDUCATION FOR ALL SECTORS OF THE CANNABIS ECONOMY IN THE STATE.
  - (3) (I) THE COMMISSION SHALL ADMINISTER THE FUND, IN CONSULTATION WITH AND WITH THE ASSISTANCE OF THE OFFICE OF SOCIAL EQUITY AND THE MARYLAND DEPARTMENT OF LABOR.
    - (II) THE OFFICE OF SOCIAL EQUITY HAS SOLE RESPONSIBILITY FOR APPROVING APPLICATIONS AND DETERMINING WHICH ENTITIES RECEIVE GRANTS FROM THE FUND.
  - (4) (I) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.
    - (II) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.
  - (5) THE FUND CONSISTS OF:
    - (I) ANY MONEY ALLOCATED TO THE FUND UNDER § 12.5-103 OF THE TAX – GENERAL ARTICLE;
    - (II) INTEREST EARNINGS; AND
    - (III) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND, IN ACCORDANCE WITH ANY CONDITIONS ADOPTED BY THE COMMISSION FOR THE ACCEPTANCE OF DONATIONS OR GIFTS TO THE FUND.
  - (6) THE FUND MAY BE USED ONLY FOR CARRYING OUT THE PURPOSE

OF THE FUND, INCLUDING FOR ANY RELATED ADMINISTRATIVE EXPENSES.

(7) (I) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(II) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

(8) NO PART OF THE FUND MAY REVERT OR BE CREDITED TO:

(I) THE GENERAL FUND OF THE STATE; OR

(II) ANY OTHER SPECIAL FUND OF THE STATE.

(9) THE COMPTROLLER SHALL PAY OUT MONEY FROM THE FUND AS DIRECTED BY THE OFFICE OF SOCIAL EQUITY.

(10) THE FUND IS SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

(B) THE FUND SHALL PROVIDE FUNDING FOR:

(1) HIGH SCHOOL CAREER AND TECHNICAL EDUCATION PROGRAMS;

(2) COMMUNITY COLLEGE PROGRAMS;

(3) HISTORICALLY BLACK COLLEGES AND UNIVERSITIES; AND

(4) ADULT EDUCATION PROGRAMS.

(C) IN MAKING ALLOCATIONS FROM THE CANNABIS EDUCATION AND TRAINING FUND, THE OFFICE OF SOCIAL EQUITY SHALL:

(1) DURING THE FIRST YEAR, ALLOCATE AT LEAST 5% OF THE FUNDS TO CONDUCTING AND FUNDING OUTREACH TO THE ELIGIBLE COMMUNITIES, EDUCATIONAL INSTITUTIONS, GOVERNMENT PROGRAMS, AND INDIVIDUALS TO NOTIFY THEM OF THE CANNABIS EDUCATION AND TRAINING FUND GRANT OPPORTUNITIES AND GIVE PRIORITY TO ORGANIZATIONS WITH A TRADITION OF OUTREACH TO STAKEHOLDERS IN DISPROPORTIONATELY IMPACTED AREAS;

(2) PRIORITIZE WORK-BASED LEARNING PROGRAMS;

(3) ALLOCATE NOT LESS THAN 25% OF THE FUNDS EACH YEAR TO

**CAREER TRAINING FOR FORMERLY INCARCERATED INDIVIDUALS;**

**(4) ALLOCATE NOT LESS THAN 25% OF THE FUNDS EACH YEAR TO CAREER TRAINING FOR INDIVIDUALS WHO RESIDE IN DISPROPORTIONATELY IMPACTED AREAS;**

**(5) PROVIDE FUNDING TO THE CAREER AND TECHNOLOGY EDUCATION INNOVATION GRANT PROGRAM ESTABLISHED UNDER § 21-205 OF THE EDUCATION ARTICLE TO DEVELOP A CTE CURRICULUM THAT INCLUDES HANDS-ON CANNABIS CAREER TRAINING;**

**(6) PROVIDE FUNDING TO LOCAL WORKFORCE DEVELOPMENT BOARDS TO ADD CANNABIS CAREER TRAINING TO THEIR CAREER DEVELOPMENT PROGRAMS; AND**

**(7) PROVIDE FUNDING FOR TRAINING IN A BROAD RANGE OF CAREERS IN THE LEGAL CANNABIS INDUSTRY, INCLUDING POTENTIAL BUSINESS OWNERS AND EMPLOYEES AND FOR WORK IN THE GROWING, PROCESSING, AND RETAIL SECTORS.**

**(D) EDUCATIONAL PROGRAMS FUNDED BY THE FUND MAY USE HEMP INSTEAD OF CANNABIS FOR HANDS-ON TRAINING.**

**(E) (1) THE FUND MAY BE USED TO PROVIDE GRANTS TO ANY ORGANIZATION CAPABLE OF PROVIDING TRAINING RELEVANT TO THE LEGAL CANNABIS INDUSTRY, WHICH MAY INCLUDE EDUCATIONAL INSTITUTIONS, NONPROFIT ORGANIZATIONS, PRIVATE BUSINESSES, COMMUNITY GROUPS, UNITS OF LOCAL GOVERNMENT, PROGRAMS OPERATED BY STATE AGENCIES, OR PARTNERSHIPS BETWEEN DIFFERENT TYPES OF ORGANIZATIONS.**

**(2) THE OFFICE OF SOCIAL EQUITY SHALL CONSIDER THE DIVERSITY OF APPLICANTS' BOARDS OF DIRECTORS AND OWNERSHIP WHEN ISSUING GRANTS.**

**(3) THE OFFICE OF SOCIAL EQUITY SHALL PRIORITIZE TRAINING PROGRAMS THAT PROVIDE A PIPELINE TO CAREERS, INCLUDING ASSISTING STUDENTS WITH APPLICATIONS, RESUMES, AND INTERVIEW SCHEDULING AND TRACKING THE EMPLOYMENT OF STUDENTS IN THE LEGAL CANNABIS INDUSTRY.**

**(F) (1) THE COMMISSION MAY CREATE A PROGRAM TO ISSUE GRANTS TO ELIGIBLE INDIVIDUALS TO PURSUE A TRAINING PROGRAM RELEVANT TO A CAREER IN THE LEGAL CANNABIS INDUSTRY.**

**(2) GRANT FUNDS AWARDED TO ELIGIBLE INDIVIDUALS:**

(I) SHALL BE USED TO PAY THE COSTS OF ENROLLING IN A TRAINING PROGRAM RELEVANT TO THE LEGAL CANNABIS INDUSTRY, INCLUDING TUITION, FEES, AND THE COST OF MATERIALS; AND

(II) MAY BE USED TO REMOVE EXTERNAL BARRIERS TO ATTENDING A TRAINING PROGRAM, INCLUDING THE COST OF CHILD CARE, TRANSPORTATION, OR OTHER EXPENSES APPROVED BY THE COMMISSION.

23-204.

(A) (1) THERE IS A COMMUNITY REINVESTMENT AND REPAIR FUND.

(2) THE PURPOSE OF THE FUND IS TO IMPROVE THE WELL-BEING OF INDIVIDUALS AND COMMUNITIES THAT HAVE EXPERIENCED A DISPROPORTIONATE NEGATIVE IMPACT FROM POVERTY, UNEMPLOYMENT, CANNABIS PROHIBITION AND ENFORCEMENT, MASS INCARCERATION, SYSTEMIC RACISM, OR A COMBINATION OF THOSE FACTORS.

(3) (1) THE COMMISSION SHALL ADMINISTER THE FUND IN CONSULTATION WITH AND WITH THE ASSISTANCE OF THE OFFICE OF SOCIAL EQUITY AND THE DEPARTMENT OF COMMERCE.

(2) THE OFFICE OF SOCIAL EQUITY HAS SOLE RESPONSIBILITY FOR APPROVING APPLICATIONS AND DETERMINING WHICH ENTITIES RECEIVE GRANTS FROM THE FUND.

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

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

(5) THE FUND CONSISTS OF:

(I) ANY MONEY ALLOCATED TO THE FUND UNDER § 12.5-103 OF THE TAX - GENERAL ARTICLE;

(II) INTEREST EARNINGS; AND

(III) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND, IN ACCORDANCE WITH ANY CONDITIONS ADOPTED BY THE COMMISSION FOR THE ACCEPTANCE OF DONATIONS OR GIFTS TO THE FUND.

**(6) THE FUND MAY BE USED ONLY FOR CARRYING OUT THE PURPOSE OF THE FUND, INCLUDING FOR ANY RELATED ADMINISTRATIVE EXPENSES.**

**(7) (I) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

**(II) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.**

**(8) NO PART OF THE FUND MAY REVERT OR BE CREDITED TO:**

**(I) THE GENERAL FUND OF THE STATE; OR**

**(II) ANY OTHER SPECIAL FUND OF THE STATE.**

**(9) THE COMPTROLLER SHALL PAY OUT MONEY FROM THE FUND AS DIRECTED BY THE OFFICE OF SOCIAL EQUITY.**

**(10) THE FUND IS SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.**

**(B) BEFORE DETERMINING HOW FUNDS FROM THE COMMUNITY REINVESTMENT AND REPAIR FUND WILL BE ALLOCATED, THE OFFICE OF SOCIAL EQUITY SHALL SOLICIT INPUT FROM THE IMPACTED COMMUNITIES ON THE COMMUNITIES' NEEDS AND PRIORITIES FOR THE FUNDS, INCLUDING BY PROMOTING AND HOLDING PUBLIC MEETINGS IN AT LEAST 20 OF THE CENSUS TRACT AREAS THAT HAVE BEEN SIGNIFICANTLY IMPACTED BY POVERTY, UNEMPLOYMENT, CANNABIS PROHIBITION, MASS INCARCERATION, OR SYSTEMIC RACISM.**

**(C) (1) THE OFFICE OF SOCIAL EQUITY SHALL DISTRIBUTE FUNDS FROM THE COMMUNITY REINVESTMENT AND REPAIR FUND IN A MANNER THAT IMPROVES THE WELL-BEING OF COMMUNITIES AND INDIVIDUALS THAT HAVE BEEN SIGNIFICANTLY IMPACTED BY POVERTY, UNEMPLOYMENT, CANNABIS PROHIBITION, MASS INCARCERATION, OR SYSTEMIC RACISM.**

**(2) THE OFFICE OF SOCIAL EQUITY MAY USE THE FUND TO AWARD GRANTS TO NONPROFIT ORGANIZATIONS OR ALLOCATIONS TO GOVERNMENT AGENCIES FOR:**

**(I) HOUSING ASSISTANCE, INCLUDING TO PROMOTE HOME OWNERSHIP AMONG MEMBERS OF MINORITY GROUPS THAT ARE UNDERREPRESENTED IN HOME OWNERSHIP DUE TO REDLINING OR**

DISCRIMINATION;

(II) RE-ENTRY SERVICES, INCLUDING JOB TRAINING AND PLACEMENT;

(III) SCHOLARSHIP ASSISTANCE FOR LOW-INCOME STUDENTS;

(IV) GRANTS TO COMMUNITY-BASED ORGANIZATIONS TO PROVIDE SERVICES TO PREVENT VIOLENCE, SUPPORT YOUTH DEVELOPMENT, PROVIDE EARLY INTERVENTION FOR YOUTH AND FAMILIES, AND PROMOTE COMMUNITY STABILITY AND SAFETY;

(V) SMALL BUSINESS LOANS FOR RESIDENTS OF THE COMMUNITIES DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION; AND

(VI) LEGAL OR CIVIC AID, INCLUDING TO PROVIDE ASSISTANCE IN OBTAINING AN EXPUNGEMENT.

### **SUBTITLE 3. CANNABIS REGULATION.**

**23–301.**

(A) (1) ON OR BEFORE MARCH 1, 2022, THE COMMISSION SHALL ADOPT REGULATIONS NECESSARY TO ISSUE AND REGULATE DUAL LICENSES ON AN EXPEDITED BASIS.

(2) THE COMMISSION SHALL ATTEMPT TO HARMONIZE THE REGULATIONS WITH THE REGULATIONS ISSUED BY THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION TO MINIMIZE HARDSHIP TO DUAL LICENSEES.

(3) THE REGULATIONS SHALL:

(I) INCLUDE PROCEDURES TO ALLOW MEDICAL CANNABIS DISPENSARIES, MEDICAL CANNABIS PROCESSORS, MEDICAL CANNABIS INDEPENDENT TESTING LABORATORIES, OR MEDICAL CANNABIS GROWERS TO APPLY FOR A DUAL LICENSE BY:

1. PAYING AN APPLICATION AND LICENSING FEE IN AN AMOUNT ESTABLISHED BY THE DEPARTMENT, IN ADDITION TO THE FEE PAYABLE TO THE SOCIAL EQUITY START-UP FUND UNDER § 23–403 OF THIS TITLE;

2. A. SUBMITTING A DOCUMENT FROM THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION STATING THAT THE APPLICANT

HAS NOT BEEN SANCTIONED FOR MULTIPLE OR SERIOUS VIOLATIONS OF THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION'S RULES AND REGULATIONS AND IS IN COMPLIANCE WITH THOSE RULES AND REGULATIONS; OR

**B. IF THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION FAILS TO RESPOND TO A REQUEST FOR THE DOCUMENTATION DESCRIBED IN ITEM A OF THIS ITEM WITHIN 30 DAYS AFTER RECEIVING THE WRITTEN REQUEST, SUBMITTING AN AFFIDAVIT FROM THE CHIEF EXECUTIVE OFFICER OR BOARD PRESIDENT OF THE APPLICANT STATING THAT THE APPLICANT HAS NOT BEEN SANCTIONED FOR MULTIPLE OR SERIOUS VIOLATIONS OF THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION'S RULES AND REGULATIONS AND IS IN COMPLIANCE WITH THOSE RULES AND REGULATIONS; AND**

**3. SUBMITTING A PLAN EXPLAINING HOW THE APPLICANT INTENDS TO CONTINUE SERVING PATIENTS REGISTERED WITH THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION, WITHOUT INCREASING PRICES OR REDUCING PRODUCT AVAILABILITY;**

**(II) REQUIRE THAT, WHEN THE COMMISSION NEEDS TO EMPLOY AN INDIVIDUAL TO FILL A POSITION RELATED TO CANNABIS REGULATION, THE COMMISSION GIVE EMPLOYEES OF THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION WHO PERFORM SIMILAR DUTIES AS THE POSITION TO BE FILLED A ONE-TIME RIGHT OF FIRST REFUSAL OFFER OF EMPLOYMENT WITH THE COMMISSION;**

**(III) INCLUDE PROCEDURES FOR SUSPENDING A DUAL LICENSE FOR A MEDICAL CANNABIS BUSINESS THAT HAS FAILED TO MAINTAIN REASONABLE PRICES AND PRODUCT AVAILABILITY FOR QUALIFYING PATIENTS DURING THE PERIOD OF EXPEDITED LICENSING; AND**

**(IV) ADDRESS CANNABIS SOLD FOR ADULT USE, INCLUDING WARNING LABELS.**

**(4) THE COMMISSION MAY ISSUE DUAL LICENSES UNDER THIS SUBSECTION ONLY FOR THE TYPE OR TYPES OF LICENSES ISSUED AND LOCATIONS WHERE THE APPLICANT IS AUTHORIZED TO OPERATE UNDER TITLE 13, SUBTITLE 33 OF THIS ARTICLE.**

**(B) (1) ON OR BEFORE OCTOBER 1, 2022, THE COMMISSION, IN CONSULTATION WITH THE OFFICE OF SOCIAL EQUITY, SHALL ADOPT REGULATIONS NECESSARY FOR IMPLEMENTATION OF THE REMAINDER OF THIS TITLE.**

**(2) THE REGULATIONS MAY NOT:**

(I) PROHIBIT THE OPERATION OF CANNABIS ESTABLISHMENTS, EITHER EXPRESSLY OR THROUGH THE APPLICATION OF THE REGULATIONS; OR

(II) REQUIRE A HIGH INVESTMENT OF RISK, MONEY, TIME, OR ANY OTHER RESOURCE OR ASSET THAT WOULD RESULT IN THE OPERATION OF A CANNABIS ESTABLISHMENT BEING CONSIDERED NOT WORTHY OF BEING CARRIED OUT IN PRACTICE BY A REASONABLY PRUDENT BUSINESSPERSON.

(3) THE REGULATIONS SHALL INCLUDE:

(I) PROCEDURES FOR THE ISSUANCE, RENEWAL, SUSPENSION, AND REVOCATION OF A LICENSE TO OPERATE A CANNABIS ESTABLISHMENT;

(II) RULES, PROCEDURES, AND POLICIES TO PROMOTE AND ENCOURAGE FULL PARTICIPATION IN THE REGULATED CANNABIS INDUSTRY BY PEOPLE FROM COMMUNITIES THAT HAVE PREVIOUSLY BEEN DISPROPORTIONATELY HARMED BY CANNABIS PROHIBITION AND ENFORCEMENT AND TO POSITIVELY IMPACT THOSE COMMUNITIES AND THAT REFLECT INPUT FROM THE OFFICE OF SOCIAL EQUITY, INCLUDING:

1. CONDUCTING NECESSARY AND APPROPRIATE OUTREACH TO DIVERSE GROUPS THAT MAY QUALIFY FOR PARTICIPATION IN ACTIVITIES UNDER THIS TITLE;

2. REQUIRING EACH CANNABIS ESTABLISHMENT TO ESTABLISH AND ADHERE TO POLICIES THAT ENCOURAGE DIVERSITY IN EMPLOYMENT, CONTRACTING, AND OTHER PROFESSIONAL OPPORTUNITIES;

3. REQUIRING ANY CANNABIS ESTABLISHMENT WITH 25 OR MORE EMPLOYEES TO RETAIN A DIVERSITY OFFICER;

4. REQUIRING EACH CANNABIS ESTABLISHMENT TO REPORT ON THE DIVERSITY OF ITS WORKFORCE, MANAGEMENT, CONTRACTS, AND OWNERSHIP ON OR BEFORE JANUARY 1 EACH YEAR;

5. ISSUING REGULATIONS ALLOWING SOCIAL EQUITY APPLICANTS TO APPLY FOR, AND BE LICENSED FOR, CULTIVATOR AND PROCESSOR LICENSES NOT LESS THAN 180 DAYS BEFORE APPLICANTS THAT ARE NOT SOCIAL EQUITY APPLICANTS OR THAT DO NOT HOLD DUAL LICENSES; AND

6. PROVIDING THAT DELIVERY AND TRANSPORTATION

LICENSES ARE AVAILABLE EXCLUSIVELY TO SOCIAL EQUITY APPLICANTS;

(III) AN APPLICATION REVIEW PROCESS FOR GRANTING LICENSES;

(IV) A PROCESS TO ALLOW CULTIVATORS TO MOVE TO ANOTHER TIER OF LICENSE, INCLUDING PROVISIONS ALLOWING DUAL LICENSEES THAT ARE INITIALLY LICENSED IN A TIER ABOVE TIER 5 TO INCREASE PRODUCTION ON DEMONSTRATING THAT ADDITIONAL CULTIVATION SUPPLY IS NEEDED;

(V) A SCHEDULE OF REASONABLE APPLICATION, LICENSE, AND RENEWAL FEES THAT:

1. ESTABLISHES APPLICATION FEES IN AN AMOUNT NOT EXCEEDING \$5,000, AS ADJUSTED ANNUALLY FOR INFLATION, UNLESS THE COMMISSION DETERMINES A GREATER FEE IS NECESSARY TO CARRY OUT ITS RESPONSIBILITIES UNDER THIS TITLE OR ANOTHER FEE AMOUNT IS REQUIRED UNDER THIS TITLE;

2. REDUCES APPLICATION, LICENSING, AND RENEWAL FEES BY 50% FOR SOCIAL EQUITY APPLICANTS OR LICENSEES THAT QUALIFY AS A SOCIAL EQUITY APPLICANT;

3. BASES APPLICATION AND LICENSING FEES FOR CULTIVATION ON TIER, WITH SUBSTANTIALLY LOWER FEES FOR TIER 1 CULTIVATORS THAN TIER 5 CULTIVATORS; AND

4. SETS APPLICATION AND LICENSING FEES FOR CLASS B PROCESSORS SUBSTANTIALLY LOWER THAN APPLICATION AND LICENSING FEES FOR CLASS A PROCESSORS;

(VI) QUALIFICATIONS FOR A LICENSE THAT ARE DIRECTLY AND DEMONSTRABLY RELATED TO THE OPERATION OF A CANNABIS ESTABLISHMENT AND THAT DO NOT DISQUALIFY APPLICANTS FOR CANNABIS OFFENSES OCCURRING BEFORE OCTOBER 1, 2021;

(VII) SECURITY REQUIREMENTS;

(VIII) REQUIREMENTS FOR THE SECURE TRANSPORTATION AND STORAGE OF CANNABIS AND CANNABIS PRODUCTS BY CANNABIS ESTABLISHMENTS;

(IX) REQUIREMENTS FOR DELIVERY SERVICES, INCLUDING:

1. SECURITY REQUIREMENTS;
  2. A PROHIBITION ON BUSINESS NAMES, LOGOS, AND OTHER IDENTIFYING LANGUAGE OR IMAGES ON DELIVERY VEHICLES; AND
  3. A PROHIBITION ON DELIVERING TO ANY ADDRESS LOCATED ON LAND OWNED BY THE FEDERAL GOVERNMENT OR ANY ADDRESS ON LAND OR IN A BUILDING LEASED BY THE FEDERAL GOVERNMENT;
- (X) EMPLOYMENT AND TRAINING REQUIREMENTS THAT DO NOT DISQUALIFY APPLICANTS BASED ON CANNABIS OFFENSES OCCURRING BEFORE OCTOBER 1, 2021, INCLUDING A REQUIREMENT THAT EACH CANNABIS ESTABLISHMENT CREATE AN IDENTIFICATION BADGE FOR EACH AGENT;
- (XI) REQUIREMENTS DESIGNED TO PREVENT THE SALE OR DIVERSION OF CANNABIS AND CANNABIS PRODUCTS TO INDIVIDUALS UNDER THE AGE OF 21;
- (XII) REQUIREMENTS FOR CANNABIS AND CANNABIS PRODUCTS SOLD OR DISTRIBUTED BY A CANNABIS ESTABLISHMENT, INCLUDING:
1. A REQUIREMENT THAT LABELS BE ACCURATE AND NOT MISLEADING;
  2. A REQUIREMENT THAT CANNABIS PRODUCT LABELS INCLUDE:
    - A. THE LENGTH OF TIME IT TYPICALLY TAKES FOR THE PRODUCT TO TAKE EFFECT;
    - B. A DISCLOSURE OF INGREDIENTS AND POSSIBLE ALLERGENS; AND
    - C. A NUTRITIONAL FACT PANEL;
  3. A REQUIREMENT THAT CANNABIS PRODUCTS HAVE OPAQUE, CHILD-RESISTANT PACKAGING THAT IS DESIGNED OR CONSTRUCTED TO BE SIGNIFICANTLY DIFFICULT FOR CHILDREN UNDER 5 YEARS OF AGE TO OPEN AND NOT DIFFICULT FOR NORMAL ADULTS TO USE PROPERLY AS DEFINED BY 16 C.F.R. 1700.20 (1995); AND
  4. A REQUIREMENT THAT EDIBLE CANNABIS PRODUCTS BE CLEARLY IDENTIFIABLE, WHEN PRACTICABLE, WITH A STANDARD SYMBOL

INDICATING THAT IT CONTAINS CANNABIS;

**(XIII) HEALTH AND SAFETY REGULATIONS AND STANDARDS FOR THE MANUFACTURE OF CANNABIS PRODUCTS AND BOTH THE INDOOR AND OUTDOOR CULTIVATION OF CANNABIS BY CANNABIS ESTABLISHMENTS;**

**(XIV) REGULATIONS CONCERNING ADVERTISING AND SIGNAGE, INCLUDING RULES FOR AUDIENCE COMPOSITION TO REDUCE THE LIKELIHOOD OF ADVERTISING EXPOSURE FOR MINORS;**

**(XV) CREATION OF A LICENSURE TIER SYSTEM FOR CULTIVATORS THAT:**

- 1. IS BASED ON TOTAL CANOPY;**
- 2. ALLOWS CULTIVATORS TO APPLY TO MOVE TO ANOTHER TIER;**
- 3. BASES FEES ON TIER; AND**
- 4. INCLUDES, AT MINIMUM, THE FOLLOWING TIERS OF CULTIVATION LICENSES:**

**A. TIER 1 CULTIVATOR OR MICROBUSINESS THAT AUTHORIZES THE CULTIVATOR TO GROW A TOTAL CANOPY OF NOT MORE THAN 5,000 SQUARE FEET FOR INDOOR CULTIVATION OR 15,000 SQUARE FEET FOR OUTDOOR CULTIVATION;**

**B. TIER 2 CULTIVATOR THAT AUTHORIZES THE CULTIVATOR TO GROW A TOTAL CANOPY OF NOT MORE THAN 10,000 SQUARE FEET FOR INDOOR CULTIVATION OR 30,000 SQUARE FEET FOR OUTDOOR CULTIVATION;**

**C. TIER 3 CULTIVATOR THAT AUTHORIZES THE CULTIVATOR TO GROW A TOTAL CANOPY OF NOT MORE THAN 20,000 SQUARE FEET FOR INDOOR CULTIVATION OR 60,000 SQUARE FEET FOR OUTDOOR CULTIVATION;**

**D. TIER 4 CULTIVATOR THAT AUTHORIZES A CULTIVATOR TO GROW A TOTAL CANOPY OF NOT MORE THAN 35,000 SQUARE FEET FOR INDOOR CULTIVATION OR 105,000 SQUARE FEET FOR OUTDOOR CULTIVATION;**

**E. TIER 5 CULTIVATOR THAT AUTHORIZES A CULTIVATOR TO GROW A TOTAL CANOPY OF NOT MORE THAN 50,000 SQUARE FEET FOR INDOOR CULTIVATION OR 150,000 SQUARE FEET FOR OUTDOOR CULTIVATION;**

**F. ADDITIONAL TIERS NECESSARY TO ACCOMMODATE THE TOTAL GROWTH CANOPY OF ANY DUAL LICENSEE AS OF THE DATE OF LICENSURE; AND**

**G. ADDITIONAL TIERS NECESSARY TO ACCOMMODATE THE EXPANSION OF CULTIVATORS IN TIER 5 OR ABOVE THAT CAN DEMONSTRATE THAT THEY HAVE BEEN OPERATING AT OR NEAR THE CANOPY LIMIT OF THEIR TIER AND THAT THERE IS DEMAND FOR INCREASED CULTIVATION;**

**(XVI) RESTRICTIONS OR PROHIBITIONS ON ADDITIVES TO CANNABIS AND CANNABIS-INFUSED PRODUCTS, INCLUDING ADDITIVES THAT ARE TOXIC OR DESIGNED TO MAKE THE PRODUCT MORE ADDICTIVE;**

**(XVII) PROHIBITIONS ON PRODUCTS THAT ARE DESIGNED TO MAKE THE PRODUCT MORE APPEALING TO CHILDREN, INCLUDING A PROHIBITION ON THE USE OF ANY IMAGES DESIGNED OR LIKELY TO APPEAL TO MINORS, INCLUDING CARTOONS, TOYS, ANIMALS, OR CHILDREN, AND ANY OTHER LIKENESS TO IMAGES, CHARACTERS, OR PHRASES THAT ARE POPULARLY USED TO ADVERTISE TO CHILDREN;**

**(XVIII) TESTING REQUIREMENTS AND STANDARDS FOR THE OPERATIONS OF TESTING LABS, THAT ARE IDENTICAL TO THOSE ISSUED UNDER TITLE 13, SUBTITLE 33 OF THIS ARTICLE, EXCEPT THAT THE REQUIREMENTS AND STANDARDS MAY BE LESS RIGOROUS IF THE COMMISSION FINDS LESS RIGOROUS STANDARDS ARE WARRANTED DUE TO THE DIFFERENCES BETWEEN ADULT-USE CONSUMERS AND MEDICAL PATIENTS;**

**(XIX) SPECIFICATIONS GOVERNING VISITS TO CULTIVATORS AND PROCESSORS, INCLUDING A REQUIREMENT THAT THE CANNABIS ESTABLISHMENT LOG VISITORS;**

**(XX) A DEFINITION OF THE AMOUNT OF DELTA-9 TETRAHYDROCANNABINOL THAT CONSTITUTES A SINGLE SERVING IN A CANNABIS PRODUCT;**

**(XXI) STANDARDS FOR THE SAFE MANUFACTURE OF CANNABIS EXTRACTS AND CONCENTRATES;**

**(XXII) REQUIREMENTS THAT EDUCATIONAL MATERIALS BE DISSEMINATED TO CONSUMERS WHO PURCHASE CANNABIS-INFUSED PRODUCTS;**

**(XXIII) REQUIREMENTS FOR RANDOM SAMPLE TESTING TO**

**ENSURE QUALITY CONTROL, INCLUDING:**

**1. BY ENSURING THAT CANNABIS AND CANNABIS-INFUSED PRODUCTS ARE ACCURATELY LABELED FOR POTENCY; AND**

**2. UNLESS THE COMMISSION DETERMINES THAT REMEDIATION OR TREATMENT IS SUFFICIENT TO ENSURE PRODUCT SAFETY, A REQUIREMENT THAT TESTING INCLUDE TESTING FOR:**

**A. RESIDUAL SOLVENTS, POISONS, OR TOXINS;**

**B. HARMFUL CHEMICALS;**

**C. DANGEROUS MOLDS OR MILDEW;**

**D. FILTH; AND**

**E. HARMFUL MICROBIALS SUCH AS E. COLI OR SALMONELLA AND PESTICIDES;**

**(XXIV) CIVIL PENALTIES OF UP TO \$20,000 FOR FAILURE TO COMPLY WITH REGULATIONS ADOPTED IN ACCORDANCE WITH THIS TITLE;**

**(XXV) PROCEDURES FOR COLLECTING TAXES LEVIED ON CANNABIS ESTABLISHMENTS;**

**(XXVI) REQUIREMENTS FOR ON-SITE CONSUMPTION ESTABLISHMENTS, INCLUDING FOR SECURITY, VENTILATION, ODOR CONTROL, AND CONSUMPTION BY PATRONS, THAT MAY NOT PROHIBIT AN ON-SITE CONSUMPTION LICENSEE ALSO HOLDING AN APPROPRIATE LICENSE TO SELL BEER AND WINE FOR ON-PREMISES CONSUMPTION FROM SELLING BEER AND WINE IF APPROVED BY THE LOCALITY IN WHICH THE ON-SITE CONSUMPTION ESTABLISHMENT PLANS TO OPERATE;**

**(XXVII) PROCEDURES FOR INVENTORY MANAGEMENT AND TRACKING THAT MAY NOT REQUIRE THE DIFFERENTIATION BETWEEN ADULT-USE OR MEDICAL CANNABIS OR CANNABIS PRODUCTS BEFORE THE POINT OF SALE, EXCEPT FOR HIGH-POTENCY CANNABIS PRODUCTS ALLOWED FOR PATIENTS THAT EXCEED POTENCY LIMITS SET FOR ADULT-USE CANNABIS PRODUCTS; AND**

**(XXVIII) PROCEDURES ALLOWING CANNABIS ESTABLISHMENTS TO OBTAIN AND SELL HEMP AND HEMP PRODUCTS AND MANUFACTURE PRODUCTS USING HEMP-DERIVED ISOLATE.**

(C) (1) AFTER CONSULTING WITH RESEARCHERS KNOWLEDGEABLE ABOUT THE RISKS AND BENEFITS OF CANNABIS AND PROVIDING AN OPPORTUNITY FOR PUBLIC COMMENT, THE COMMISSION SHALL DEVELOP A SCIENTIFICALLY ACCURATE SAFETY INFORMATION LABEL, HANDOUT, OR BOTH.

(2) THE SAFETY INFORMATION MATERIALS DEVELOPED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE AVAILABLE TO EACH CONSUMER.

(3) THE SAFETY INFORMATION MATERIALS DEVELOPED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE:

(I) ADVICE ABOUT THE POTENTIAL RISKS OF CANNABIS, INCLUDING:

1. THE RISKS OF DRIVING UNDER THE INFLUENCE OF CANNABIS AND THE FACT THAT DOING SO IS ILLEGAL;

2. ANY ADVERSE EFFECTS UNIQUE TO YOUNGER ADULTS, INCLUDING EFFECTS RELATED TO THE DEVELOPING MIND;

3. POTENTIAL ADVERSE EVENTS AND OTHER RISKS; AND

4. RISKS OF USING CANNABIS DURING PREGNANCY OR BREASTFEEDING; AND

(II) A WARNING ABOUT THE NEED TO SAFEGUARD ALL CANNABIS AND CANNABIS PRODUCTS FROM CHILDREN AND PETS.

(D) (1) THE COMMISSION SHALL REVIEW AND UPDATE THE SAFETY INFORMATION MATERIALS DEVELOPED UNDER SUBSECTION (C)(1) OF THIS SECTION AT LEAST ONCE EVERY 2 YEARS TO ENSURE THE MATERIALS REMAIN ACCURATE.

(2) THE REVIEW PERIOD SHALL INCLUDE THE SOLICITATION OF INPUT FROM RESEARCHERS KNOWLEDGEABLE ABOUT THE RISKS AND BENEFITS OF CANNABIS AND AN OPPORTUNITY FOR PUBLIC COMMENT.

(E) IN ORDER TO ENSURE THAT INDIVIDUAL PRIVACY IS PROTECTED:

(1) THE COMMISSION MAY NOT REQUIRE A CONSUMER TO PROVIDE A RETAILER WITH PERSONAL INFORMATION OTHER THAN GOVERNMENT-ISSUED IDENTIFICATION TO DETERMINE THE CONSUMER'S AGE; AND

(2) A RETAILER MAY NOT BE REQUIRED TO ACQUIRE AND RECORD PERSONAL INFORMATION ABOUT CONSUMERS.

(F) (1) THE COMMISSION SHALL DEVELOP POLICIES AND PROCEDURES GOVERNING THE COMMISSION'S APPROVAL OF TRANSFER OF LICENSES.

(2) THE POLICIES AND PROCEDURES MAY NOT PROHIBIT THE TRANSFER OF A LICENSE FROM A SOCIAL EQUITY APPLICANT TO A NONSOCIAL EQUITY APPLICANT.

(3) THE POLICIES AND PROCEDURES MAY REQUIRE THAT, BEFORE THE TRANSFER IS APPROVED:

(I) ADDITIONAL CONDITIONS BE MET;

(II) A REASONABLE PERIOD OF TIME ELAPSE BEFORE THE TRANSFER; OR

(III) A REASONABLE REIMBURSEMENT TO THE SOCIAL EQUITY START-UP FUND BE MADE.

#### SUBTITLE 4. CANNABIS LICENSING.

23-401.

(A) EACH APPLICATION OR RENEWAL APPLICATION FOR A LICENSE TO OPERATE A CANNABIS ESTABLISHMENT SHALL BE SUBMITTED TO THE COMMISSION.

(B) CANNABIS ESTABLISHMENTS, AND THE BOOKS AND RECORDS MAINTAINED AND CREATED BY CANNABIS ESTABLISHMENTS, ARE SUBJECT TO INSPECTION BY THE COMMISSION.

(C) ON DENIAL OF AN APPLICATION, THE COMMISSION SHALL NOTIFY THE APPLICANT IN WRITING OF THE SPECIFIC REASON FOR ITS DENIAL.

(D) THE COMMISSION MAY IMPOSE PENALTIES OR RESCIND THE LICENSE OF A CANNABIS ESTABLISHMENT THAT DOES NOT MEET THE STANDARDS FOR LICENSURE SET BY THE COMMISSION.

(E) EXCEPT AS PROVIDED IN § 23-403(E) OF THIS SUBTITLE, A CANNABIS ESTABLISHMENT LICENSE IS VALID FOR:

- (1) 1 YEAR ON INITIAL LICENSURE; AND
- (2) 2 YEARS ON RENEWAL.

**23-402.**

(A) A PERSON MAY NOT HOLD A LEGAL, EQUITABLE, OR BENEFICIAL INTEREST OF 5% OR MORE, DIRECTLY OR INDIRECTLY, IN MORE THAN:

- (1) ONE CULTIVATOR; OR
- (2) FIVE RETAILERS.

(B) A CULTIVATOR MAY NOT PRODUCE CANNABIS CONCENTRATES, TINCTURES, EXTRACTS, OR OTHER CANNABIS PRODUCTS UNLESS THE CULTIVATOR IS ALSO LICENSED AS A PROCESSOR.

(C) A CULTIVATOR MAY NOT CULTIVATE MEDICAL CANNABIS UNLESS THE CULTIVATOR IS A DUAL LICENSEE.

(D) A PROCESSOR MAY NOT PROCESS OR PRODUCE MEDICAL CANNABIS OR MEDICAL CANNABIS PRODUCTS UNLESS THE PROCESSOR IS A DUAL LICENSEE.

(E) A RETAILER MAY NOT SELL MEDICAL CANNABIS OR MEDICAL CANNABIS PRODUCTS TO PATIENTS UNLESS THE RETAILER IS A DUAL LICENSEE.

**23-403.**

(A) THE COMMISSION SHALL BEGIN ACCEPTING AND PROCESSING APPLICATIONS FOR DUAL LICENSES FROM MEDICAL CANNABIS DISPENSARIES, MEDICAL CANNABIS PROCESSORS, MEDICAL CANNABIS INDEPENDENT TESTING LABORATORIES, AND MEDICAL CANNABIS GROWERS NOT LATER THAN APRIL 1, 2022.

(B) WITHIN 45 DAYS AFTER RECEIVING AN APPLICATION AND ALL FEES FOR A DUAL LICENSE FROM A MEDICAL CANNABIS DISPENSARY, MEDICAL CANNABIS PROCESSOR, MEDICAL CANNABIS INDEPENDENT TESTING LABORATORY, OR MEDICAL CANNABIS GROWER, THE COMMISSION SHALL ISSUE A DUAL LICENSE TO THE APPLICANT, UNLESS THE COMMISSION:

- (1) FINDS THE APPLICANT IS NOT IN COMPLIANCE WITH REGULATIONS ADOPTED UNDER § 23-301(A) OF THIS TITLE; OR

**(2) IS NOTIFIED BY THE RELEVANT LOCALITY THAT THE APPLICANT IS NOT IN COMPLIANCE WITH LOCAL LAW.**

**(C) (1) BEFORE BEING ISSUED A DUAL LICENSE UNDER THIS SECTION, EACH APPLICANT SHALL PAY A LICENSING FEE OF:**

**(I) FOR A MEDICAL CANNABIS GROWER:**

**1. THE LOWER OF 2.5% OF THE BUSINESS'S TOTAL SALES BETWEEN JANUARY 1, 2020, AND JANUARY 1, 2021, OR \$500,000; OR**

**2. IF THE AMOUNT TO BE PAID UNDER ITEM 1 OF THIS ITEM IS LESS THAN \$100,000, \$100,000;**

**(II) FOR A MEDICAL CANNABIS DISPENSARY:**

**1. THE LOWER OF 2.0% OF THE BUSINESS'S TOTAL SALES BETWEEN JANUARY 1, 2020, AND JANUARY 1, 2021, OR \$100,000; OR**

**2. IF THE AMOUNT TO BE PAID UNDER ITEM 1 OF THIS ITEM IS LESS THAN \$50,000, \$50,000; OR**

**(III) FOR A MEDICAL CANNABIS PROCESSOR:**

**1. THE LOWER OF 2.5% OF THE BUSINESS'S TOTAL SALES BETWEEN JANUARY 1, 2020, AND JANUARY 1, 2021, OR \$250,000; OR**

**2. IF THE AMOUNT TO BE PAID UNDER ITEM 1 OF THIS ITEM IS LESS THAN \$25,000, \$25,000.**

**(2) ALL FEES PAID IN ACCORDANCE WITH THIS SUBSECTION SHALL BE CREDITED TO THE SOCIAL EQUITY START-UP FUND.**

**(3) THE COMMISSION SHALL REDUCE DUAL LICENSE FEES FOR ANY ENTITY THAT QUALIFIES AS A SOCIAL EQUITY APPLICANT.**

**(4) THE COMMISSION MAY REDUCE DUAL LICENSE FEES BY AT LEAST 50% FOR ANY APPLICANT THAT IS A CERTIFIED MINORITY-OWNED BUSINESS.**

**(5) A MEDICAL CANNABIS INDEPENDENT TESTING LABORATORY IS NOT REQUIRED TO PAY A LICENSING FEE.**

**(D) (1) FOR AN INITIAL RENEWAL, EACH APPLICANT SHALL PAY A**

**LICENSING FEE OF:****(I) FOR A MEDICAL CANNABIS GROWER:**

1. THE LOWER OF 5.0% OF THE BUSINESS'S TOTAL SALES FOR THE 6 MONTHS IMMEDIATELY PRECEDING THE PAYMENT, OR \$250,000; OR

2. IF THE AMOUNT TO BE PAID UNDER ITEM 1 OF THIS ITEM IS LESS THAN \$100,000, \$100,000;

**(II) FOR A MEDICAL CANNABIS DISPENSARY:**

1. THE LOWER OF 2.0% OF THE BUSINESS'S TOTAL SALES FOR THE 6 MONTHS IMMEDIATELY PRECEDING THE PAYMENT, OR \$150,000; OR

2. IF THE AMOUNT TO BE PAID UNDER ITEM 1 OF THIS ITEM IS LESS THAN \$50,000, \$50,000; OR

(III) FOR A MEDICAL CANNABIS PROCESSOR, THE LOWER OF 2.5% OF THE BUSINESS'S TOTAL SALES FOR THE 6 MONTHS IMMEDIATELY PRECEDING THE PAYMENT, OR \$250,000.

(2) A MEDICAL CANNABIS GROWER, DISPENSARY, OR PROCESSOR MAY ELECT TO DIRECT, WITH COMMISSION APPROVAL, UP TO 50% OF THE FEE PAID UNDER THIS SUBSECTION TOWARD THE COSTS ASSOCIATED WITH HOSTING A CANNABIS BUSINESS INCUBATOR PROGRAM.

(3) THE COMMISSION SHALL REDUCE DUAL LICENSE RENEWAL FEES UNDER THIS SUBSECTION FOR ANY APPLICANT WITH 51% OR MORE OWNERSHIP THAT QUALIFIES AS A SOCIAL EQUITY APPLICANT BY AT LEAST 50%.

(4) ALL FEES PAID IN ACCORDANCE WITH THIS SUBSECTION SHALL BE CREDITED TO THE SOCIAL EQUITY START-UP FUND.

(5) THE COMMISSION SHALL DETERMINE SUBSEQUENT RENEWAL FEES, WHICH SHALL BE CREDITED TO THE CANNABIS REGULATION FUND.

**(E) A DUAL LICENSE ISSUED UNDER THIS SECTION IS VALID FOR:**

(1) 240 DAYS ON INITIAL LICENSURE; AND

**(2) 2 YEARS ON RENEWAL.**

**(F) EACH MEDICAL CANNABIS DISPENSARY, MEDICAL CANNABIS PROCESSOR, MEDICAL CANNABIS INDEPENDENT TESTING LABORATORY, AND MEDICAL CANNABIS GROWER SHALL BE ELIGIBLE FOR A SINGLE DUAL LICENSE, AT THE SAME PREMISES AS THE MEDICAL CANNABIS ESTABLISHMENT LICENSE.**

**(G) (1) (I) A MEDICAL CANNABIS PROCESSOR IS ELIGIBLE ONLY FOR A DUAL LICENSE AS A PROCESSOR.**

**(II) A MEDICAL CANNABIS DISPENSARY IS ELIGIBLE ONLY FOR A DUAL LICENSE AS A RETAILER.**

**(III) A MEDICAL CANNABIS GROWER IS ELIGIBLE ONLY FOR A DUAL LICENSE AS A CULTIVATOR.**

**(IV) A MEDICAL CANNABIS INDEPENDENT TESTING LABORATORY IS ELIGIBLE ONLY FOR A DUAL LICENSE AS AN INDEPENDENT TESTING LABORATORY.**

**(2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THIS SUBSECTION DOES NOT PREVENT AN ENTITY LICENSED AS TWO OR MORE TYPES OF MEDICAL CANNABIS ESTABLISHMENTS FROM APPLYING FOR AND BEING ISSUED AN EQUAL NUMBER AND TYPE OF DUAL LICENSES.**

**(II) A MEDICAL CANNABIS INDEPENDENT TESTING LABORATORY MAY NOT HOLD ANY OTHER TYPE OF CANNABIS ESTABLISHMENT LICENSE.**

**23-404.**

**(A) ON OR BEFORE OCTOBER 1, 2022, THE COMMISSION SHALL:**

**(1) BEGIN ACCEPTING AND PROCESSING APPLICATIONS FOR LICENSES TO OPERATE AS A CULTIVATOR, DELIVERY SERVICE, PROCESSOR, OR TRANSPORTER FROM SOCIAL EQUITY APPLICANTS; AND**

**(2) BEGIN ACCEPTING AND PROCESSING APPLICATIONS FOR LICENSES TO OPERATE AN INDEPENDENT TESTING LABORATORY FROM ALL APPLICANTS.**

**(B) ON RECEIVING AN APPLICATION OR RENEWAL APPLICATION FOR A CANNABIS ESTABLISHMENT, THE COMMISSION SHALL IMMEDIATELY FORWARD A**

COPY OF EACH APPLICATION AND HALF OF THE LICENSE APPLICATION FEE TO THE LOCAL REGULATORY AUTHORITY FOR THE LOCALITY IN WHICH THE APPLICANT DESIRES TO OPERATE THE CANNABIS ESTABLISHMENT, UNLESS THE LOCALITY HAS NOT DESIGNATED A LOCAL REGULATORY AUTHORITY.

(C) WITHIN 90 DAYS AFTER RECEIVING AN APPLICATION OR RENEWAL APPLICATION TO OPERATE A DELIVERY SERVICE, CLASS A PROCESSOR, CLASS B PROCESSOR, OR TRANSPORTER FROM A SOCIAL EQUITY APPLICANT, THE COMMISSION SHALL ISSUE A LICENSE OR A CONDITIONAL LICENSE TO THE APPLICANT, UNLESS THE COMMISSION:

(1) FINDS THE APPLICANT IS NOT IN COMPLIANCE WITH REGULATIONS ADOPTED UNDER § 23-301 OF THIS TITLE; OR

(2) IS NOTIFIED BY THE RELEVANT LOCALITY THAT THE APPLICANT IS NOT IN COMPLIANCE WITH LOCAL ZONING OR PLANNING REGULATIONS.

(D) WITHIN 90 DAYS AFTER RECEIVING AN APPLICATION OR RENEWAL APPLICATION TO OPERATE AN INDEPENDENT TESTING LABORATORY, THE COMMISSION SHALL ISSUE A LICENSE OR A CONDITIONAL LICENSE TO THE APPLICANT, UNLESS THE COMMISSION:

(1) FINDS THE APPLICANT IS NOT IN COMPLIANCE WITH REGULATIONS ADOPTED UNDER § 23-301 OF THIS TITLE; OR

(2) IS NOTIFIED BY THE RELEVANT LOCALITY THAT THE APPLICANT IS NOT IN COMPLIANCE WITH LOCAL ZONING OR PLANNING REGULATIONS.

(E) (1) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, ON OR BEFORE FEBRUARY 1, 2023, THE COMMISSION SHALL ISSUE TO SOCIAL EQUITY APPLICANTS:

1. 10 TIER 5 CULTIVATOR LICENSES;
2. 15 TIER 3 CULTIVATOR LICENSES; AND
3. 15 TIER 1 CULTIVATOR LICENSES.

(II) IF THERE ARE FEWER THAN 10 QUALIFIED APPLICANTS FOR TIER 5 CULTIVATOR LICENSES, THEN ADDITIONAL TIER 3 LICENSES SHALL BE ISSUED TO ENSURE THAT A TOTAL OF 25 LICENSES ARE ISSUED TO TIER 5 AND TIER 3 CULTIVATORS COLLECTIVELY.

**(2) (I) THE COMMISSION SHALL IMPLEMENT A SCORED PROCESS TO DETERMINE QUALIFYING APPLICANTS FOR CULTIVATION LICENSES, WHICH MAY CONSIDER:**

- 1. SECURITY AND RECORDKEEPING PLANS;**
- 2. BUSINESS PLANS;**
- 3. KNOWLEDGE AND EXPERIENCE;**
- 4. SUITABILITY OF EMPLOYEE TRAINING;**
- 5. DIVERSITY PLANS;**
- 6. LABOR AND EMPLOYMENT PRACTICES;**
- 7. ENVIRONMENTAL PLANS;**
- 8. VETERAN STATUS; AND**
- 9. MARYLAND RESIDENCY.**

**(II) AN APPLICANT THAT SCORES ABOVE A NUMBER OF POINTS ESTABLISHED BY THE COMMISSION SHALL BE ENTERED INTO A LOTTERY TO DETERMINE WHICH APPLICANTS ARE ISSUED LICENSES.**

**(F) (1) AN APPLICANT MAY APPLY FOR CONDITIONAL APPROVAL IF THE APPLICANT HAS NOT PURCHASED OR LEASED THE PROPERTY WHERE THE CANNABIS ESTABLISHMENT WOULD BE LOCATED.**

**(2) IF THE APPLICANT IS OTHERWISE QUALIFIED FOR LICENSURE, THE COMMISSION SHALL PROVIDE CONDITIONAL APPROVAL.**

**(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE COMMISSION MAY REQUIRE A CULTIVATOR TO SECURE A SITE WITHIN A REASONABLE AMOUNT OF TIME.**

**(II) THE COMMISSION SHALL ALLOW AN APPLICANT TO SHOW CAUSE TO ALLOW ONE OR MORE EXTENSIONS TO THE DEADLINE FOR EVENTS BEYOND THE APPLICANT'S CONTROL.**

**(4) ONCE THE APPLICANT PROVIDES THE COMMISSION WITH A COMPLETED, SUPPLEMENTAL APPLICATION THAT IDENTIFIES THE PROPERTY**

WHERE THE CANNABIS ESTABLISHMENT IS TO BE LOCATED, THE COMMISSION SHALL FORWARD THE INFORMATION TO THE LOCAL REGULATORY AUTHORITY AND APPROVE OR REJECT THE FINAL APPLICATION WITHIN 45 DAYS.

(G) THE COMMISSION SHALL ACCEPT AND PROCESS APPLICATIONS FOR TRANSPORTERS, DELIVERY SERVICES, AND PROCESSORS OPERATED BY SOCIAL EQUITY APPLICANTS ON AN ONGOING BASIS.

(H) THE COMMISSION SHALL ACCEPT AND PROCESS APPLICATIONS FOR INDEPENDENT TESTING LABORATORIES ON AN ONGOING BASIS.

23-405.

(A) (1) ON OR BEFORE OCTOBER 1, 2022, THE COMMISSION SHALL BEGIN ACCEPTING AND PROCESSING APPLICATIONS FOR LICENSES TO OPERATE A RETAILER FROM ANY QUALIFIED APPLICANT.

(2) (I) ON OR BEFORE APRIL 1, 2023, THE COMMISSION SHALL INITIALLY ISSUE 47 RETAILER LICENSES IN A MANNER THAT EQUITABLY DISTRIBUTES THE LICENSES THROUGHOUT THE STATE AT THE RATE OF ONE LICENSE PER SENATORIAL DISTRICT.

(II) IN DETERMINING WHETHER THE AMOUNT OF RETAILER LICENSES REQUIRED TO BE ISSUED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH HAS BEEN MET, THE COMMISSION MAY NOT INCLUDE DUAL LICENSES.

(B) ON RECEIVING AN APPLICATION OR RENEWAL APPLICATION FOR A RETAILER, THE COMMISSION SHALL PROMPTLY FORWARD A COPY OF EACH APPLICATION AND HALF OF THE LICENSE APPLICATION FEE TO THE LOCAL REGULATORY AUTHORITY FOR THE LOCALITY IN WHICH THE APPLICANT DESIRES TO OPERATE THE CANNABIS ESTABLISHMENT, UNLESS THE LOCALITY HAS NOT DESIGNATED A LOCAL REGULATORY AUTHORITY.

(C) THE COMMISSION SHALL AWARD UP TO 250 POINTS TO COMPLETE APPLICATIONS BASED ON THE FOLLOWING FACTORS:

(1) 65 POINTS AWARDED FOR SECURITY AND RECORD KEEPING BASED ON THE EXTENT TO WHICH THE SECURITY PLAN ACCOUNTS FOR THE PREVENTION OF THEFT OR DIVERSION OF CANNABIS, INCLUDING SAFE STORAGE OF CANNABIS AND CURRENCY, TRACKING PROCEDURES, AND A PLAN FOR THE DESTRUCTION AND DISPOSAL OF CANNABIS;

(2) 30 POINTS AWARDED FOR KNOWLEDGE AND EXPERIENCE BASED

ON THE APPLICANT'S PRINCIPAL OFFICERS' DEMONSTRATED EXPERIENCE AND QUALIFICATIONS IN BUSINESS MANAGEMENT OR EXPERIENCE WITH THE CANNABIS INDUSTRY, WHICH MAY BE DEMONSTRATED THROUGH EXPERIENCE IN OTHER INDUSTRIES OR TRAINING THAT REFLECTS ON AN APPLICANT'S ABILITY TO OPERATE A CANNABIS BUSINESS ESTABLISHMENT;

(3) 65 POINTS AWARDED FOR BUSINESS PLAN, FINANCIALS, OPERATING, AND FLOOR PLANS;

(4) 50 POINTS AWARDED FOR STATUS AS A SOCIAL EQUITY APPLICANT BASED ON WHETHER THE APPLICANT MEETS THE QUALIFICATIONS FOR A SOCIAL EQUITY APPLICANT AS SET FORTH IN THIS TITLE;

(5) 15 POINTS AWARDED FOR THE SUITABILITY OF THE EMPLOYEE TRAINING PLAN BASED ON THE EXTENT TO WHICH THE APPLICANT'S TRAINING PLAN WILL ENSURE EMPLOYEES UNDERSTAND THE RULES AND LAWS, ARE KNOWLEDGEABLE ABOUT SECURITY MEASURES AND OPERATING PROCEDURES, AND ARE ABLE TO ADVISE CONSUMERS ON HOW TO SAFELY CONSUME PRODUCTS AND USE INDIVIDUAL PRODUCTS THAT ARE OFFERED;

(6) 10 POINTS AWARDED FOR A DIVERSITY PLAN BASED ON A NARRATIVE OF NOT MORE THAN 2,500 WORDS THAT ESTABLISHES A GOAL OF DIVERSITY IN OWNERSHIP, MANAGEMENT, EMPLOYMENT, AND CONTRACTING TO ENSURE THAT DIVERSE PARTICIPANTS AND GROUPS ARE AFFORDED EQUALITY OF OPPORTUNITY;

(7) 5 POINTS AWARDED FOR LABOR AND EMPLOYMENT PRACTICES BASED ON PLANS TO PROVIDE A SAFE, HEALTHY, AND ECONOMICALLY BENEFICIAL WORKING ENVIRONMENT FOR THE CANNABIS ESTABLISHMENT'S AGENTS, INCLUDING CODES OF CONDUCT, HEALTH CARE BENEFITS, EDUCATIONAL BENEFITS, RETIREMENT BENEFITS, AND LIVING WAGE STANDARDS;

(8) 5 POINTS AWARDED BASED ON AN ENVIRONMENTAL PLAN OF ACTION TO MINIMIZE THE CARBON FOOTPRINT, ENVIRONMENTAL IMPACT, AND RESOURCE NEEDS FOR THE DISPENSARY;

(9) 5 POINTS AWARDED BASED ON WHETHER THE APPLICANT IS 26% OR MORE CONTROLLED AND OWNED BY AN INDIVIDUAL OR INDIVIDUALS WHO MEET THE QUALIFICATIONS OF A VETERAN AS DEFINED BY § 9-901 OF THE STATE GOVERNMENT ARTICLE; AND

(10) 5 POINTS AWARDED BASED ON WHETHER THE APPLICANT IS 51% OR MORE OWNED AND CONTROLLED BY STATE RESIDENTS, WHO CAN PROVE

RESIDENCY IN EACH OF THE IMMEDIATELY PRECEDING 5 YEARS WITH TAX RECORDS.

(D) THE COMMISSION MAY AWARD UP TO 2 BONUS POINTS FOR A PLAN TO ENGAGE WITH THE COMMUNITY IN WHICH THE APPLICANT WILL BE LOCATED.

(E) (1) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, AN APPLICANT MAY APPLY FOR CONDITIONAL APPROVAL IF THE APPLICANT HAS NOT PURCHASED OR LEASED THE PROPERTY WHERE THE CANNABIS ESTABLISHMENT WOULD BE LOCATED.

(II) THE COMMISSION MAY REQUIRE AN APPLICANT TO SPECIFY THE LOCALITY IN WHICH THE CANNABIS ESTABLISHMENT IS INTENDED TO OPERATE.

(2) IF THE APPLICANT IS OTHERWISE QUALIFIED FOR LICENSURE, THE COMMISSION SHALL PROVIDE CONDITIONAL APPROVAL.

(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE COMMISSION MAY REQUIRE AN APPLICANT TO SECURE A SITE WITHIN A REASONABLE AMOUNT OF TIME.

(II) THE COMMISSION SHALL ALLOW AN APPLICANT TO SHOW CAUSE TO ALLOW ONE OR MORE EXTENSIONS TO THE DEADLINE FOR EVENTS BEYOND THE APPLICANT'S CONTROL.

(4) ONCE THE APPLICANT PROVIDES THE COMMISSION WITH A COMPLETED, SUPPLEMENTAL APPLICATION THAT IDENTIFIES THE PROPERTY WHERE THE CANNABIS ESTABLISHMENT IS TO BE LOCATED, THE COMMISSION SHALL FORWARD THE INFORMATION TO THE LOCAL REGULATORY AUTHORITY AND APPROVE OR REJECT THE FINAL APPLICATION WITHIN 45 DAYS.

(F) THE COMMISSION MAY PROVIDE THAT ANY APPLICANT THAT SCORES ABOVE A SPECIFIED NUMBER OF POINTS MUST BE ENTERED INTO A LOTTERY THAT IS CONDUCTED IN A MANNER THAT ENSURES EQUITABLE DISTRIBUTION OF RETAILERS THROUGHOUT THE STATE.

23-406.

(A) ON OR BEFORE JANUARY 1 EACH YEAR, BEGINNING IN 2024, THE COMMISSION, IN CONJUNCTION WITH THE OFFICE OF SOCIAL EQUITY, SHALL EVALUATE THE CANNABIS MARKET IN THE STATE AND SOLICIT INPUT FROM THE PUBLIC AND STAKEHOLDERS REGARDING:

(1) THE EXTENT TO WHICH THE PROGRAM IS RESULTING IN SOCIAL EQUITY APPLICANTS THAT ARE ABLE TO RUN SUCCESSFUL CANNABIS BUSINESSES AND TO COMPETE WITH DUAL LICENSES AND OTHER CANNABIS BUSINESSES;

(2) DIVERSITY IN OWNERSHIP, MANAGEMENT, AND STAFFING OF THE CANNABIS INDUSTRY IN THE STATE, INCLUDING A REVIEW OF THE DISPARITY STUDY;

(3) WHETHER THE TAX RATE AND REVENUE ARE MEETING GOALS OF DISPLACING THE ILLICIT MARKET AND GENERATING REVENUE FOR REINVESTMENT IN COMMUNITIES, CANNABIS TRAINING, AND OTHER NEEDS, INCLUDING A REVIEW OF HOW TAX RATES COMPARE TO OTHER STATES; AND

(4) ANY ANTICIPATED OR ACTUAL CHANGES TO FEDERAL LAW OR OTHER FACTORS THAT MAY WARRANT REVISIONS TO THIS TITLE.

(B) ON OR BEFORE JANUARY 1, 2026, AND BEFORE ANY ADDITIONAL CULTIVATION LICENSES ARE ISSUED UNDER § 23-407 OF THIS SUBTITLE, THE COMMISSION SHALL COMMISSION A STUDY OF THE CANNABIS MARKET IN THE STATE, WHICH SHALL ADDRESS:

(1) THE EXTENT TO WHICH CONSUMERS HAVE SAFE, CONVENIENT ACCESS TO LEGAL CANNABIS AT PRICES THAT ARE LOWER THAN IN THE ILLICIT MARKET;

(2) WHETHER CANNABIS CULTIVATORS, PROCESSORS, AND RETAILERS ARE MEETING DEMAND WITHOUT CREATING A SURPLUS; AND

(3) WHETHER ADDITIONAL SUPPLY IS NEEDED.

(C) ON OR BEFORE JULY 1 EACH YEAR, BEGINNING IN 2024, THE COMMISSION SHALL REPORT ITS RECOMMENDATIONS, BASED ON THE FINDINGS OF THE SOLICITATIONS CONDUCTED UNDER SUBSECTION (A) OF THIS SECTION, TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, FOR ANY CHANGES TO CANNABIS REGULATION AND TAXATION, INCLUDING:

(1) ANY CHANGES TO THE TAX RATE AND METHOD; AND

(2) WHETHER AND UNDER WHAT CONDITIONS TO ALLOW THE IMPORT AND EXPORT OF CANNABIS TO OTHER STATES.

**23-407.**

**(A) THE COMMISSION MAY ACCEPT ADDITIONAL APPLICATIONS FOR CULTIVATORS AND RETAILERS BEGINNING FEBRUARY 1, 2026.**

**(B) ADDITIONAL CULTIVATION LICENSES MAY BE ISSUED ONLY IF THE STUDY DONE IN ACCORDANCE WITH § 23-406(B) OF THIS SUBTITLE DETERMINES THAT ADDITIONAL SUPPLY IS NEEDED.**

**(C) THE NUMBER OF LICENSES ISSUED AND THE LICENSED CULTIVATION SPACE SHALL BE DESIGNED TO MEET PROJECTED DEMAND, INCLUDING FACTORING IN THE PERCENT OF LICENSED SPACE THAT MAY NOT BE USED.**

**(D) IN DETERMINING THE NUMBER OF ADDITIONAL RETAIL OR CULTIVATION LICENSES TO ISSUE, THE COMMISSION SHALL CONSIDER:**

**(1) THE EXTENT TO WHICH CONSUMERS WILL HAVE SAFE, CONVENIENT ACCESS TO LEGAL CANNABIS AT PRICES THAT ARE LOWER THAN THE ILLICIT MARKET;**

**(2) EXPECTED CULTIVATION EXPANSION BY EXISTING CULTIVATORS; AND**

**(3) THE ANTICIPATED OR ACTUAL OPENING OF AN INTERSTATE OR INTERNATIONAL MARKET FOR CANNABIS PRODUCTS.**

**(E) THE COMMISSION MAY LIMIT SOME OR ALL OF THE LICENSES ISSUED UNDER THIS SECTION TO SOCIAL EQUITY APPLICANTS OR MINORITY BUSINESS APPLICANTS IF DOING SO IS NEEDED TO ENSURE DIVERSITY AND INCLUSION IN THE INDUSTRY, AS WARRANTED BY THE DISPARITY STUDY.**

**(F) LICENSES UNDER THIS SECTION SHALL BE ISSUED BY SCORING ALL APPLICATIONS AND ENTERING ALL APPLICANTS THAT ARE DETERMINED TO HAVE A SUFFICIENT SCORE INTO A LOTTERY.**

**23-408.**

**(A) NOT EARLIER THAN 6 MONTHS AFTER BEGINNING TO ISSUE LICENSES TO SOCIAL EQUITY APPLICANTS UNDER § 23-404 OF THIS SUBTITLE, THE COMMISSION SHALL BEGIN ACCEPTING AND PROCESSING APPLICATIONS FOR LICENSES TO OPERATE AS A CLASS A OR CLASS B PROCESSOR FROM ANY QUALIFIED APPLICANT.**

(B) ON RECEIVING AN APPLICATION OR RENEWAL APPLICATION FOR A CLASS A OR CLASS B PROCESSOR, THE COMMISSION SHALL IMMEDIATELY FORWARD A COPY OF EACH APPLICATION AND HALF OF THE LICENSE APPLICATION FEE TO THE LOCAL REGULATORY AUTHORITY FOR THE LOCALITY IN WHICH THE APPLICANT DESIRES TO OPERATE THE CANNABIS ESTABLISHMENT, UNLESS THE LOCALITY HAS NOT DESIGNATED A LOCAL REGULATORY AUTHORITY.

(C) WITHIN 90 DAYS AFTER RECEIVING AN APPLICATION OR RENEWAL APPLICATION, THE COMMISSION SHALL ISSUE A LICENSE OR A CONDITIONAL LICENSE TO THE APPLICANT, UNLESS THE COMMISSION:

(1) FINDS THE APPLICANT IS NOT IN COMPLIANCE WITH REGULATIONS ADOPTED UNDER § 23-301 OF THIS TITLE; OR

(2) IS NOTIFIED BY THE RELEVANT LOCALITY THAT THE APPLICANT IS NOT IN COMPLIANCE WITH LOCAL ZONING OR PLANNING LAWS.

(D) (1) AN APPLICANT MAY APPLY FOR CONDITIONAL APPROVAL IF THE APPLICANT HAS NOT PURCHASED OR LEASED THE PROPERTY WHERE THE PROCESSOR WOULD BE LOCATED.

(2) IF THE APPLICANT IS OTHERWISE QUALIFIED FOR LICENSURE, THE COMMISSION SHALL PROVIDE CONDITIONAL APPROVAL.

(3) ONCE THE APPLICANT PROVIDES THE COMMISSION WITH A COMPLETED, SUPPLEMENTAL APPLICATION THAT IDENTIFIES THE PROPERTY WHERE THE PROCESSOR IS TO BE LOCATED, THE COMMISSION SHALL FORWARD THE INFORMATION TO THE LOCAL REGULATORY AUTHORITY AND APPROVE OR REJECT THE FINAL APPLICATION WITHIN 45 DAYS.

## SUBTITLE 5. LOCAL REGULATIONS.

### 23-501.

(A) AN ON-SITE CONSUMPTION ESTABLISHMENT MAY OPERATE ONLY IF THE LOCAL REGULATORY AUTHORITY IN THE LOCALITY WHERE IT IS LOCATED ISSUED A PERMIT OR LICENSE THAT EXPRESSLY Allows THE OPERATION OF THE ON-SITE CONSUMPTION ESTABLISHMENT.

(B) (1) EXCEPT AS PROVIDED IN THIS SUBSECTION, A LOCALITY MAY PROHIBIT THE OPERATION OF ANY OR ALL TYPES OF CANNABIS ESTABLISHMENTS WITHIN ITS JURISDICTION THROUGH THE ENACTMENT OF AN ORDINANCE OR THROUGH AN INITIATED OR REFERRED MEASURE.

(2) AN INITIATED OR REFERRED MEASURE TO PROHIBIT THE OPERATION OF CANNABIS ESTABLISHMENTS MUST APPEAR ON A GENERAL ELECTION BALLOT.

(3) A LOCALITY MAY NOT:

(I) PROHIBIT TRANSPORTATION THROUGH THE LOCALITY OR DELIVERIES WITHIN THE LOCALITY BY CANNABIS ESTABLISHMENTS LOCATED IN OTHER JURISDICTIONS;

(II) PROHIBIT OR IMPACT A BUSINESS LICENSED UNDER TITLE 13, SUBTITLE 33 OF THIS ARTICLE, REGARDLESS OF WHETHER THE BUSINESS IS GRANTED A LICENSE UNDER THIS TITLE; OR

(III) PREVENT AN ENTITY LICENSED UNDER TITLE 13, SUBTITLE 33 OF THIS ARTICLE THAT IS IN COMPLIANCE WITH ALL RELEVANT MEDICAL CANNABIS REGULATIONS FROM BEING GRANTED A DUAL LICENSE.

(C) A PERSON SEEKING LICENSURE AS A CANNABIS ESTABLISHMENT SHALL MEET LOCAL ZONING AND PLANNING REQUIREMENTS.

(D) A LOCALITY MAY NOT NEGOTIATE OR ENTER INTO AN AGREEMENT WITH A CANNABIS ESTABLISHMENT OR A CANNABIS ESTABLISHMENT APPLICANT REQUIRING THAT THE CANNABIS ESTABLISHMENT OR APPLICANT PROVIDE MONEY, DONATIONS, IN-KIND CONTRIBUTIONS, SERVICES, OR ANYTHING OF VALUE TO THE LOCALITY.

## **SUBTITLE 6. CRIMINAL AND CIVIL IMMUNITIES AND LIABILITIES.**

**23-601.**

(A) IN THIS SECTION, “PROCESSING” AND “MANUFACTURING” DO NOT INCLUDE:

(1) PERFORMING EXTRACTIONS USING SOLVENTS OTHER THAN WATER, GLYCERIN, PROPYLENE GLYCOL, VEGETABLE OIL, OR FOOD-GRADE ETHANOL; OR

(2) EXTRACTING COMPOUNDS FROM CANNABIS USING ETHANOL IN THE PRESENCE OR VICINITY OF OPEN FLAME.

(B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, EXCEPT AS

OTHERWISE PROVIDED IN THIS SUBTITLE, THE FOLLOWING ACTS ARE NOT UNLAWFUL UNDER STATE LAW OR THE LAW OF ANY POLITICAL SUBDIVISION OF THE STATE OR A BASIS FOR SEIZURE OR FORFEITURE OF ASSETS UNDER STATE LAW FOR INDIVIDUALS WHO ARE AT LEAST 21 YEARS OLD:

(1) POSSESSING, CONSUMING, GROWING, USING, PROCESSING, MANUFACTURING, PURCHASING, OR TRANSPORTING AN AMOUNT OF CANNABIS THAT DOES NOT EXCEED THE PERSONAL USE AMOUNT;

(2) TRANSFERRING AN AMOUNT OF CANNABIS THAT DOES NOT EXCEED THE PERSONAL USE AMOUNT TO AN INDIVIDUAL WHO IS AT LEAST 21 YEARS OLD WITHOUT REMUNERATION;

(3) CONTROLLING PROPERTY WHERE ACTIONS DESCRIBED IN ITEM (1) OR (2) OF THIS SUBSECTION OCCUR; OR

(4) ASSISTING ANOTHER INDIVIDUAL WHO IS AT LEAST 21 YEARS OLD IN AN ACT DESCRIBED IN ITEM (1) OR (2) OF THIS SUBSECTION.

(C) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, UNLESS THE COURT OR THE MARYLAND PAROLE COMMISSION MAKES A SPECIFIC FINDING THAT AN INDIVIDUAL DEFENDANT'S, PAROLEE'S, OR PROBATIONER'S USE OF CANNABIS COULD CREATE A DANGER TO THE INDIVIDUAL OR OTHER PERSONS, IT IS NOT A VIOLATION OF CONDITIONS OF PRETRIAL RELEASE, PAROLE, OR PROBATION TO:

(1) ENGAGE IN CONDUCT ALLOWED BY THIS SECTION; OR

(2) TEST POSITIVE FOR CANNABIS, DELTA-9 TETRAHYDROCANNABINOL, OR ANY OTHER CANNABINOID.

23-602.

(A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, IT IS NOT UNLAWFUL UNDER STATE LAW AND MAY NOT BE A BASIS FOR SEIZURE OR FORFEITURE OF ASSETS UNDER STATE LAW FOR A CANNABIS ESTABLISHMENT WITH A VALID LICENSE, OR A PERSON WHO IS ACTING IN THE PERSON'S CAPACITY AS CANNABIS ESTABLISHMENT AGENT, TO ENGAGE IN ANY ACTIVITIES INVOLVING CANNABIS, CANNABIS ACCESSORIES, OR CANNABIS PRODUCTS IF THE PERSON CONDUCTING THE ACTIVITIES POSSESSES A CURRENT, VALID LICENSE TO OPERATE A CANNABIS ESTABLISHMENT, OR IS ACTING IN THE PERSON'S CAPACITY AS A CANNABIS ESTABLISHMENT AGENT, AND THE ACTIVITIES ARE WITHIN THE SCOPE OF ACTIVITIES ALLOWED BY THE COMMISSION FOR THAT TYPE OF CANNABIS ESTABLISHMENT.

(B) THIS SECTION DOES NOT PREVENT THE IMPOSITION OF PENALTIES FOR VIOLATING THIS TITLE OR REGULATIONS ADOPTED BY THE COMMISSION OR LOCALITIES IN ACCORDANCE WITH THIS TITLE.

23-603.

(A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, IT IS NOT UNLAWFUL UNDER STATE LAW OR THE LAW OF A POLITICAL SUBDIVISION OF THE STATE OR A BASIS FOR SEIZURE OR FORFEITURE OF ASSETS FOR AN INDIVIDUAL WHO IS AT LEAST 21 YEARS OLD TO MANUFACTURE, POSSESS, OR PURCHASE CANNABIS ACCESSORIES, OR TO DISTRIBUTE OR SELL CANNABIS ACCESSORIES TO:

- (1) AN INDIVIDUAL WHO IS AT LEAST 21 YEARS OLD; OR
- (2) AN INDIVIDUAL WHO IS A QUALIFYING PATIENT UNDER TITLE 13, SUBTITLE 33 OF THIS ARTICLE.

(B) EXCEPT AS PROVIDED IN THIS SECTION, AN INDIVIDUAL WHO IS AT LEAST 21 YEARS OLD MAY MANUFACTURE, POSSESS, AND PURCHASE CANNABIS ACCESSORIES AND DISTRIBUTE OR SELL CANNABIS ACCESSORIES TO A PERSON WHO IS AT LEAST 21 YEARS OLD.

(C) THIS SECTION IS INCLUDED TO SATISFY THE REQUIREMENTS OF 21 U.S.C. § 863(f) BY AUTHORIZING, UNDER STATE LAW, A PERSON IN COMPLIANCE WITH THIS SUBTITLE TO MANUFACTURE, POSSESS, OR DISTRIBUTE CANNABIS ACCESSORIES.

(D) THIS SECTION DOES NOT PREVENT THE IMPOSITION OF PENALTIES FOR VIOLATING CONSUMER SAFETY OR BUSINESS LICENSING LAWS OR REGULATIONS.

23-604.

(A) ANY OF THE FOLLOWING PERSONS ACTING IN ACCORDANCE WITH THE PROVISIONS OF THIS TITLE MAY NOT BE SUBJECT TO ARREST, PROSECUTION, OR ANY CIVIL OR ADMINISTRATIVE PENALTY, INCLUDING A CIVIL PENALTY OR DISCIPLINARY ACTION BY A PROFESSIONAL LICENSING BOARD, OR BE DENIED ANY RIGHT OR PRIVILEGE, FOR THE USE, POSSESSION, MANUFACTURE, TRANSPORTATION, OR DISTRIBUTION OF CANNABIS:

- (1) AN INDIVIDUAL WHO IS AT LEAST 21 YEARS OLD IN POSSESSION OF AN AMOUNT OF CANNABIS OR CANNABIS PRODUCT FOR ADULT USE THAT DOES NOT EXCEED THE PERSONAL USE AMOUNT, AS DEFINED IN § 5-601 OF THE

**CRIMINAL LAW ARTICLE;**

**(2) A CANNABIS ESTABLISHMENT LICENSED UNDER THIS TITLE OR THE CANNABIS ESTABLISHMENT AGENT;**

**(3) A HOSPITAL, MEDICAL FACILITY, OR HOSPICE PROGRAM WHERE A QUALIFYING PATIENT IS RECEIVING TREATMENT; OR**

**(4) A THIRD-PARTY VENDOR AUTHORIZED BY THE COMMISSION TO TEST, TRANSPORT, OR DISPOSE OF CANNABIS, CANNABIS PRODUCTS, OR CANNABIS WASTE UNDER THE PROVISIONS OF THIS TITLE.**

**(B) (1) EXCEPT AS PROVIDED IN THIS SECTION, NEITHER THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS MAY IMPOSE ANY PENALTY OR DENY ANY BENEFIT OR ENTITLEMENT FOR CONDUCT PERMITTED UNDER THIS TITLE OR FOR THE PRESENCE OF CANNABINOID METABOLITES IN THE URINE, BLOOD, SALIVA, BREATH, HAIR, OR OTHER TISSUE OR FLUID OF AN INDIVIDUAL WHO IS AT LEAST 21 YEARS OLD.**

**(2) EXCEPT AS PROVIDED IN THIS SECTION, NEITHER THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS MAY DENY A DRIVER'S LICENSE, A PROFESSIONAL LICENSE, HOUSING ASSISTANCE, SOCIAL SERVICES, OR OTHER BENEFITS BASED ON CANNABIS USE OR FOR THE PRESENCE OF CANNABINOID METABOLITES IN THE URINE, BLOOD, SALIVA, BREATH, HAIR, OR OTHER TISSUE OR FLUID OF AN INDIVIDUAL WHO IS AT LEAST 21 YEARS OLD.**

**(C) AN INDIVIDUAL MAY NOT BE DENIED CUSTODY OF OR VISITATION WITH A MINOR FOR ACTING IN ACCORDANCE WITH THIS TITLE, UNLESS THE INDIVIDUAL'S BEHAVIOR IS SUCH THAT IT CREATES AN UNREASONABLE DANGER TO THE MINOR THAT CAN BE CLEARLY ARTICULATED AND SUBSTANTIATED.**

**(D) EXCEPT AS PROVIDED IN THIS SECTION, NEITHER THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS MAY DENY EMPLOYMENT OR A CONTRACT TO AN INDIVIDUAL FOR ENGAGING IN CONDUCT AUTHORIZED UNDER THIS TITLE, FOR:**

**(1) A PRIOR CONVICTION FOR A NONVIOLENT CANNABIS OFFENSE THAT DOES NOT INVOLVE DISTRIBUTION TO MINORS; OR**

**(2) TESTING POSITIVE FOR THE PRESENCE OF CANNABINOID METABOLITES IN THE URINE, BLOOD, SALIVA, BREATH, HAIR, OR OTHER TISSUE OR FLUID OF THE INDIVIDUAL'S BODY.**

**(E) FOR THE PURPOSES OF MEDICAL CARE, INCLUDING ORGAN AND TISSUE**

## TRANSPLANTS:

(1) THE USE OF CANNABIS DOES NOT CONSTITUTE THE USE OF AN ILLICIT SUBSTANCE OR OTHERWISE DISQUALIFY AN INDIVIDUAL FROM NEEDED MEDICAL CARE; AND

(2) MAY BE CONSIDERED ONLY WITH RESPECT TO EVIDENCE-BASED CLINICAL CRITERIA.

(F) (1) THIS SECTION DOES NOT PREVENT A GOVERNMENT EMPLOYER FROM DISCIPLINING AN EMPLOYEE OR CONTRACTOR FOR:

(I) INGESTING CANNABIS IN THE WORKPLACE; OR

(II) WORKING WHILE IMPAIRED BY CANNABIS.

(2) THE PROTECTIONS PROVIDED BY THIS SECTION DO NOT APPLY TO THE EXTENT THAT THEY CONFLICT WITH A GOVERNMENT EMPLOYER'S OBLIGATIONS UNDER FEDERAL LAW OR TO THE EXTENT THAT THEY WOULD DISQUALIFY THE ENTITY FROM A MONETARY OR LICENSING-RELATED BENEFIT UNDER FEDERAL LAW.

(3) THIS SECTION DOES NOT AUTHORIZE ANY PERSON TO ENGAGE IN, AND DOES NOT PREVENT THE IMPOSITION OF ANY CIVIL, CRIMINAL, DISCIPLINE, OR OTHER PENALTIES, INCLUDING DISCIPLINE OR TERMINATION BY A GOVERNMENT EMPLOYER FOR ENGAGING IN, ANY TASK WHILE UNDER THE INFLUENCE OF CANNABIS, WHEN DOING SO WOULD CONSTITUTE NEGLIGENCE OR PROFESSIONAL MALPRACTICE.

(4) THIS SECTION DOES NOT AUTHORIZE ANY PERSON TO ENGAGE IN, AND DOES NOT PREVENT THE IMPOSITION OF ANY CIVIL, CRIMINAL, DISCIPLINE, OR OTHER PENALTIES, INCLUDING DISCIPLINE OR TERMINATION BY A GOVERNMENT EMPLOYER OR REVOCATION OF A DRIVER'S LICENSE, FOR DRIVING WHILE IMPAIRED BY CANNABIS.

(G) TO THE EXTENT ALLOWABLE, A PERSON IS NOT CONSIDERED INELIGIBLE TO POSSESS A FIREARM UNDER FEDERAL LAW OR TO BE AN UNLAWFUL USER OF OR ADDICTED TO A CONTROLLED DANGEROUS SUBSTANCE SOLELY BECAUSE OF CONDUCT AUTHORIZED UNDER THIS TITLE.

(H) A PERSON MAY NOT BE DENIED A STATE FIREARM LICENSE OR PERMIT, INCLUDING A CONCEALED CARRY PERMIT, SOLELY BECAUSE OF CONDUCT AUTHORIZED UNDER THIS TITLE.

**23–605.**

(A) A HOLDER OF A PROFESSIONAL OR OCCUPATIONAL LICENSE MAY NOT BE SUBJECT TO PROFESSIONAL DISCIPLINE FOR PROVIDING ADVICE OR SERVICES RELATED TO CANNABIS ESTABLISHMENTS OR APPLICATIONS TO OPERATE CANNABIS ESTABLISHMENTS ON THE BASIS THAT CANNABIS IS ILLEGAL UNDER FEDERAL LAW.

(B) AN APPLICANT FOR A PROFESSIONAL OR OCCUPATIONAL LICENSE MAY NOT BE DENIED A LICENSE BASED ON PREVIOUS EMPLOYMENT RELATED TO CANNABIS ESTABLISHMENTS OPERATING IN ACCORDANCE WITH STATE LAW.

**23–606.**

(A) FOR THE PURPOSES OF STATE LAW, ACTIONS RELATED TO CANNABIS ARE CONSIDERED LAWFUL AS LONG AS THEY ARE IN ACCORDANCE WITH THIS TITLE.

(B) AN AGENCY OR A POLITICAL SUBDIVISION OF THE STATE MAY NOT RELY ON A VIOLATION OF FEDERAL LAW RELATED TO CANNABIS AS THE SOLE BASIS FOR TAKING AN ADVERSE ACTION AGAINST A PERSON.

**23–607.**

(A) IT IS THE PUBLIC POLICY OF THE STATE THAT CONTRACTS RELATED TO THE OPERATION OF A CANNABIS ESTABLISHMENT LICENSED IN ACCORDANCE WITH THIS SUBTITLE ARE ENFORCEABLE.

(B) IT IS THE PUBLIC POLICY OF THE STATE THAT NO CONTRACT ENTERED INTO BY A LICENSED CANNABIS ESTABLISHMENT OR ITS AGENTS AS AUTHORIZED IN ACCORDANCE WITH A VALID LICENSE, OR BY THOSE WHO ALLOW PROPERTY TO BE USED BY A CANNABIS ESTABLISHMENT, ITS EMPLOYEES, OR ITS AGENTS AS AUTHORIZED IN ACCORDANCE WITH A VALID LICENSE, SHALL BE UNENFORCEABLE ON THE BASIS THAT CULTIVATING, OBTAINING, MANUFACTURING, DISTRIBUTING, DISPENSING, TRANSPORTING, SELLING, POSSESSING, OR USING CANNABIS IS PROHIBITED BY FEDERAL LAW.

**23–608.**

(A) A LAW ENFORCEMENT OFFICER EMPLOYED BY AN AGENCY THAT RECEIVES STATE OR LOCAL GOVERNMENT FUNDS MAY NOT EXPEND STATE OR LOCAL RESOURCES, INCLUDING THE OFFICER'S TIME, TO EFFECT ANY ARREST OR SEIZURE OF CANNABIS, OR CONDUCT ANY INVESTIGATION, ON THE SOLE BASIS OF

ACTIVITY THE OFFICER BELIEVES TO CONSTITUTE A VIOLATION OF FEDERAL LAW IF THE OFFICER HAS REASON TO BELIEVE THAT THE ACTIVITY IS IN COMPLIANCE WITH THIS TITLE.

(B) A LAW ENFORCEMENT OFFICER MAY NOT EXPEND STATE OR LOCAL RESOURCES, INCLUDING THE OFFICER'S TIME, TO PROVIDE ANY INFORMATION OR LOGISTICAL SUPPORT RELATED TO ACTIVITY DESCRIBED IN SUBSECTION (A) OF THIS SECTION TO ANY FEDERAL LAW ENFORCEMENT AUTHORITY OR PROSECUTING ENTITY.

#### **SUBTITLE 7. CONSTRUCTION OF TITLE.**

##### **23-701.**

THIS TITLE MAY NOT BE CONSTRUED TO AUTHORIZE AN INDIVIDUAL TO ENGAGE IN, AND DOES NOT PREVENT THE IMPOSITION OF ANY CIVIL, CRIMINAL, OR OTHER PENALTIES FOR:

(1) UNDERTAKING A TASK WHILE UNDER THE INFLUENCE OF CANNABIS, WHEN DOING SO WOULD CONSTITUTE NEGLIGENCE OR PROFESSIONAL MALPRACTICE;

(2) OPERATING, NAVIGATING, OR BEING IN ACTUAL PHYSICAL CONTROL OF A MOTOR VEHICLE, AIRCRAFT, OR BOAT WHILE UNDER THE INFLUENCE OF CANNABIS;

(3) SMOKING CANNABIS IN A PUBLIC PLACE; OR

(4) POSSESSING CANNABIS, INCLUDING CANNABIS PRODUCTS, IN A LOCAL DETENTION FACILITY, COUNTY JAIL, STATE PRISON, REFORMATORY, OR OTHER CORRECTIONAL FACILITY, INCLUDING A FACILITY FOR THE DETENTION OF JUVENILE OFFENDERS.

##### **23-702.**

(A) EXCEPT AS PROVIDED IN THIS SECTION, THE PROVISIONS OF THIS TITLE DO NOT REQUIRE A PERSON, CORPORATION, OR ANY OTHER ENTITY THAT OCCUPIES, OWNS, OR CONTROLS A PROPERTY TO ALLOW THE CONSUMPTION, CULTIVATION, DISPLAY, SALE, OR TRANSFER OF CANNABIS ON OR IN THAT PROPERTY.

(B) EXCEPT AS PROVIDED IN THIS SECTION, A LANDLORD OR PROPERTY MANAGER MAY NOT REFUSE TO RENT TO A TENANT, OR OTHERWISE DISCRIMINATE AGAINST THE TENANT, BASED ON A PAST CONVICTION FOR A CANNABIS OFFENSE.

**(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IN THE CASE OF THE RENTAL OF A RESIDENTIAL DWELLING, A LANDLORD OR PROPERTY MANAGER MAY NOT PROHIBIT THE POSSESSION OF CANNABIS OR THE CONSUMPTION OF CANNABIS BY NONSMOKED MEANS.**

**(2) THIS SUBSECTION DOES NOT APPLY IF:**

**(I) THE TENANT IS A BOARDER OR LODGER WHO IS NOT LEASING THE ENTIRE RESIDENTIAL DWELLING;**

**(II) THE RESIDENCE IS INCIDENTAL TO DETENTION OR THE PROVISION OF MEDICAL, GERIATRIC, EDUCATIONAL, COUNSELING, RELIGIOUS, OR SIMILAR SERVICE;**

**(III) THE RESIDENCE IS A TRANSITIONAL HOUSING OR SOBER LIVING FACILITY; OR**

**(IV) FAILING TO PROHIBIT CANNABIS POSSESSION OR CONSUMPTION WOULD VIOLATE FEDERAL LAW OR REGULATIONS OR CAUSE THE LANDLORD TO LOSE A MONETARY OR LICENSING-RELATED BENEFIT UNDER FEDERAL LAW OR REGULATIONS.**

**(3) AFTER A WARNING, A LANDLORD OR PROPERTY MANAGER MAY TAKE ACTION AGAINST A TENANT IF THE TENANT'S USE OF CANNABIS CREATES AN ODOR THAT INTERFERES WITH OTHERS' PEACEFUL ENJOYMENT OF THEIR HOME OR PROPERTY.**

### **Article – State Finance and Procurement**

6–226.

**(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.**

**(ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:**

**122. the Racing and Community Development Financing Fund;  
[and]**

123. the Racing and Community Development Facilities Fund;
124. THE SOCIAL EQUITY START-UP FUND;
125. THE CANNABIS EDUCATION AND TRAINING FUND;
126. THE COMMUNITY REINVESTMENT AND REPAIR FUND; AND
127. THE CANNABIS REGULATION FUND.

**Article – Tax – General**

**TITLE 12.5. CANNABIS TAX.**

**12.5-101.**

**(A) THIS SECTION IS NOT APPLICABLE TO MEDICAL CANNABIS SOLD UNDER TITLE 23 OF THE HEALTH – GENERAL ARTICLE.**

**(B) (1) UNTIL APRIL 1, 2025, A 10% EXCISE TAX IS IMPOSED ON THE SALE OR TRANSFER OF CANNABIS FROM A CANNABIS ESTABLISHMENT LICENSED UNDER TITLE 23 OF THE HEALTH – GENERAL ARTICLE TO A CONSUMER.**

**(2) FROM APRIL 1, 2025, TO MARCH 30, 2027, BOTH INCLUSIVE, A 15% EXCISE TAX IS IMPOSED ON THE SALE OR TRANSFER OF CANNABIS FROM A CANNABIS ESTABLISHMENT LICENSED UNDER TITLE 23 OF THE HEALTH – GENERAL ARTICLE TO A CONSUMER.**

**(3) BEGINNING APRIL 1, 2027, A 20% EXCISE TAX IS IMPOSED ON THE SALE OR TRANSFER OF CANNABIS FROM A CANNABIS ESTABLISHMENT LICENSED UNDER TITLE 23 OF THE HEALTH – GENERAL ARTICLE TO A CONSUMER.**

**(C) SALES OF CANNABIS BY A CANNABIS ESTABLISHMENT TO A CONSUMER ARE NOT SUBJECT TO A SALES AND USE TAX IMPOSED UNDER TITLE 11 OF THIS ARTICLE.**

**(D) (1) TAXES IMPOSED UNDER THIS SECTION SHALL APPLY ONLY AT THE POINT OF SALE TO A CONSUMER.**

**(2) NO TAXES SHALL APPLY TO SALES OR TRANSFERS OF CANNABIS BETWEEN CANNABIS ESTABLISHMENTS.**

**12.5-102.**

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A COUNTY, MUNICIPAL CORPORATION, SPECIAL TAXING DISTRICT, OR OTHER POLITICAL SUBDIVISION OF THE STATE MAY IMPOSE A SALES TAX NOT EXCEEDING 3% ON SALES OF CANNABIS AND CANNABIS PRODUCTS TO CONSUMERS WITHIN ITS JURISDICTION.

(B) A COUNTY, MUNICIPAL CORPORATION, SPECIAL TAXING DISTRICT, OR OTHER POLITICAL SUBDIVISION OF THE STATE MAY NOT IMPOSE A SALES TAX UNDER SUBSECTION (A) OF THIS SECTION ON SALES OF MEDICAL CANNABIS UNDER TITLE 23 OF THE HEALTH – GENERAL ARTICLE.

**12.5-103.**

(A) (1) IN THIS SECTION, “FUND” MEANS THE CANNABIS REGULATION FUND.

(2) THERE IS A CANNABIS REGULATION FUND.

(3) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDS TO BE DISTRIBUTED AND USED IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.

(4) THE ALCOHOL AND TOBACCO COMMISSION SHALL ADMINISTER THE FUND.

(5) (I) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(II) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(6) THE FUND CONSISTS OF:

(I) ALL APPLICATION AND LICENSING FEES PAID BY CANNABIS ESTABLISHMENTS UNDER TITLE 23, SUBTITLE 4 OF THE HEALTH – GENERAL ARTICLE, EXCEPT FOR RETAILER AND DUAL LICENSE FEES THAT ARE PAYABLE DIRECTLY TO THE SOCIAL EQUITY START-UP FUND;

(II) ALL TAXES COLLECTED UNDER § 12.5-101 OF THIS TITLE;

(III) INTEREST EARNINGS; AND

(IV) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED

FOR THE BENEFIT OF THE FUND, IN ACCORDANCE WITH ANY CONDITIONS ADOPTED BY THE ALCOHOL AND TOBACCO COMMISSION FOR THE ACCEPTANCE OF DONATIONS OR GIFTS TO THE FUND.

(7) THE FUND MAY BE USED ONLY FOR CARRYING OUT THIS TITLE.

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

(II) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

(9) THE COMPTROLLER SHALL PAY OUT MONEY FROM THE FUND AS DIRECTED BY THE ALCOHOL AND TOBACCO COMMISSION.

(10) THE FUND IS SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

(B) ON OR BEFORE MARCH 15 EACH YEAR, THE ALCOHOL AND TOBACCO COMMISSION SHALL PRODUCE AND PUBLISH ON ITS WEBSITE A DETAILED REPORT ON REVENUES AND EXPENDITURES FROM THE FUND, INCLUDING A DETAILED REPORTING OF MONEY RETAINED AND SPENT TO DEFRAY THE COST OF ADMINISTRATION OF THIS TITLE.

(C) THE FUND SHALL BE DISTRIBUTED AS FOLLOWS:

(1) THE ALCOHOL AND TOBACCO COMMISSION SHALL RETAIN SUFFICIENT MONEY TO DEFRAY THE ENTIRE COST OF ADMINISTRATION OF THIS TITLE; AND

(2) REVENUES GENERATED IN EXCESS OF THE AMOUNT OF THOSE NECESSARY TO DEFRAY THE ENTIRE COST OF ADMINISTRATION OF THIS TITLE SHALL BE DISTRIBUTED NOT LESS THAN ONCE EVERY QUARTER AS FOLLOWS:

(I) 27% TO THE COMMUNITY REINVESTMENT AND REPAIR FUND, ESTABLISHED UNDER § 23-204 OF THE HEALTH – GENERAL ARTICLE;

(II) 10% TO THE SOCIAL EQUITY START-UP FUND;

(III) 3% FOR TECHNICAL ASSISTANCE FOR SOCIAL EQUITY AND MINORITY BUSINESS CANNABIS ESTABLISHMENT APPLICANTS;

(IV) 3% TO THE CANNABIS EDUCATION AND TRAINING FUND,

ESTABLISHED UNDER § 23–203 OF THE HEALTH – GENERAL ARTICLE;

(V) 7% TO THE MARYLAND DEPARTMENT OF HEALTH FOR USE IN EVIDENCE-BASED, VOLUNTARY PROGRAMS FOR THE PREVENTION OR TREATMENT OF SUBSTANCE ABUSE;

(VI) 2% TO THE MARYLAND DEPARTMENT OF HEALTH FOR A SCIENTIFICALLY AND MEDICALLY ACCURATE PUBLIC EDUCATION CAMPAIGN EDUCATING YOUTH AND ADULTS ABOUT THE HEALTH AND SAFETY RISKS OF ALCOHOL, TOBACCO, CANNABIS, AND OTHER SUBSTANCES, INCLUDING THE RISKS OF DRIVING WHILE IMPAIRED;

(VII) 2% TO THE MARYLAND DEPARTMENT OF HEALTH TO FUND DIVERSE SCIENTIFIC, ACADEMIC, OR MEDICAL RESEARCH ON CANNABIS OR ENDOCANNABINOIDs, INCLUDING RESEARCH EXPLORING THE BENEFITS OF CANNABIS, ON THE CONDITION THAT ALL FUNDED RESEARCH DATA, RESULTS, AND PAPERS MUST BE RELEASED INTO THE PUBLIC DOMAIN AND MUST BE PUBLISHED FOR FREE AND OPEN ACCESS BY THE PUBLIC AND BY OTHER RESEARCHERS;

(VIII) 1% TO THE DEPARTMENT OF STATE POLICE FOR ADVANCED ROADSIDE IMPAIRED DRIVING ENFORCEMENT AND DRUG RECOGNITION EXPERT (DRE) TRAINING;

(IX) 20% TO THE ENDOWMENTS OF THE STATE'S HISTORICALLY BLACK COLLEGES AND UNIVERSITIES; AND

(X) 25% TO THE GENERAL FUND OF THE STATE.

12.5–104.

NOTWITHSTANDING ANY FEDERAL TAX LAW TO THE CONTRARY, IN COMPUTING NET INCOME FOR BUSINESSES EXEMPTED FROM CRIMINAL PENALTIES UNDER STATE LAW, THERE SHALL BE ALLOWED AS A DEDUCTION FROM STATE TAXES ALL THE ORDINARY AND NECESSARY EXPENSES PAID OR INCURRED DURING THE TAXABLE YEAR IN CARRYING ON A TRADE OR BUSINESS AS A CANNABIS ESTABLISHMENT AS DEFINED BY § 23–101 OF THE HEALTH – GENERAL ARTICLE, OR AN ENTITY LICENSED UNDER TITLE 13, SUBTITLE 33 OF THE HEALTH – GENERAL ARTICLE, INCLUDING REASONABLE ALLOWANCE FOR SALARIES OR OTHER COMPENSATION FOR PERSONAL SERVICES ACTUALLY RENDERED.

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before November 15, 2021, the Speaker of the House of Delegates may submit to the Governor the names of five individuals who are qualified and suitable to serve as Executive Director of the Office of Social Equity, established under § 23–201 of the Health – General Article, as enacted under

Section 1 of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before January 1, 2022, the Governor shall select an Executive Director of the Office of Social Equity from among the five individuals whose names were submitted by the Speaker of the House of Delegates under Section 2 of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) On or before April 1, 2022, and January 1, 2024, the Office of Social Equity and the Alcohol and Tobacco Commission, in consultation with the certification agency as defined in § 14–301 of the State Finance and Procurement Article, the Governor’s Office of Small, Minority, and Women Business Affairs, and the Office of the Attorney General, shall:

(1) study the cannabis industry and market to determine whether there is a compelling reason to implement remedial measures to assist minorities and women in the cannabis industry, including:

(i) applying the State Minority Business Enterprise Program under Title 14, Subtitle 3 of the State Finance and Procurement Article or a similar program; and

(ii) considerations of race, ethnicity, and wealth in the definition of “social equity applicant”;

(2) evaluate race–neutral programs or other methods that may be used to address the needs of minority applicants and minority–owned businesses seeking to participate in the cannabis industry; and

(3) if necessary, adopt regulations to implement remedial measures based on the findings of the study and evaluation described in items (1) and (2) of this subsection.

(b) The Alcohol and Tobacco Commission may report to the General Assembly, in accordance with § 2–1257 of the State Government Article, any information that the Commission determines to be necessary to the consideration, development, or implementation of any remedial measure implemented under this section.

SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2021.