SENATE BILL 722

By: Senator Waldstreicher
Introduced and read first time: February 7, 2022
Assigned to: Finance

A BILL ENTITLED

AN ACT concerning
Medical Cannabis – Licensees – Ownership Limitation Exemption

FOR the purpose of exempting certain ownership of publicly traded securities of a medical cannabis grower, dispensary, or processor from the prohibition on a person having an ownership interest in multiple medical cannabis growers, dispensaries, or processors; and generally relating to ownership of medical cannabis growers, dispensaries, and processors.

BY repealing and reenacting, without amendments,
Article – Health – General
Section 13–3306(a)(1)
Annotated Code of Maryland
(2019 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,
Article – Health – General
Section 13–3306(a)(2)(v), 13–3307(d), and 13–3309(d)
Annotated Code of Maryland
(2019 Replacement Volume and 2021 Supplement)

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

Article – Health – General

13–3306.

(a) (1) The Commission shall license medical cannabis growers that meet all requirements established by the Commission to operate in the State to provide cannabis to:

(i) Processors licensed by the Commission under this subtitle;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
(ii) Dispensaries licensed by the Commission under this subtitle; and

(iii) Independent testing laboratories registered with the Commission under this subtitle.

(2) (v) 1. In this subparagraph, “ownership interest” does not include the ownership interest in a grower or direct or indirect parent company of a grower that is:

A. Ownership of publicly traded securities that is less than 5% of voting shares; or

B. Ownership of publicly traded securities that are nonvoting shares.

2. A person may not have an ownership interest in or control of, including the power to manage and operate, more than one grower.

13-3307.

(d) (1) In this subsection, “ownership interest” does not include the ownership interest in a dispensary or direct or indirect parent company of a dispensary that is:

(i) Ownership of publicly traded securities that is less than 5% of voting shares; or

(ii) Ownership of publicly traded securities that are nonvoting shares.

(2) The Commission shall allow a person to have an ownership interest in or control of, including the power to manage and operate, up to four dispensaries under this section.

13-3309.

(d) (1) In this subsection, “ownership interest” does not include the ownership interest in a processor or direct or indirect parent company of a processor that is:

(i) Ownership of publicly traded securities that is less than 5% of voting shares; or
(II) OWNERSHIP OF PUBLICLY TRADED SECURITIES THAT ARE NONVOTING SHARES.

(2) A person may not have an ownership interest in or control of, including the power to manage and operate, more than one processor.

SECTION 2. AND BE IT FURTHER ENACTED, That the Natalie M. LaPrade Medical Cannabis Commission shall adopt or amend regulations in accordance with this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.