

SB0516/963023/1

BY: Economic Matters Committee

AMENDMENTS TO SENATE BILL 516
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 8, strike “certain rates in certain fiscal years” and substitute “a certain rate”.

On page 2, in line 18, strike “and certain cannabis products”; and strike beginning with “providing” in line 19 down through “lottery;” in line 21.

AMENDMENT NO. 2

On page 11, in line 12, strike “**HARMED**” and substitute “**IMPACTED**”.

On page 17, in line 11, strike “**HARMED**” and substitute “**IMPACTED**”; in line 28, after “**EQUITY**” insert “**AND REPORTED BY THE OFFICE TO THE COMPTROLLER ON OR BEFORE JULY 31 EACH YEAR**”; and in line 31, in each instance, strike “arrests” and substitute “**POSSESSION CHARGES**”.

On page 19, in line 7, strike “**(I)**”; strike beginning with “**MEANS**” in line 7 down through “**DEFINED**” in line 8 and substitute “**HAS THE MEANING STATED**”; strike beginning with “, **WHO**” in line 8 down through “**2022**” in line 14; and in line 16, strike “**COMMISSION**” and substitute “**OFFICE**”.

On page 20, in line 28, strike “**SOCIAL EQUITY**” and substitute “**OPERATIONAL CANNABIS**”.

On page 25, in line 25, strike “**TRANSFERS**” and substitute “**REPACKAGES**”.

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On page 26, in line 1, strike "**HARMED**" and substitute "**IMPACTED**"; and strike beginning with "**,AS**" in line 4 down through "**COURTS**" in line 6.

On page 27, in line 10, after "**SMOKING**" insert "**INDOORS**"; and in line 15, strike "**A PERSON**" and substitute "**AN INDIVIDUAL**".

On page 28, in lines 10 and 13, in each instance, strike "**HARMED**" and substitute "**IMPACTED**"; in line 19, strike "**BASED ON THE RESULTS OF A DISPARITY STUDY**"; and after line 19, insert:

"(GG) (1) "SOCIAL EQUITY LICENSEE" MEANS A SOCIAL EQUITY APPLICANT WHO HAS BEEN AWARDED A CANNABIS LICENSE OR CANNABIS REGISTRATION.

(2) "SOCIAL EQUITY LICENSEE" INCLUDES A GROWER, PROCESSOR, OR DISPENSARY THAT:

(I) HELD A STAGE ONE PREAPPROVAL FOR A LICENSE BEFORE OCTOBER 1, 2022; AND

(II) WAS NOT OPERATIONAL BEFORE OCTOBER 1, 2022.;

and in lines 20, 22, 25, and 31, strike "**(GG)**", "**(HH)**", "**(II)**", and "**(JJ)**", respectively, and substitute "**(HH)**", "**(II)**", "**(JJ)**", and "**(KK)**", respectively.

On page 32, in line 5, after "**SECTION**" insert "**TO AN EMPLOYEE WITHIN THE ADMINISTRATION**"; and in line 29, after "**OR**" insert "**CANNABIS**".

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On page 33, strike beginning with the colon in line 23 down through “**(I)**” in line 24; strike beginning with “**;AND”** in line 25 down through “**RESTRICTIONS”** in line 26; and in line 28, strike “**BANNING”** and substitute “**GOVERNING”**.

On page 34, in line 3, strike “**AND”**; in line 8, after “**ADMINISTRATION”** insert “**;AND**”

(IV) ESTABLISHING HEALTH, SAFETY, SECURITY, AND TRACKING REQUIREMENTS FOR THE PACKAGING AND REPACKAGING OF CANNABIS BY A DISPENSARY IN ACCORDANCE WITH § 36-203.1 OF THIS SUBTITLE”;

strike beginning with “**IN”** in line 13 down through “**THE”** in line 15 and substitute “**THE”**; in line 16, strike “**CANNABIS AND”**; in line 17, strike “**EDIBLE”**; strike beginning with “**REQUIREMENTS”** in line 20 down through “**STATE”** in line 21 and substitute “**A PACKAGE OF CANNABIS FOR DISTRIBUTION TO A CONSUMER OR QUALIFYING PATIENT”**; strike beginning with “**SPECIFY”** in line 22 down through “**(3)”** in line 26; in line 26, strike “**CALIFORNIA STANDARDS FOR”**; strike beginning with “**AND”** in line 27 down through “**INFORMATION”** in line 28 and substitute “**REQUIREMENTS ESTABLISHED UNDER 16 C.F.R. § 1700.15(B)(1)”**; in line 29, strike “**AND”**; and in line 30, strike “**(4)”** and substitute “**(2)”**.

On page 35, in line 1, strike “**THAT”**; in line 2, after “**1.”** insert “**THAT”**; in line 4, strike “**THERE ARE”** and substitute “**OF POTENTIAL”**; in line 6, after “**3.”** insert “**THAT”**; in line 7, strike “**HANDS”** and substitute “**REACH”**; in the same line, after “**CHILDREN”** insert “**AND ANIMALS”**; and in line 18, after “**(1)”** insert “**SUBJECT TO SUBSECTION (D) OF THIS SECTION,”**.

On page 36, strike beginning with “**A”** in line 8 down through “**TITLE”** in line 10 and substitute “**THE ADMINISTRATION MAY ADOPT REGULATIONS TO ALLOW THE**”

(Over)

SALE, ON OR BEFORE JULY 1, 2024, OF CANNABIS OR CANNABIS PRODUCTS THAT ARE LABELED OR PACKAGED USING IMAGES DESCRIBED UNDER SUBSECTION (C)(1) OF THIS SECTION’.

On page 42, in line 12, strike “COMMISSION” and substitute “ADMINISTRATION”.

On page 43, in line 17, after “DEMAND;” insert “AND”; strike in their entirety lines 18 and 19; and in line 20, strike “(VI)” and substitute “(V)”.

On page 44, in line 26, strike “IN” and substitute “ON THE PREMISES OF”; in the same line, after “CAN” insert “SMOKE OUTDOORS,”; and in line 27, after “VAPE” insert a comma.

On page 46, in line 21, strike “DOES CONVERT” and substitute “CONVERTS”; in the same line, after “LICENSE” insert “OR A REGISTRANT WITH THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION”; in line 22, strike “JANUARY” and substitute “JULY”; and after line 22, insert:

“(H) A LICENSE ISSUED UNDER THIS TITLE:

(1) IS NOT PROPERTY AND DOES NOT CONFER PROPERTY RIGHTS;

AND

(2) IS SUBJECT TO:

(1) SUSPENSION, REVOCATION, AND RESTRICTIONS AUTHORIZED BY LAW; AND

(2) REGULATIONS AUTHORIZED UNDER THIS ARTICLE.

(I) (1) ON AND AFTER JULY 1, 2023, THE HOLDER OF A LICENSE ISSUED BY THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION WHO DOES NOT CONVERT THE LICENSE:

(I) MAY NOT:

1. OPERATE UNDER THE LICENSE; OR

2. RENEW THE LICENSE; BUT

(II) MAY CONTINUE TO HOLD THE LICENSE FOR RESALE TO ANOTHER PERSON FOR CONVERSION UNDER THIS SUBTITLE.

(2) THE PURCHASER OF A LICENSE SOLD BY A LICENSE HOLDER WHO DOES NOT CONVERT A LICENSE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS RESPONSIBLE FOR PAYING THE ONE-TIME CONVERSION FEE UNDER § 36-403 OF THIS SUBTITLE.”.

On page 48, in lines 4 and 6, in each instance, strike “DECEMBER 31, 2022” and substitute “OCTOBER 1, 2022”; and strike beginning with “USING” in line 15 down through “BOUNDARIES” in line 17 and substitute “IN ACCORDANCE WITH THE DEFINITION OF “CANOPY” ESTABLISHED UNDER § 36-101 OF THIS TITLE”.

On page 49 in lines 4 and 5 and 26, and on page 51 in lines 5 and 7, in each instance, strike “DECEMBER 31, 2022” and substitute “OCTOBER 1, 2022”.

On page 49, in line 8, strike “MARCH 1, 2023” and substitute “DECEMBER 1, 2022”; in line 29, strike “, EACH GROWER, PROCESSOR, AND DISPENSARY” and substitute “:”

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1. EACH GROWER AND PROCESSOR”;

in line 31, strike the first comma and substitute “**OR**”; in lines 31 and 32, strike “**, OR DISPENSARY**”; in the same line, after “**\$2,000,000**” insert “**; AND**

2. EACH DISPENSARY SHALL PAY A ONE-TIME CONVERSION FEE OF 8% OF THE TOTAL GROSS REVENUE OF THE DISPENSARY IN 2022, BUT NOT MORE THAN \$2,000,000”;

and in line 33, strike “**FEE**” and substitute “**FEES**”.

On page 51, in line 20, after “**ESTABLISH**” insert “**LICENSING AND**”; in line 23, after “**THE**” insert “**LICENSING AND**”; and in line 24, after “**EXCEED**” insert “**:**

(I) FOR INITIAL LICENSE FEES, \$50,000; AND

(II) FOR RENEWAL LICENSE FEES,”.

On page 52, in line 2, after “**ANY**” insert “**LICENSING OR**”; and in line 3, strike “**2024**” and substitute “**2023**”.

On page 55, in line 1, after “**(3)**” insert “**(I) IF AN APPLICANT SEEKING SOCIAL EQUITY STATUS IS FROM OUT-OF-STATE, THE APPLICANT MUST SUBMIT WITH THE APPLICATION EVIDENCE THAT THE APPLICANT MEETS THE CRITERIA FOR A SOCIAL EQUITY APPLICANT ESTABLISHED UNDER THIS TITLE BEFORE THE ADMINISTRATION MAY CONSIDER THE APPLICATION.**

(II)”;

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in line 3, after “**(4)**” insert “**(I) ON OR BEFORE JANUARY 1, 2024, THE ADMINISTRATION SHALL SUBMIT AN INTERIM REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE ABILITY OF MICRO DISPENSARY LICENSEES TO SAFELY AND SECURELY DISPENSE CANNABIS.**”

(II)”;

in line 4, after “**A**” insert “**FINAL**”; and in line 23, after “**LICENSES,**” insert “**APPLYING MINIMUM LICENSING QUALIFICATIONS AND**”.

On page 57, in line 23, after “**CONDITIONS;**” insert “**AND**”; and strike beginning with “**; AND**” in line 24 down through the second “**APPLICANT**” in line 26.

On page 60, in line 6, strike “**ESTABLISHMENT OR A CANNABIS ESTABLISHMENT APPLICANT**” and substitute “**LICENSEE OR AN APPLICANT FOR A CANNABIS LICENSE**”; in line 7, strike “**ESTABLISHMENT**” and substitute “**LICENSEE**”; in line 12, strike “**IT**” and substitute “**THE FACILITY:**”

(1)”;

and in line 13, after “**2023**” insert “**; OR**”

(2) IS USED BY A GROWER, PROCESSOR, OR DISPENSARY THAT:

(I) HELD A STAGE ONE PREAPPROVAL FOR A LICENSE BEFORE OCTOBER 1, 2022; AND

(II) WAS NOT OPERATIONAL BEFORE OCTOBER 1, 2022”.

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On page 61, in line 10, strike the first “**IN**” and substitute “**ON**”; in the same line, after “**SMOKED**” insert “**INDOORS**”; and in line 21, after “**THE**” insert “**SMOKING OR**”.

On page 62, in line 3, after “**(D)**” insert “**A BUSINESS THAT HAS AVERAGE DAILY RECEIPTS FROM THE SALE OF BAKERY GOODS THAT ARE AT LEAST 50% OF THE AVERAGE DAILY RECEIPTS OF THE BUSINESS MAY APPLY FOR A LICENSE TO OPERATE AN ON-SITE CONSUMPTION ESTABLISHMENT.**”; in line 6, before “**THE**” insert “**(E)**”; in lines 10 and 28, strike “**(E)**” and “**(F)**”, respectively, and substitute “**(F)**” and “**(G)**”, respectively; and in line 22, after “**THE**” insert “**INDOOR**”.

On page 63, in lines 7, 14, and 18, strike “**(G)**”, “**(H)**”, and “**(I)**”, respectively, and substitute “**(H)**”, “**(I)**”, and “**(J)**”, respectively.

On page 66, in line 6, after “**HOURS**” insert “**OR DEDICATED SERVICE LINES**”; in line 8, strike “**SHELF SPACE**” and substitute “**AT LEAST 25% OF CANNABIS AND CANNABIS PRODUCTS**”; strike beginning with “**IS**” in line 8 down through “**PRODUCTS**” in line 9 and substitute “**ARE**”; and in line 9, after “**FROM**” insert “**SOCIAL EQUITY LICENSEES AND**”.

On page 69, in line 18, strike “**THE**”; and in the same line, after “**BANKRUPTCY**” insert “**OR RECEIVERSHIP IN ACCORDANCE WITH A LENDING AGREEMENT**”.

On page 70, in line 9, after “**ARTICLE,**” insert “**A**”.

On page 72, strike beginning with “**DURING**” in line 20 down through “**LICENSE**” in line 21 and substitute “**BEFORE THE GROWER, PROCESSOR, OR DISPENSARY IS AN OPERATIONAL CANNABIS LICENSEE**”.

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On page 76, in line 21, after “THE” insert “CANNABIS”; in the same line, after “OR” insert “CANNABIS”; in line 26, after the second “THE” insert “CANNABIS”; and in the same line, after “LICENSEE” insert “OR CANNABIS REGISTRANT”.

On page 77, in line 1, after “A” insert “CANNABIS”; and in the same line, after “OR” insert “CANNABIS”.

On page 78, in line 5, before “IN” insert “(A)”; in line 7, strike “INCLUDING LABELING, PACKAGING, AND BRANDING,”; after line 9, insert:

“(B) “ADVERTISEMENT” DOES NOT INCLUDE PACKAGING OR LABELING.”;

in line 11, strike “(A)”; in lines 11 and 12, in each instance, strike “MEDICAL”; and strike in their entirety lines 19 through 24, inclusive.

On page 79, strike beginning with the first “OR” in line 5 down through “YEARS” in line 6; and in line 27, after “EACH” insert “CANNABIS-RELATED”.

On page 80, in line 11, strike “PERMIT” and substitute “ALLOW”; in line 14, strike “DOES” and substitute “DO”; and strike beginning with “AND” in line 15 down through “DIVISION” in line 16.

On page 83, in line 9, strike “OR”; and in line 12, after “KIND” insert “; OR”

(III) CONDUCT DIRECT-TO-CONSUMER INTERNET SALES OF ADULT-USE CANNABIS ON OR BEFORE JULY 1, 2025”.

On page 85, in line 16, after “(D)” insert “(1)”; in the same line, after “SECTION” insert “AND SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION”; in lines 19 and 21,

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strike “**(1)**” and “**(2)**”, respectively, and substitute “**(I)**” and “**(II)**”, respectively; and after line 23, insert:

“(2) TO SELL OR DISTRIBUTE A HEMP-DERIVED TINCTURE UNDER THIS SUBSECTION, A PERSON MUST PROVIDE, AS REQUIRED BY THE ADMINISTRATION, TINCTURE SAMPLES FOR THE PURPOSE OF TESTING TO DETERMINE CHEMICAL POTENCY AND COMPOSITION LEVELS AND TO DETECT AND QUANTIFY CONTAMINANTS.”.

On page 91, strike in their entirety lines 10 and 11 and substitute:

“(B) “CANNABIS BUSINESS” MEANS A MANUFACTURER, PRODUCER, OR ANOTHER PERSON THAT:”;

and in line 28, strike “**CANNABIS-RELATED**” and substitute “**CANNABIS**”.

On page 92, in line 17, strike “**THE OFFICE**” and substitute “**COMMISSIONER**”; and in lines 26 and 29, in each instance, strike “**CANNABIS-RELATED**” and substitute “**CANNABIS**”.

On page 93 in lines 1, 3, 6, 10, 13, 14, 17, 19, 22, 24, and 31, on page 94 in lines 3, 7, 9, 10, 14, 17, and 25, and on page 95 in lines 3, 5, 13, and 19, in each instance, strike “**CANNABIS-RELATED**” and substitute “**CANNABIS**”.

On page 95, in line 17, strike “**STATE BANKING REGULATOR**” and substitute “**COMMISSIONER OF FINANCIAL REGULATION**”; strike beginning with the second “**FROM**” in line 30 down through “**36**” in line 31 and substitute “**, AS DEFINED IN § 1-101**”.

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On page 96, in line 2, strike “OPERATION” and substitute “OPERATIONS AND ADMINISTRATIVE EXPENSES”; after line 4, insert:

“(2) AFTER MAKING THE DISTRIBUTION REQUIRED UNDER ITEM (1) OF THIS SECTION:”;

in lines 5, 8, 14, 16, and 19, strike “(2)”, “(3)”, “(4)”, “(5)”, and “(6)”, respectively, and substitute “(I)”, “(II)”, “(III)”, “(IV)”, and “(3)”, respectively; in line 15, after “ARTICLE;” insert “AND”; in line 20, strike “PARAGRAPHS (1) THROUGH (5)” and substitute “ITEMS (1) AND (2)”; and strike beginning with “CONSIDER” in line 11 down through “MUNICIPALITY” in line 13 and substitute “DISTRIBUTE TO A MUNICIPALITY LOCATED IN THE COUNTY 50% OF THE ALLOCATION RECEIVED UNDER THIS ITEM THAT IS ATTRIBUTABLE TO THE SALES AND USE TAX REVENUE GENERATED BY A DISPENSARY LOCATED IN THAT MUNICIPALITY”.

On page 97, in line 6, strike “THE SALE OF”; strike beginning with “FROM” in line 6 down through “36” in line 7 and substitute “, AS DEFINED IN § 1-101”; and in line 20, strike “ESTABLISHMENTS” and substitute “BUSINESSES”.

On page 99, in line 15, strike “HARMED” and substitute “IMPACTED”; in the same line, strike “and”; and after line 17, insert:

“3. SOCIAL EQUITY LICENSEES TO ASSIST WITH START-UP OPERATING AND CAPITAL FUNDING NEEDS; AND”.

On page 103, in line 35, strike “Commission” and substitute “Maryland Cannabis Administration”.

On page 104, in line 7, strike “and”; after line 7, insert:

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“(5) communication services for public and consumer education campaigns on cannabis laws and regulations and potential health and safety risks associated with cannabis use; and”;

in line 8, strike “(5)” and substitute “(6)”; and in line 28, after “licenses” insert “to”.

On pages 107 and 108, strike in their entirety the lines beginning with line 23 on page 107 through line 4 on page 108, inclusive.

On page 108, in line 5, strike “16.” and substitute “15.”; strike beginning with “A” in line 6 down through the first “and” in line 8 and substitute “This section applies only to a business awarded a grower license under § 9 of Chapter 598 of the Acts of the General Assembly of 2018.”; in line 8, after “license” insert “.

(b) (1) A licensed grower subject to this section”;

in the same line, after “apply” insert “to the Maryland Cannabis Administration for”; in the same line, after the second “a” insert “standard dispensary”; in line 9, strike “to operate as a cannabis dispensary”; after line 10, insert:

“(2) If the licensed grower meets the minimum qualifications as determined by the Maryland Cannabis Administration for a standard dispensary license, the Administration shall award the grower a standard dispensary license.”;

strike in their entirety lines 11 through 16, inclusive, and substitute:

“SECTION 16. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or before June 30, 2024, the Governor may transfer to the Maryland Cannabis Administration established under § 36-201 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 5 of this Act, any positions and the associated funds, and any amount of the unexpended appropriation under the Alcohol and Tobacco Commission – Administration and Enforcement (E17A01.01),

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Alcohol and Tobacco Commission – Shared Services (E17A01.02), and Alcohol and Tobacco Commission – Cannabis Regulatory and Enforcement Division (E17A01.03) that was included in the fiscal year 2024 operating budget (House Bill 200 of the General Acts of 2023).

SECTION 17. AND BE IT FURTHER ENACTED, That, as soon as practicable after the effective date of this Act, the Alcohol, Tobacco, and Cannabis Commission and the Maryland Cannabis Administration shall enter into a memorandum of understanding that provides that both parties agree to collaborate in order to enforce the provisions of this Act with respect to unlicensed cannabis operations in the State.

SECTION 18. AND BE IT FURTHER ENACTED, That, notwithstanding § 1–309(c)(1) of the Alcoholic Beverages and Cannabis Article, as enacted by Section 5 of this Act, an individual serving as the Executive Director of the Alcohol and Tobacco Commission on the effective date of this Act may continue to serve as the Executive Director of the Alcohol, Tobacco, and Cannabis Commission.”;

and in lines 17 and 23, strike “17.” and “18.”, respectively, and substitute “19.” and “20.”, respectively.