

SENATE BILL 516

A1, J1, Q4

EMERGENCY BILL

3lr2933
CF HB 556

By: **Senators Feldman and Hayes**

Introduced and read first time: February 3, 2023

Assigned to: Finance and Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 20, 2023

CHAPTER _____

1 AN ACT concerning

2 **Cannabis Reform**

3 FOR the purpose of renaming the Alcohol and Tobacco Commission to be the Alcohol,
4 Tobacco, and Cannabis Commission; establishing the Maryland Cannabis
5 Administration as an independent unit of State government; establishing a
6 regulatory and licensing system for adult-use cannabis under the ~~Commission~~
7 Administration; imposing the sales and use tax on the sale of adult-use cannabis at
8 certain rates in certain fiscal years; establishing the Office of Social Equity, the
9 Advisory Board on Medical and Adult-Use Cannabis, and the Social Equity
10 Partnership Grant Fund in the Commission; altering provisions of law relating to
11 the Community Reinvestment and Repair Fund; ~~establishing the Cannabis~~
12 ~~Regulation and Enforcement Division in the Commission~~; requiring the ~~Division~~
13 Administration to establish and maintain a State cannabis testing laboratory;
14 establishing the Cannabis Regulation and Enforcement Fund as a special,
15 nonlapsing fund; requiring that the investment earnings of the Cannabis Regulation
16 and Enforcement Fund be credited to the Fund; repealing certain provisions of law
17 establishing and governing the Natalie M. LaPrade Medical Cannabis Commission;
18 requiring the ~~Division~~ Administration, rather than the Natalie M. LaPrade Medical
19 Cannabis Commission, to take certain actions related to medical cannabis; requiring
20 the ~~Division~~ Administration, on or before a certain date and under certain
21 circumstances, to convert medical cannabis licenses to licenses to operate a medical
22 and adult-use cannabis business; regulating the actions that ~~local jurisdictions~~
23 political subdivisions may take regarding cannabis businesses; prohibiting certain
24 individuals from taking certain actions related to cannabis licensees and registrants;
25 establishing the Medical Cannabis Compassionate Use Fund as a special, nonlapsing

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

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



1 fund; requiring that the interest earnings of the Medical Cannabis Compassionate
 2 Use Fund be credited to the Fund; authorizing certain entities to register with the
 3 ~~Division Administration~~ to purchase cannabis for research purposes; establishing
 4 prohibitions related to the advertising of cannabis and cannabis products; requiring
 5 a person to be approved by the ~~Division Administration~~ to offer a certain training
 6 program; establishing certain legal protections related to the use of cannabis;
 7 establishing a Capital Access Program in the Department of Commerce; establishing
 8 certain prohibitions related to banking by cannabis businesses; altering certain
 9 provisions of law relating to the Cannabis Business Assistance Fund; exempting the
 10 Commission from State procurement requirements under certain circumstances;
 11 requiring a cannabis licensee, under certain circumstances, to comply with the
 12 State's Minority Business Enterprise Program; requiring the Administration to
 13 contract with an independent consultant to complete a study on wholesale cannabis
 14 licenses; requiring the study to be submitted to certain persons on or before a certain
 15 date; requiring the Maryland Economic Development Corporation to identify certain
 16 locations and submit a certain report to the General Assembly; requiring the
 17 Administration to study and report on certain matters relating to on-site
 18 consumption and certain cannabis products; requiring that certain growers be
 19 awarded certain dispensary licenses under certain circumstances; providing that
 20 certain businesses that were awarded certain approval for a processor license be
 21 entered into a certain lottery; and generally relating to medical and adult-use
 22 cannabis.

23 BY repealing

24 Article – Health – General

25 Section 13–3301 through 13–3316 and the subtitle “Subtitle 33. Natalie M. LaPrade
 26 Medical Cannabis Commission”

27 Annotated Code of Maryland

28 (2019 Replacement Volume and 2022 Supplement)

29 BY repealing

30 Article – Health – General

31 The subtitle designation “Subtitle 46. Community Reinvestment and Repair Fund”
 32 immediately preceding Section 13–4601

33 Annotated Code of Maryland

34 (2019 Replacement Volume and 2022 Supplement)

35 (As enacted by Chapter 26 of the Acts of the General Assembly of 2022)

36 BY transferring

37 Article – Health – General

38 Section 13–4601

39 Annotated Code of Maryland

40 (2019 Replacement Volume and 2022 Supplement)

41 (As enacted by Chapter 26 of the Acts of the General Assembly of 2022)

42 to be

43 Article – Alcoholic Beverages

44 Section 1–322

1 Annotated Code of Maryland
2 (2016 Volume and 2022 Supplement)

3 BY renumbering

4 Article – Alcoholic Beverages
5 Section 1–101(d) through (y) and (z) through (ii)
6 to be Section 1–101(e) through (z) and (bb) through (kk), respectively
7 Annotated Code of Maryland
8 (2016 Volume and 2022 Supplement)

9 BY repealing and reenacting, without amendments,

10 Article – Alcoholic Beverages
11 Section 1–101(a)
12 Annotated Code of Maryland
13 (2016 Volume and 2022 Supplement)

14 BY adding to

15 Article – Alcoholic Beverages
16 Section 1–101(d) and (aa), 1–309.1, 1–309.2, and 1–323; and 36–101 through
17 36–1507 to be under the new division “Division III. Cannabis”
18 Annotated Code of Maryland
19 (2016 Volume and 2022 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article – Alcoholic Beverages
22 Section 1–101(g) and (r)
23 Annotated Code of Maryland
24 (2016 Volume and 2022 Supplement)
25 (As enacted by Section 4 of this Act)

26 BY repealing and reenacting, with amendments,

27 Article – Alcoholic Beverages
28 Section ~~1–101(f) and (e)~~ 1–202; and 1–302, 1–303(a), 1–304, 1–307 through 1–310,
29 and 1–313 to be under the amended subtitle “Subtitle 3. Alcohol, Tobacco, and
30 Cannabis Commission”
31 Annotated Code of Maryland
32 (2016 Volume and 2022 Supplement)

33 ~~BY adding to~~

34 ~~Article – Alcoholic Beverages~~
35 ~~Section 1–309.1, 1–309.2, and 1–323; and 36–101 through 36–1507 to be under the~~
36 ~~new division “Division III. Cannabis”~~
37 ~~Annotated Code of Maryland~~
38 ~~(2016 Volume and 2022 Supplement)~~

39 BY repealing and reenacting, with amendments,

40 Article – Alcoholic Beverages

- 1 Section 1–322
2 Annotated Code of Maryland
3 (2016 Volume and 2022 Supplement)
4 (As enacted by Section 3 of this Act)
- 5 BY adding to
6 Article – Tax – General
7 Section 2–1302.2, 11–104(k), and 11–245
8 Annotated Code of Maryland
9 (2022 Replacement Volume)
- 10 BY repealing and reenacting, with amendments,
11 Article – Tax – General
12 Section 2–1303
13 Annotated Code of Maryland
14 (2022 Replacement Volume)
- 15 BY repealing and reenacting, with amendments,
16 Article – Economic Development
17 Section 5–1901
18 Annotated Code of Maryland
19 (2018 Replacement Volume and 2022 Supplement)
- 20 BY repealing and reenacting, without amendments,
21 Article – State Finance and Procurement
22 Section 6–226(a)(2)(i)
23 Annotated Code of Maryland
24 (2021 Replacement Volume and 2022 Supplement)
- 25 BY repealing and reenacting, with amendments,
26 Article – State Finance and Procurement
27 Section 6–201(e) and 6–226(a)(2)(ii)170. and 171.
28 Annotated Code of Maryland
29 (2021 Replacement Volume and 2022 Supplement)
- 30 BY adding to
31 Article – State Finance and Procurement
32 Section 6–226(a)(2)(ii)172. and 173.
33 Annotated Code of Maryland
34 (2021 Replacement Volume and 2022 Supplement)
- 35 BY repealing and reenacting, with amendments,
36 Article – State Personnel and Pensions
37 Section 23–201(a)(13) and (14) and 26–201(a)(22)
38 Annotated Code of Maryland
39 (2015 Replacement Volume and 2022 Supplement)

1 BY adding to
2 Article – State Personnel and Pensions
3 Section 23–201(a)(15)
4 Annotated Code of Maryland
5 (2015 Replacement Volume and 2022 Supplement)

6 BY repealing and reenacting, with amendments,
7 Article – Health – General
8 Section 13–4505
9 Annotated Code of Maryland
10 (2019 Replacement Volume and 2022 Supplement)

11 BY renaming
12 Article – Alcoholic Beverages
13 to be Article – Alcoholic Beverages and Cannabis
14 Annotated Code of Maryland
15 (2016 Volume and 2022 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
17 That Section(s) 13–3301 through 13–3316 and the subtitle “Subtitle 33. Natalie M. LaPrade
18 Medical Cannabis Commission” of Article – Health – General of the Annotated Code of
19 Maryland be repealed.

20 SECTION 2. AND BE IT FURTHER ENACTED, That the subtitle designation
21 “Subtitle 46. Community Reinvestment and Repair Fund” immediately preceding §
22 13–4601 of the Health – General Article be repealed.

23 SECTION 3. AND BE IT FURTHER ENACTED, That Section(s) 13–4601 of Article
24 – Health – General of the Annotated Code of Maryland be transferred to be Section(s)
25 1–322 of Article – Alcoholic Beverages of the Annotated Code of Maryland.

26 SECTION 4. AND BE IT FURTHER ENACTED, That Section(s) 1–101(d) through
27 (y) and (z) through (ii) of Article – Alcoholic Beverages of the Annotated Code of Maryland
28 be renumbered to be Section(s) 1–101(e) through (z) and (bb) through (kk), respectively.

29 SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
30 as follows:

31 **Article – Alcoholic Beverages**

32 1–101.

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

34 **(D) (1) “CANNABIS” MEANS THE PLANT CANNABIS SATIVA L. AND ANY**
35 **PART OF THE PLANT, INCLUDING ALL DERIVATIVES, EXTRACTS, CANNABINOIDS,**
36 **ISOMERS, ACIDS, SALTS, AND SALTS OF ISOMERS, WHETHER GROWING OR NOT, WITH**

1 A DELTA-9-TETRAHYDROCANNABINOL CONCENTRATION GREATER THAN 0.3% ON A
 2 DRY WEIGHT BASIS.

3 **(2) “CANNABIS” INCLUDES CANNABIS PRODUCTS.**

4 **(3) “CANNABIS” DOES NOT INCLUDE HEMP OR HEMP PRODUCTS, AS**
 5 **DEFINED IN § 14-101 OF THE AGRICULTURE ARTICLE.**

6 ~~(g)~~ (g) “Commission” means the Alcohol [and], Tobacco, AND CANNABIS
 7 Commission.

8 ~~(r)~~ (r) (1) “License holder” means the holder of [a] AN ALCOHOLIC ~~BEVERAGE~~
 9 BEVERAGES license issued or a permit granted under this article.

10 (2) “License holder” includes:

11 (i) a county liquor control board and a county dispensary; and

12 (ii) for the delivery and billing purposes of Title 2, Subtitle 3 and §§
 13 2-213 and 2-314 of this article, a corporation on behalf of which an individual has obtained
 14 a license.

15 **(AA) “POLITICAL SUBDIVISION” MEANS A COUNTY OR A MUNICIPALITY.**

16 1-202.

17 (a) To the extent that a statement of a general rule of law conflicts or is
 18 inconsistent with an exception or a qualification applicable to a special area, particular
 19 person, or set of circumstances, the exception or qualification prevails.

20 (b) A provision in Division II of this article prevails over a conflicting or
 21 inconsistent provision in Division I of this article or a provision in the Tax – General Article
 22 relating to alcoholic beverages.

23 **(C) A PROVISION IN DIVISION III OF THIS ARTICLE PREVAILS OVER A**
 24 **CONFLICTING OR INCONSISTENT PROVISION IN DIVISION I OF THIS ARTICLE OR A**
 25 **PROVISION IN THE TAX – GENERAL ARTICLE RELATING TO CANNABIS.**

26 Subtitle 3. Alcohol [and], Tobacco, AND CANNABIS Commission.

27 1-302.

28 There is an Alcohol [and], Tobacco, AND CANNABIS Commission.

29 1-303.

1 (a) (1) The Commission consists of [five] SEVEN members to be appointed by
2 the Governor with the advice and consent of the Senate.

3 (2) The presiding officer of either House of the General Assembly may
4 recommend to the Governor a list of individuals for appointment to the Commission.

5 (3) Of the Commission members:

6 (i) one shall be knowledgeable and experienced in public health
7 matters;

8 (ii) one shall be knowledgeable and experienced in law enforcement
9 matters;

10 (iii) one shall be knowledgeable and experienced in the alcoholic
11 beverages industry; [and]

12 (IV) ~~TWO SHALL BE KNOWLEDGEABLE AND EXPERIENCED IN~~
13 ~~THE CANNABIS INDUSTRY~~ ONE SHALL HAVE EXPERTISE IN CANNABIS RESEARCH
14 AND POLICY;

15 (V) ONE SHALL HAVE EXPERTISE IN ALCOHOL AND TOBACCO
16 POLICY; AND

17 [(iv)] ~~(v)~~ (VI) two shall be members of the public who are
18 knowledgeable and experienced in fiscal matters and shall have substantial experience:

19 1. as an executive with fiduciary responsibilities in charge of
20 a large organization or foundation;

21 2. in an academic field relating to finance or economics; or

22 3. as an accountant, an economist, or a financial analyst.

23 (4) In addition to the members appointed under paragraph (3) of this
24 subsection, the Secretary of Health and the Secretary of State Police, or their designees,
25 may participate in the Commission as ex officio nonvoting members.

26 1-304.

27 (a) A member of the Commission may not:

28 (1) have a direct or indirect financial interest, ownership, or management,
29 including holding any stocks, bonds, or other similar financial interests, in the alcohol [or],
30 tobacco, OR CANNABIS industries;

1 (2) have an official relationship to a person who holds a license or permit
2 under this article or Title 16, Title 16.5, Title 16.7, or Title 16.9 of the Business Regulation
3 Article;

4 (3) be an elected official;

5 (4) receive or share in, directly or indirectly, the receipts or proceeds of any
6 activities conducted in the alcohol [or], tobacco, **OR CANNABIS** industries;

7 (5) have a beneficial interest in any contract for the manufacture or sale of
8 any device or product or the provision of any independent consulting services in connection
9 with a holder of a license or permit issued under this article or Title 16, Title 16.5, Title
10 16.7, or Title 16.9 of the Business Regulation Article; or

11 (6) accept a contribution of money or property worth at least \$100 from an
12 entity or individual associated with the alcohol [or], tobacco, **OR CANNABIS** industries with
13 respect to the regulation of alcohol [or], tobacco, **OR CANNABIS**.

14 (b) A member of the Commission shall file a financial disclosure statement with
15 the State Ethics Commission in accordance with Title 5, Subtitle 6 of the General
16 Provisions Article.

17 1–307.

18 (a) The Commission has the powers and duties set forth in this section.

19 (b) The Commission shall:

20 (1) educate the public, by resource sharing and serving as an information
21 clearinghouse, on such topics as:

22 (i) recent increases in alcohol content for popular beer and other
23 beverages;

24 (ii) the proper limits of drinking for adults;

25 (iii) the adverse consequences of surpassing those limits;

26 (iv) parental or adult responsibility for serving alcohol to underage
27 individuals; and

28 (v) comparable topics relating to smoking, vaping, tobacco, other
29 tobacco products, [and] electronic nicotine delivery systems, **CANNABIS, AND CANNABIS**
30 **PRODUCTS**; and

1 (2) subject to federal approval, ensure that all alcoholic beverages sold in
2 the State with an alcohol content exceeding 4.5% by volume bear a large and conspicuous
3 label stating the percentage of alcohol content.

4 (c) (1) The Commission shall conduct studies of:

5 (i) the operation and administration of similar laws in other states
6 or countries; and

7 (ii) federal laws that may affect the operation of the alcohol [or],
8 tobacco, **OR CANNABIS** industries, the literature on those industries, and the reaction of
9 residents of the State to existing and potential features of those industries.

10 (2) The Commission shall submit to the Governor and, in accordance with
11 § 2–1257 of the State Government Article, the General Assembly the studies required under
12 this subsection.

13 1–308.

14 The Commission shall develop best practices for:

15 (1) the dedication of a minimum effective portion of the budget of a local
16 licensing board to administrative enforcement activities, such as inspections, compliance
17 checks, overservice, operations, and trade practice violations;

18 (2) the carrying out of compliance checks for alcoholic beverages licenses,
19 in which each license is checked at least once a year;

20 (3) the development of guidelines for the minimum capacity of inspections
21 carried out by inspectors of local licensing boards, based on the number and type of licensed
22 outlets in the licensing jurisdiction;

23 (4) ensuring that alcoholic beverages inspections be based on data such as
24 the violation history of the license holder, and calls for emergency assistance, emergency
25 medical service, or nonemergency service, so that resources are being allocated based on
26 where the greatest need is;

27 (5) the reporting of aggregate data between local police and local licensing
28 boards;

29 (6) the development of mandatory State–provided training for liquor
30 inspectors;

31 (7) reporting by the State to the affected local licensing board of a
32 State–issued license or permit within 10 days after the State receives an application;

1 (8) the development of a public health impact statement for all changes to
2 the State alcoholic beverages laws; [and]

3 (9) ensuring that:

4 (i) all license holders, managers, and servers receive certification
5 from an approved alcohol awareness program; and

6 (ii) at least one employee who is certified in an alcohol awareness
7 program be on the licensed premises at all times when alcoholic beverages are served;

8 **(10) REGULATING THE CANNABIS INDUSTRY AND IMPLEMENTING**
9 **PUBLIC HEALTH MEASURES RELATING TO CANNABIS; AND**

10 **(11) REGULATING, TO THE EXTENT POSSIBLE, MEDICAL AND**
11 **ADULT-USE CANNABIS IN A SIMILAR MANNER.**

12 1-309.

13 (a) With the advice and consent of the Senate, the Governor shall appoint an
14 Executive Director of the Commission.

15 (b) The Executive Director serves at the pleasure of the Governor.

16 (c) The Executive Director shall:

17 (1) have the training and experience, including knowledge of the Maryland
18 alcohol, **TOBACCO, AND CANNABIS** regulatory system, that is needed to direct the work of
19 the Commission; AND

20 (2) ~~be a sworn police officer with the powers granted to an officer or~~
21 ~~employee of the Field Enforcement Division under § 1-313 of this subtitle; and~~

22 ~~(3)~~ devote full time to the duties of office and may not engage in another
23 profession or occupation.

24 (d) **THE EXECUTIVE DIRECTOR MAY BE A SWORN POLICE OFFICER WITH**
25 **THE POWERS GRANTED TO AN OFFICER OR EMPLOYEE OF THE FIELD**
26 **ENFORCEMENT DIVISION UNDER § 1-313 OF THIS SUBTITLE.**

27 **(E)** The Executive Director is entitled to the salary provided in the State budget.

28 **1-309.1.**

29 **(A) THERE IS AN OFFICE OF SOCIAL EQUITY ~~WITHIN~~ IN THE COMMISSION.**

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

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

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

9 (D) THE OFFICE OF SOCIAL EQUITY SHALL:

10 (1) PROMOTE AND ENCOURAGE FULL PARTICIPATION IN THE
11 REGULATED CANNABIS INDUSTRY BY PEOPLE FROM COMMUNITIES THAT HAVE
12 PREVIOUSLY BEEN DISPROPORTIONATELY HARMED BY THE WAR ON DRUGS IN
13 ORDER TO POSITIVELY IMPACT THOSE COMMUNITIES;

14 (2) CONSULT WITH AND ASSIST THE COMPTROLLER IN THE
15 ADMINISTRATION OF THE COMMUNITY REINVESTMENT AND REPAIR FUND UNDER
16 § 1-322 OF THIS SUBTITLE;

17 (3) CONSULT WITH AND ASSIST THE DEPARTMENT OF COMMERCE IN
18 THE ADMINISTRATION OF THE CANNABIS BUSINESS ASSISTANCE FUND UNDER §
19 5-1901 OF THE ECONOMIC DEVELOPMENT ARTICLE;

20 (4) IDENTIFY AND OPPOSE REGULATIONS THAT UNNECESSARILY
21 BURDEN OR UNDERMINE THE LEGISLATIVE INTENT OF THE OFFICE, INCLUDING
22 REGULATIONS THAT IMPOSE UNDUE RESTRICTIONS OR FINANCIAL REQUIREMENTS;

23 (5) PROVIDE RECOMMENDATIONS TO THE COMMISSION ON
24 REGULATIONS RELATED TO:

25 (I) DIVERSITY; AND

26 (II) SOCIAL EQUITY APPLICATIONS;

27 (6) WORK WITH THE ~~COMMISSION~~ MARYLAND CANNABIS
28 ADMINISTRATION TO IMPLEMENT FREE TECHNICAL ASSISTANCE FOR SOCIAL
29 EQUITY AND MINORITY CANNABIS BUSINESS APPLICANTS;

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

1 (8) ASSIST BUSINESSES WITH OBTAINING FINANCING THROUGH THE
2 CAPITAL ACCESS PROGRAM UNDER TITLE 36, SUBTITLE 14 OF THIS ARTICLE; ~~AND~~

3 ~~(9) DETERMINE WHICH INDIVIDUALS AND ENTITIES SHALL BE~~
4 ~~GRANTED LOANS OR GRANTS FROM THE CANNABIS BUSINESS ASSISTANCE FUND~~
5 ~~UNDER § 5-1901 OF THE ECONOMIC DEVELOPMENT ARTICLE.~~

6 (E) (1) ON OR BEFORE MARCH 1 EACH YEAR, THE OFFICE OF SOCIAL
7 EQUITY SHALL PRODUCE AND MAKE PUBLICLY AVAILABLE A REPORT ON HOW THE
8 FUNDS IN THE COMMUNITY REINVESTMENT AND REPAIR FUND UNDER § 1-322 OF
9 THIS SUBTITLE ~~AND THE CANNABIS BUSINESS ASSISTANCE FUND UNDER § 5-1901~~
10 ~~OF THE ECONOMIC DEVELOPMENT ARTICLE WERE~~ WAS ALLOCATED DURING THE
11 IMMEDIATELY PRECEDING CALENDAR YEAR.

12 (2) THE REPORT SHALL ALSO BE SUBMITTED TO THE GENERAL
13 ASSEMBLY IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.

14 (F) (1) ON OR BEFORE NOVEMBER 1 EACH YEAR, THE OFFICE OF SOCIAL
15 EQUITY SHALL SOLICIT PUBLIC INPUT ON THE USES OF THE FUNDS IN THE
16 COMMUNITY REINVESTMENT AND REPAIR FUND UNDER § 1-322 OF THIS SUBTITLE
17 ~~AND THE CANNABIS BUSINESS ASSISTANCE FUND UNDER § 5-1901 OF THE~~
18 ~~ECONOMIC DEVELOPMENT ARTICLE.~~

19 (2) ON OR BEFORE DECEMBER 15 EACH YEAR, THE OFFICE OF
20 SOCIAL EQUITY SHALL PUBLISH A REVIEW OF THE INPUT RECEIVED UNDER
21 PARAGRAPH (1) OF THIS SUBSECTION ON A PUBLICLY ACCESSIBLE PART OF THE
22 COMMISSION'S WEBSITE.

23 1-309.2.

24 (A) IN THIS SECTION, "ADVISORY BOARD" MEANS THE ADVISORY BOARD
25 ON MEDICAL AND ADULT-USE CANNABIS.

26 (B) THERE IS AN ADVISORY BOARD ON MEDICAL AND ADULT-USE
27 CANNABIS.

28 (C) THE ADVISORY BOARD SHALL:

29 (1) CONSIDER ALL MATTERS SUBMITTED TO IT BY THE COMMISSION,
30 THE GOVERNOR, THE ~~CANNABIS REGULATION AND ENFORCEMENT DIVISION~~
31 MARYLAND CANNABIS ADMINISTRATION, OR THE GENERAL ASSEMBLY; AND

1 (2) ON ITS OWN INITIATIVE, PROVIDE RECOMMENDATIONS TO THE
2 COMMISSION OR THE ~~CANNABIS REGULATION AND ENFORCEMENT DIVISION~~
3 MARYLAND CANNABIS ADMINISTRATION ESTABLISHED UNDER § 36-201 OF THIS
4 ARTICLE REGARDING GUIDELINES, RULES, AND REGULATIONS THAT THE ADVISORY
5 BOARD CONSIDERS IMPORTANT OR NECESSARY FOR REVIEW AND CONSIDERATION
6 BY THE COMMISSION OR THE ~~CANNABIS REGULATION AND ENFORCEMENT~~
7 ~~DIVISION~~ MARYLAND CANNABIS ADMINISTRATION.

8 (D) THE ADVISORY BOARD CONSISTS OF:

9 (1) THE DIRECTOR OF THE ~~CANNABIS REGULATION AND~~
10 ~~ENFORCEMENT DIVISION~~ MARYLAND CANNABIS ADMINISTRATION, WHO SHALL
11 SERVE AS CHAIR OF THE ADVISORY BOARD; AND

12 (2) THE FOLLOWING MEMBERS, APPOINTED BY THE GOVERNOR WITH
13 THE ADVICE AND CONSENT OF THE SENATE:

14 (I) THREE MEMBERS THAT HAVE SUBSTANTIAL EXPERIENCE IN
15 ONE OR MORE OF THE FOLLOWING:

- 16 1. CANNABIS LAW, SCIENCE, OR POLICY;
- 17 2. PUBLIC HEALTH OR HEALTH CARE;
- 18 3. AGRICULTURE;
- 19 4. FINANCE; OR
- 20 5. ADDICTION TREATMENT;

21 (II) ONE ACADEMIC RESEARCHER WITH AT LEAST 5 YEARS OF
22 EXPERIENCE IN SOCIAL OR HEALTH EQUITY;

23 (III) ONE REPRESENTATIVE OF AN INDEPENDENT TESTING
24 LABORATORY REGISTERED UNDER § 36-408 OF THIS ARTICLE;

25 (IV) ~~THREE~~ TWO REPRESENTATIVES WHO HOLD A STANDARD
26 ~~GROWER, PROCESSOR, OR DISPENSARY~~ LICENSE UNDER § 36-401 OF THIS ARTICLE;

27 (V) TWO REPRESENTATIVES WHO HOLD A STANDARD
28 PROCESSOR LICENSE UNDER § 36-401 OF THIS ARTICLE;

29 (VI) TWO REPRESENTATIVES WHO HOLD A STANDARD
30 DISPENSARY LICENSE UNDER § 36-401 OF THIS ARTICLE;

1 ~~(V)~~ (VII) ~~THREE TWO~~ REPRESENTATIVES WHO HOLD A MICRO
2 GROWER, PROCESSOR, OR DISPENSARY LICENSE UNDER § 36-401 OF THIS ARTICLE;

3 (VIII) TWO REPRESENTATIVES WHO HOLD A MICRO PROCESSOR
4 LICENSE UNDER § 36-401 OF THIS ARTICLE;

5 (IX) TWO REPRESENTATIVES WHO HOLD A MICRO DISPENSARY
6 LICENSE UNDER § 36-401 OF THIS ARTICLE;

7 (X) ONE REPRESENTATIVE WHO HOLDS AN INCUBATOR SPACE
8 LICENSE UNDER § 36-401 OF THIS ARTICLE;

9 (XI) ONE REPRESENTATIVE WHO HOLDS AN ON-SITE
10 CONSUMPTION LICENSE UNDER § 36-401 OF THIS ARTICLE;

11 ~~(VI)~~ (XII) ONE REPRESENTATIVE OF AN ORGANIZATION THAT
12 ADVOCATES ON BEHALF OF PATIENTS WHO ENGAGE IN THE MEDICAL USE OF
13 CANNABIS;

14 ~~(VII)~~ (XIII) ONE REPRESENTATIVE OF AN ORGANIZATION THAT
15 ADVOCATES ON BEHALF OF CONSUMERS WHO ENGAGE IN THE ADULT USE OF
16 CANNABIS; AND

17 ~~(VIII)~~ (XIV) ONE HEALTH CARE PROVIDER WHO IS REGISTERED
18 TO CERTIFY PATIENTS TO OBTAIN MEDICAL CANNABIS UNDER § 36-301 OF THIS
19 ARTICLE.

20 (E) THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE
21 MAY RECOMMEND TO THE GOVERNOR A LIST OF INDIVIDUALS FOR APPOINTMENT
22 TO THE ADVISORY BOARD.

23 (F) (1) THE TERM OF A MEMBER OF THE ADVISORY BOARD IS 4 YEARS.

24 (2) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL
25 A SUCCESSOR IS APPOINTED AND QUALIFIES.

26 (3) AN APPOINTED MEMBER MAY NOT SERVE MORE THAN TWO FULL
27 TERMS.

28 (4) THE POSITIONS FOR MEMBERS APPOINTED UNDER SUBSECTION
29 (D)(2)(VII) THROUGH (XI) OF THIS SECTION BECOME EFFECTIVE WHEN THE FIRST
30 LICENSES ARE ISSUED UNDER THOSE RESPECTIVE LICENSE TYPES.

1 (G) AN APPOINTED MEMBER OF THE ADVISORY BOARD MUST BE:

2 (1) AT LEAST 25 YEARS OLD;

3 (2) A RESIDENT OF THE STATE WHO HAS RESIDED IN THE STATE FOR
4 AT LEAST THE IMMEDIATELY PRECEDING 5 YEARS BEFORE THE APPOINTMENT; AND

5 (3) A REGISTERED VOTER OF THE STATE.

6 (H) THE ADVISORY BOARD SHALL ESTABLISH AT LEAST TWO
7 SUBCOMMITTEES TO FOCUS ON MEDICAL AND ADULT-USE CANNABIS.

8 (I) TO THE EXTENT PRACTICABLE AND CONSISTENT WITH FEDERAL AND
9 STATE LAW, THE MEMBERSHIP OF THE ADVISORY BOARD SHALL REFLECT THE
10 RACIAL, ETHNIC, AND GENDER DIVERSITY OF THE STATE.

11 1-310.

12 The Executive Director and all employees in the Office of the Executive Director may
13 not accept a contribution of money or property worth at least \$100 from an entity or
14 individual associated with the alcohol [or], tobacco, OR CANNABIS industries with respect
15 to regulation of alcohol [or], tobacco, OR CANNABIS.

16 1-313.

17 (a) There is a Field Enforcement Division in the Office of the Executive Director.

18 (b) (1) The Field Enforcement Division may employ officers and employees as
19 provided in the State budget.

20 (2) The officers and employees of the Field Enforcement Division:

21 (i) shall be sworn police officers;

22 (ii) shall have the powers, duties, and responsibilities of peace
23 officers to enforce the provisions of this article relating to:

24 1. the unlawful importation of alcoholic beverages [and],
25 tobacco, AND CANNABIS into the State;

26 2. the unlawful manufacture of alcoholic beverages [and],
27 tobacco, AND CANNABIS in the State;

28 3. the transportation and distribution throughout the State
29 of alcoholic beverages [and], tobacco, AND CANNABIS that are manufactured illegally and

1 on which any alcoholic beverages taxes [or], tobacco taxes, **OR CANNABIS TAXES** imposed
2 by the State are due and unpaid; and

3 4. the manufacture, sale, barter, transportation,
4 distribution, or other form of owning, handling, or dispersing alcoholic beverages [or],
5 tobacco, **OR CANNABIS** by any person not licensed or authorized under this article,
6 provisions of the Tax – General Article relating to alcoholic beverages [or], tobacco, **OR**
7 **CANNABIS**, or provisions of the Business Regulation Article relating to tobacco **OR**
8 **CANNABIS**; and

9 (iii) may make cooperative arrangements for and work and cooperate
10 with the Office of the Comptroller, local State’s Attorneys, sheriffs, bailiffs, police, and other
11 prosecuting and peace officers to enforce this article.

12 (c) The Field Enforcement Division:

13 (1) shall consult with and advise the local State’s Attorneys and other law
14 enforcement officials and police officers regarding enforcement problems in their respective
15 jurisdictions; and

16 (2) may recommend changes to improve the administration of this article,
17 provisions of the Tax – General Article relating to alcoholic beverages [and], tobacco, **AND**
18 **CANNABIS**, and provisions of the Business Regulation Article relating to tobacco.

19 1–322.

20 (a) (1) There is a Community Reinvestment and Repair Fund.

21 (2) The purpose of the Fund is to provide funds to community-based
22 organizations that serve communities determined by **THE OFFICE OF SOCIAL EQUITY,**
23 **IN CONSULTATION WITH** the Office of the Attorney General, to have been the most
24 impacted by disproportionate enforcement of the cannabis prohibition before July 1, 2022.

25 (3) The Comptroller shall administer the Fund.

26 (4) (i) The Fund is a special, nonlapsing fund that is not subject to §
27 7–302 of the State Finance and Procurement Article.

28 (ii) The State Treasurer shall hold the Fund separately, and the
29 Comptroller shall account for the Fund.

30 (5) The Fund consists of:

31 (i) [Revenue distributed to the Fund that is at least 30% of the
32 revenues from adult-use cannabis] **SALES AND USE TAX REVENUE DISTRIBUTED TO**
33 **THE FUND UNDER § 2–1302.2 OF THE TAX – GENERAL ARTICLE;**

1 (ii) [Licensing] **CONVERSION** fees paid by [dual-licensed cannabis
2 establishments] **BUSINESSES UNDER § 36-403 OF THIS ARTICLE**; and

3 (iii) [Any] **ANY** other money from any other source accepted for the
4 benefit of the Fund, in accordance with any conditions adopted by the Comptroller for the
5 acceptance of donations or gifts to the Fund.

6 (6) (i) The Fund may be used only for:

7 1. [Funding] **FUNDING** community-based initiatives
8 intended to benefit low-income communities;

9 2. [Funding] **FUNDING** community-based initiatives that
10 serve [communities disproportionately harmed by the cannabis prohibition and
11 enforcement] **DISPROPORTIONATELY IMPACTED HARMED AREAS, AS DEFINED IN §**
12 **36-101 OF THIS ARTICLE**; and

13 3. [Any] **ANY** related administrative expenses.

14 (ii) Money may not be expended from the Fund for law enforcement
15 agencies or activities.

16 (iii) Money expended from the Fund is supplemental to and may not
17 supplant funding that otherwise would be appropriated for preexisting local government
18 programs.

19 (7) The State Treasurer shall invest the money of the Fund in the same
20 manner as other State money may be invested.

21 (8) No part of the Fund may revert or be credited to:

22 (i) [The] **THE** General Fund of the State; or

23 (ii) [Any] **ANY** other special fund of the State.

24 (9) The Comptroller shall pay out money from the Fund.

25 (10) The Fund is subject to audit by the Office of Legislative Audits as
26 provided for in § 2-1220 of the State Government Article.

27 (b) (1) ~~The~~ **BASED ON THE PERCENTAGE ALLOCABLE TO EACH COUNTY**
28 **DETERMINED BY THE OFFICE OF SOCIAL EQUITY, THE** Comptroller shall distribute
29 funds from the Fund to each county in an amount that, for the period from July 1, 2002, to
30 [June 30, 2022] **JANUARY 1, 2023**, both inclusive, is proportionate to the total number of
31 ~~cannabis arrests in the county compared to the total number of cannabis arrests in the~~

1 State] ~~INDIVIDUALS RESIDING IN THE COUNTY WHO WERE CHARGED WITH A~~
 2 ~~CANNABIS CRIME COMPARED TO THE TOTAL NUMBER OF INDIVIDUALS CHARGED~~
 3 ~~WITH CANNABIS CRIMES IN THE STATE.~~

4 (2) (i) Subject to the limitations under subsection (a)(6) of this section,
 5 each county shall adopt a law establishing the purpose for which money received from the
 6 Fund may be used.

7 (ii) On or before December 1 every 2 years, beginning in 2024, each
 8 ~~local jurisdiction~~ **POLITICAL SUBDIVISION THAT RECEIVES FUNDS FROM THE FUND**
 9 **UNDER PARAGRAPH (1) OF THIS SUBSECTION** shall submit a report to the Governor and,
 10 in accordance with § 2–1257 of the State Government Article, the Senate Budget and
 11 Taxation Committee[, the Senate Finance Committee, the House Judiciary Committee, and
 12 the House Health and Government Operations Committee] **AND THE HOUSE**
 13 **APPROPRIATIONS COMMITTEE** on how funds received from the Fund were spent during
 14 the immediately preceding 2 fiscal years.

15 **1–323.**

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

18 (2) “ADMINISTRATION” HAS THE MEANING STATED IN § 36–101 OF
 19 THIS ARTICLE.

20 ~~(2)~~ (3) “CANNABIS LICENSEE” HAS THE MEANING STATED IN §
 21 36–101 OF THIS ARTICLE.

22 ~~(3)~~ ~~“DIVISION” HAS THE MEANING STATED IN § 36–101 OF THIS~~
 23 ~~ARTICLE.~~

24 (4) “GRANT PROGRAM” MEANS THE SOCIAL EQUITY PARTNERSHIP
 25 GRANT PROGRAM.

26 (5) “OFFICE” MEANS THE OFFICE OF SOCIAL EQUITY.

27 ~~(5)~~ (6) (I) “QUALIFYING PARTNERSHIP” MEANS A MEANINGFUL
 28 PARTNERSHIP BETWEEN AN OPERATIONAL CANNABIS LICENSEE AND A SOCIAL
 29 EQUITY LICENSEE THAT:

30 1. SUPPORTS OR ADVISES THE SOCIAL EQUITY
 31 LICENSEE; AND

32 2. IS AUTHORIZED BY THE ~~COMMISSION~~
 33 ADMINISTRATION.

1 (II) "QUALIFYING PARTNERSHIP" INCLUDES A PARTNERSHIP
2 THROUGH WHICH THE OPERATIONAL CANNABIS LICENSEE PROVIDES ANY OF THE
3 FOLLOWING TO A SOCIAL EQUITY LICENSEE:

- 4 1. TRAINING;
- 5 2. MENTORSHIP; OR
- 6 3. SHARED COMMERCIAL SPACE OR EQUIPMENT.

7 ~~(6)~~ (7) (I) "SOCIAL EQUITY LICENSEE" MEANS A SOCIAL EQUITY
8 APPLICANT, AS DEFINED IN § 36-101 OF THIS ARTICLE, WHO HAS BEEN AWARDED A
9 CANNABIS LICENSE OR CANNABIS REGISTRATION.

10 (II) "SOCIAL EQUITY LICENSEE" INCLUDES A GROWER OR
11 PROCESSOR LICENSEE THAT:

- 12 1. HELD A STAGE ONE PREAPPROVAL FOR A LICENSE
13 BEFORE OCTOBER 1, 2022; AND
- 14 2. WAS NOT OPERATIONAL BEFORE OCTOBER 1, 2022.

15 (B) (1) THERE IS A SOCIAL EQUITY PARTNERSHIP GRANT PROGRAM IN
16 THE COMMISSION.

17 (2) THE PURPOSE OF THE GRANT PROGRAM IS TO PROMOTE
18 QUALIFYING PARTNERSHIPS BETWEEN OPERATIONAL CANNABIS LICENSEES AND
19 SOCIAL EQUITY LICENSEES.

20 (C) (1) ~~THE COMMISSION~~ OFFICE SHALL IMPLEMENT AND ADMINISTER
21 THE GRANT PROGRAM, INCLUDING BY CLEARLY DEFINING THE PARAMETERS OF A
22 QUALIFYING PARTNERSHIP.

23 (2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE
24 ~~COMMISSION~~ OFFICE HAS DISCRETION TO APPROVE, DENY, OR REVOKE
25 QUALIFYING PARTNERSHIPS.

26 (3) (I) ~~THE COMMISSION~~ OFFICE MAY APPROVE QUALIFYING
27 PARTNERSHIPS WHERE A COST OR OTHER FEE IS IMPOSED BY AN OPERATIONAL
28 CANNABIS LICENSEE ON A SOCIAL EQUITY LICENSEE IF THE COST OR OTHER FEE IS
29 SUBSTANTIALLY REDUCED FROM THE MARKET VALUE.

1 (II) COSTS OR OTHER FEES UNDER SUBPARAGRAPH (I) OF THIS
2 PARAGRAPH MAY INCLUDE CHARGES FOR THE RENT OF FACILITIES OR EQUIPMENT.

3 (D) (1) THE ~~COMMISSION~~ OFFICE SHALL AWARD GRANTS TO
4 OPERATIONAL CANNABIS LICENSEES THAT HAVE QUALIFYING PARTNERSHIPS WITH
5 A SOCIAL EQUITY LICENSEE.

6 (2) GRANT AMOUNTS SHALL BE BASED ON THE NATURE OF THE
7 QUALIFYING PARTNERSHIP BETWEEN THE SOCIAL EQUITY LICENSEE AND THE
8 OPERATIONAL CANNABIS LICENSEE.

9 (3) IF AN OPERATIONAL CANNABIS LICENSEE HAS A LICENSE THAT
10 WAS CONVERTED BY THE ~~DIVISION~~ ADMINISTRATION UNDER § 36-401(B)(1)(II) OF
11 THIS ARTICLE, THE TOTAL AWARD AMOUNT OF ANY GRANTS FROM THE COMMISSION
12 ISSUED BY THE OFFICE UNDER THIS SECTION TO THE LICENSEE MAY NOT EXCEED:

13 (I) THE COST OF THE LICENSE CONVERSION FEE THAT WAS
14 PAID BY THE LICENSEE; OR

15 (II) \$250,000 PER YEAR PER QUALIFYING PARTNERSHIP.

16 (E) THE ~~COMMISSION~~ OFFICE MAY REQUIRE A GRANT RECIPIENT THAT
17 FAILS TO FULFILL THE REQUIREMENTS OF THE GRANT TO RETURN ALL OR PART OF
18 THE GRANT TO THE GRANT PROGRAM.

19 (F) FOR FISCAL YEAR 2025 AND EACH FISCAL YEAR THEREAFTER, THE
20 GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF
21 \$5,000,000 FOR THE GRANT PROGRAM.

22 (G) THE ~~COMMISSION~~ OFFICE SHALL ADOPT REGULATIONS TO:

23 (1) IMPLEMENT THE PROVISIONS OF THIS SECTION;

24 (2) ADMINISTER THE GRANT PROGRAM;

25 (3) ESTABLISH ELIGIBILITY AND GRANT APPLICATION
26 REQUIREMENTS;

27 (4) ESTABLISH A PROCESS FOR REVIEWING GRANT APPLICATIONS
28 AND AWARDING GRANTS TO SOCIAL EQUITY LICENSEES; AND

29 (5) SPECIFY CRITERIA AND PROCEDURES TO MONITOR ELIGIBILITY
30 FOR THE GRANTS AUTHORIZED UNDER THIS SECTION.

1 TITLE 34. RESERVED.

2 TITLE 35. RESERVED.

3 DIVISION III. CANNABIS.

4 TITLE 36. MEDICAL AND ADULT-USE CANNABIS.

5 SUBTITLE 1. DEFINITIONS.

6 36-101.

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

9 (B) "ACADEMIC RESEARCH REPRESENTATIVE" MEANS AN INDIVIDUAL WHO
10 IS:

11 (1) AN EMPLOYEE OR AGENT OF AN INSTITUTION OF HIGHER
12 EDUCATION, A RELATED MEDICAL FACILITY, OR AN AFFILIATED BIOMEDICAL
13 RESEARCH FIRM THAT FILED A REGISTRATION WITH THE ~~DIVISION~~
14 ADMINISTRATION UNDER § 36-701 OF THIS TITLE; AND

15 (2) AUTHORIZED TO PURCHASE MEDICAL CANNABIS FOR THE
16 INSTITUTION OF HIGHER EDUCATION, RELATED MEDICAL FACILITY, OR AFFILIATED
17 BIOMEDICAL RESEARCH FIRM.

18 (C) "ADMINISTRATION" MEANS THE MARYLAND CANNABIS
19 ADMINISTRATION ESTABLISHED UNDER THIS TITLE.

20 ~~(C) (1) "CANNABIS" MEANS THE PLANT CANNABIS SATIVA L. AND ANY~~
21 ~~PART OF THE PLANT, INCLUDING ALL DERIVATIVES, EXTRACTS, CANNABINOIDS,~~
22 ~~ISOMERS, ACIDS, SALTS, AND SALTS OF ISOMERS, WHETHER GROWING OR NOT, WITH~~
23 ~~A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION GREATER THAN 0.3% ON A~~
24 ~~DRY WEIGHT BASIS.~~

25 ~~(2) "CANNABIS" INCLUDES CANNABIS PRODUCTS.~~

26 ~~(3) "CANNABIS" DOES NOT INCLUDE HEMP OR HEMP PRODUCTS, AS~~
27 ~~DEFINED IN § 14-101 OF THE AGRICULTURE ARTICLE.~~

28 (D) "CANNABIS AGENT" MEANS AN EMPLOYEE, A VOLUNTEER, OR ANY
29 OTHER AUTHORIZED PERSON WHO ACTS FOR OR AT THE DIRECTION OF A CANNABIS
30 LICENSEE OR CANNABIS REGISTRANT.

1 (E) "CANNABIS BUSINESS" MEANS A BUSINESS LICENSED OR REGISTERED
2 BY THE ~~DIVISION~~ ADMINISTRATION TO OPERATE IN THE CANNABIS INDUSTRY.

3 (F) "CANNABIS CONCENTRATE" MEANS A PRODUCT DERIVED FROM
4 CANNABIS THAT IS KIEF, HASHISH, BUBBLE HASH, OIL, WAX, OR ANY OTHER
5 PRODUCT PRODUCED BY EXTRACTING CANNABINOIDS FROM THE PLANT THROUGH
6 THE USE OF SOLVENTS, CARBON DIOXIDE, OR HEAT, SCREENS, PRESSES, OR STEAM
7 DISTILLATION.

8 (G) "CANNABIS-INFUSED PRODUCT" MEANS OIL, WAX, OINTMENT, SALVE,
9 TINCTURE, CAPSULE, SUPPOSITORY, DERMAL PATCH, CARTRIDGE, OR ANY OTHER
10 PRODUCT CONTAINING CANNABIS CONCENTRATE OR USABLE CANNABIS THAT HAS
11 BEEN PROCESSED SO THAT THE DRIED LEAVES AND FLOWERS ARE INTEGRATED
12 INTO OTHER MATERIAL.

13 (H) "CANNABIS LICENSEE" MEANS A BUSINESS LICENSED BY THE ~~DIVISION~~
14 ADMINISTRATION TO OPERATE IN THE CANNABIS INDUSTRY.

15 (I) "CANNABIS PRODUCTS" MEANS PRODUCTS THAT ARE COMPOSED OF
16 CANNABIS, CANNABIS CONCENTRATE, CANNABIS EXTRACT, OR OTHER INGREDIENTS
17 AND ARE INTENDED FOR USE OR CONSUMPTION, INCLUDING EDIBLE PRODUCTS,
18 OILS, AND TINCTURES.

19 (J) "CANNABIS REGISTRANT" MEANS AN INDEPENDENT TESTING
20 LABORATORY, A TRANSPORTER, ~~A DELIVERY SERVICE,~~ A SECURITY GUARD
21 COMPANY, A WASTE DISPOSAL COMPANY, AND ANY OTHER TYPE OF CANNABIS
22 BUSINESS REGISTERED UNDER THIS TITLE AND AUTHORIZED BY THE ~~DIVISION~~
23 ADMINISTRATION.

24 (K) (1) "CANOPY" MEANS THE TOTAL SQUARE FOOTAGE OF SPACE USED
25 BY A CANNABIS LICENSEE FOR THE PRODUCTION OF FLOWERING CANNABIS PLANTS.

26 (2) "CANOPY" INCLUDES EACH LAYER OF FLOWERING CANNABIS
27 PLANTS GROWN ON ANY RACK OR SHELVING.

28 (3) "CANOPY" DOES NOT INCLUDE SQUARE FOOTAGE USED FOR:

29 (I) MOTHER STOCK;

30 (II) PROPAGATION;

31 (III) IMMATURE OR NONFLOWERING PLANTS;

- 1 (IV) PROCESSING;
- 2 (V) DRYING;
- 3 (VI) CURING;
- 4 (VII) TRIMMING;
- 5 (VIII) STORAGE;
- 6 (IX) OFFICES;
- 7 (X) HALLWAYS;
- 8 (XI) PATHWAYS;
- 9 (XII) WORK AREAS; OR
- 10 (XIII) OTHER ADMINISTRATIVE AND NONPRODUCTION USES.

11 (L) (1) "CAREGIVER" MEANS:

12 (I) AN INDIVIDUAL WHO HAS AGREED TO ASSIST WITH A
 13 QUALIFYING PATIENT'S MEDICAL USE OF CANNABIS; AND

14 (II) FOR A QUALIFYING PATIENT UNDER THE AGE OF 18 YEARS:

15 1. A PARENT OR LEGAL GUARDIAN; AND

16 2. NOT MORE THAN TWO ADDITIONAL ADULTS
 17 DESIGNATED BY THE PARENT OR LEGAL GUARDIAN.

18 (2) "CAREGIVER" DOES NOT INCLUDE ANY DESIGNATED SCHOOL
 19 PERSONNEL AUTHORIZED TO ADMINISTER MEDICAL CANNABIS TO A STUDENT IN
 20 ACCORDANCE WITH THE GUIDELINES ESTABLISHED UNDER § 7-446 OF THE
 21 EDUCATION ARTICLE.

22 (M) "CERTIFYING PROVIDER" MEANS AN INDIVIDUAL WHO:

23 (1) (I) 1. HAS AN ACTIVE, UNRESTRICTED LICENSE TO
 24 PRACTICE MEDICINE THAT WAS ISSUED BY THE STATE BOARD OF PHYSICIANS
 25 UNDER TITLE 14 OF THE HEALTH OCCUPATIONS ARTICLE; AND

26 2. IS IN GOOD STANDING WITH THE STATE BOARD OF
 27 PHYSICIANS;

1 (II) 1. HAS AN ACTIVE, UNRESTRICTED LICENSE TO
 2 PRACTICE DENTISTRY THAT WAS ISSUED BY THE STATE BOARD OF DENTAL
 3 EXAMINERS UNDER TITLE 4 OF THE HEALTH OCCUPATIONS ARTICLE; AND

4 2. IS IN GOOD STANDING WITH THE STATE BOARD OF
 5 DENTAL EXAMINERS;

6 (III) 1. HAS AN ACTIVE, UNRESTRICTED LICENSE TO
 7 PRACTICE PODIATRY THAT WAS ISSUED BY THE STATE BOARD OF PODIATRIC
 8 MEDICAL EXAMINERS UNDER TITLE 16 OF THE HEALTH OCCUPATIONS ARTICLE;
 9 AND

10 2. IS IN GOOD STANDING WITH THE STATE BOARD OF
 11 PODIATRIC MEDICAL EXAMINERS;

12 (IV) 1. HAS AN ACTIVE, UNRESTRICTED LICENSE TO
 13 PRACTICE REGISTERED NURSING ~~OR~~ AND HAS AN ACTIVE, UNRESTRICTED
 14 CERTIFICATION TO PRACTICE AS A NURSE PRACTITIONER OR A NURSE MIDWIFE
 15 THAT WAS ISSUED BY THE STATE BOARD OF NURSING UNDER TITLE 8 OF THE
 16 HEALTH OCCUPATIONS ARTICLE; AND

17 2. IS IN GOOD STANDING WITH THE STATE BOARD OF
 18 NURSING; OR

19 (V) 1. HAS AN ACTIVE, UNRESTRICTED LICENSE TO
 20 PRACTICE AS A PHYSICIAN ASSISTANT ISSUED BY THE STATE BOARD OF PHYSICIANS
 21 UNDER TITLE 15 OF THE HEALTH OCCUPATIONS ARTICLE;

22 2. HAS AN ACTIVE DELEGATION AGREEMENT WITH A
 23 PRIMARY SUPERVISING PHYSICIAN WHO IS A CERTIFYING PROVIDER; AND

24 3. IS IN GOOD STANDING WITH THE STATE BOARD OF
 25 PHYSICIANS;

26 (2) HAS A STATE CONTROLLED DANGEROUS SUBSTANCES
 27 REGISTRATION; AND

28 (3) IS REGISTERED WITH THE ~~DIVISION~~ ADMINISTRATION TO MAKE
 29 CANNABIS AVAILABLE TO PATIENTS FOR MEDICAL USE IN ACCORDANCE WITH
 30 REGULATIONS ADOPTED BY THE ~~DIVISION~~ ADMINISTRATION.

31 ~~(N) "COMMISSION" MEANS THE ALCOHOL, TOBACCO, AND CANNABIS~~
 32 ~~COMMISSION ESTABLISHED UNDER § 1-302 OF THIS ARTICLE.~~

1 ~~(O)~~ **(N)** “CONSUMER” MEANS AN INDIVIDUAL AT LEAST 21 YEARS OLD
2 WHO PURCHASES CANNABIS OR CANNABIS PRODUCTS FOR PERSONAL USE BY
3 INDIVIDUALS AT LEAST 21 YEARS OLD.

4 ~~(P)~~ **(O)** **(1)** “CONTROL” MEANS:

5 ~~(1)~~ **(I)** THE DECISION-MAKING AUTHORITY OVER THE
6 MANAGEMENT, OPERATIONS, OR POLICIES THAT GUIDE A BUSINESS; OR

7 ~~(2)~~ **(II)** AUTHORITY OVER THE OPERATION OF THE TECHNICAL
8 ASPECTS OF A BUSINESS.

9 **(2)** “CONTROL” INCLUDES:

10 **(I)** HOLDING A RIGHT TO VETO SIGNIFICANT EVENTS;

11 **(II)** THE RIGHT OR AUTHORITY TO MAKE OR VETO DECISIONS
12 REGARDING OPERATIONS AND STRATEGIC PLANNING, CAPITAL ALLOCATIONS,
13 ACQUISITIONS, AND DIVESTMENTS;

14 **(III)** THE RIGHT OR AUTHORITY TO APPOINT OR REMOVE
15 DIRECTORS, CORPORATE-LEVEL OFFICERS, OR THEIR EQUIVALENT;

16 **(IV)** THE RIGHT OR AUTHORITY TO MAKE MAJOR MARKETING,
17 PRODUCTION, AND FINANCIAL DECISIONS; AND

18 **(V)** THE RIGHT OR AUTHORITY TO EXECUTE EXCLUSIVE
19 CONTRACTS OR SIGNIFICANT CONTRACTS IN THE AGGREGATE OF \$10,000 OR
20 GREATER ON BEHALF OF THE LICENSEE.

21 ~~(Q)~~ **(P)** “DELIVERY SERVICE” MEANS A CANNABIS LICENSEE AUTHORIZED
22 TO DELIVER CANNABIS IN ACCORDANCE WITH A MICRO LICENSE TO OPERATE A
23 DISPENSARY.

24 ~~(R)~~ **(Q)** “DISPENSARY” MEANS AN ENTITY LICENSED UNDER THIS TITLE
25 THAT ACQUIRES, POSSESSES, ~~REPACKAGES,~~ TRANSFERS, TRANSPORTS, SELLS,
26 DISTRIBUTES, OR DISPENSES CANNABIS OR CANNABIS PRODUCTS, INCLUDING
27 TINCTURES, AEROSOLS, OILS, AND OINTMENTS, RELATED SUPPLIES, AND
28 EDUCATIONAL MATERIALS FOR USE BY QUALIFYING PATIENTS, CAREGIVERS, OR
29 CONSUMERS THROUGH A STOREFRONT OR THROUGH A DELIVERY SERVICE, BASED
30 ON LICENSE TYPE.

1 ~~(S)~~ (R) “DISPROPORTIONATELY ~~IMPACTED~~ HARMED AREA” MEANS A
 2 GEOGRAPHIC AREA IDENTIFIED BY THE OFFICE OF SOCIAL EQUITY THAT HAS ~~BEEN~~
 3 ~~DISPROPORTIONATELY IMPACTED BY THE PROHIBITION OF CANNABIS~~ HAD ABOVE
 4 150% OF THE STATE’S 10-YEAR AVERAGE FOR CANNABIS POSSESSION CHARGES, AS
 5 DETERMINED BY INFORMATION FROM THE ADMINISTRATIVE OFFICE OF THE
 6 COURTS.

7 ~~(T)~~ “~~DIVISION~~” ~~MEANS THE CANNABIS REGULATION AND ENFORCEMENT~~
 8 ~~DIVISION ESTABLISHED UNDER THIS TITLE.~~

9 ~~(U)~~ (S) (1) “EDIBLE CANNABIS PRODUCT” MEANS A CANNABIS
 10 PRODUCT INTENDED FOR HUMAN CONSUMPTION BY ORAL INGESTION, IN WHOLE OR
 11 IN PART.

12 (2) “EDIBLE CANNABIS PRODUCT” INCLUDES A CANNABIS PRODUCT
 13 THAT DISSOLVES OR DISINTEGRATES IN THE MOUTH.

14 (3) “EDIBLE CANNABIS PRODUCT” DOES NOT INCLUDE ANY:

15 (I) CANNABIS CONCENTRATE;

16 (II) CANNABIS-INFUSED PRODUCT, INCLUDING AN OIL, A WAX,
 17 AN OINTMENT, A SALVE, A TINCTURE, A CAPSULE, A SUPPOSITORY, A DERMAL
 18 PATCH, OR A CARTRIDGE; OR

19 (III) OTHER DOSAGE FORM THAT IS RECOGNIZED BY THE
 20 UNITED STATES PHARMACOPEIA, THE NATIONAL FORMULARY, OR THE U.S. FOOD
 21 AND DRUG ADMINISTRATION AND IS APPROVED BY THE ~~DIVISION~~
 22 ADMINISTRATION.

23 ~~(V)~~ (T) “GROWER” MEANS AN ENTITY LICENSED UNDER THIS TITLE THAT:

24 (1) CULTIVATES, OR PACKAGES, ~~OR~~ ~~DISTRIBUTES~~ CANNABIS; AND

25 (2) IS AUTHORIZED BY THE ~~DIVISION~~ ADMINISTRATION TO PROVIDE
 26 CANNABIS TO OTHER CANNABIS LICENSEES AND REGISTERED INDEPENDENT
 27 TESTING LABORATORIES.

28 ~~(W)~~ (U) “INCUBATOR SPACE” MEANS A FACILITY OPERATED IN
 29 ACCORDANCE WITH ~~§ 36-401~~ § 36-401(C)(3) OF THIS TITLE.

30 ~~(X)~~ (V) “INDEPENDENT TESTING LABORATORY” MEANS A FACILITY, AN
 31 ENTITY, OR A SITE THAT IS REGISTERED WITH THE ~~DIVISION~~ ADMINISTRATION TO

1 PERFORM TESTS RELATED TO THE INSPECTION AND TESTING OF CANNABIS AND
2 PRODUCTS CONTAINING CANNABIS.

3 (W) “INSTITUTION OF HIGHER EDUCATION” HAS THE MEANING STATED IN §
4 10-101 OF THE EDUCATION ARTICLE.

5 ~~(Y)~~ (X) “MICRO LICENSE” MEANS A LICENSE ISSUED IN ACCORDANCE
6 WITH ~~§ 36-401~~ § 36-401(C)(2) OF THIS TITLE.

7 ~~(Z)~~ (Y) “ON-SITE CONSUMPTION ESTABLISHMENT” MEANS AN ENTITY
8 LICENSED UNDER § 36-401(C)(4) OF THIS TITLE TO DISTRIBUTE CANNABIS OR
9 CANNABIS PRODUCTS FOR ON-SITE CONSUMPTION OTHER THAN CONSUMPTION BY
10 SMOKING.

11 ~~(AA)~~ (Z) “OWNER” MEANS A PERSON WITH AN OWNERSHIP INTEREST IN A
12 CANNABIS LICENSEE.

13 ~~(BB)~~ (AA) “OWNERSHIP INTEREST” MEANS A DIRECT OR INDIRECT EQUITY
14 INTEREST IN A CANNABIS LICENSEE, INCLUDING IN ITS SHARES OR STOCK.

15 (BB) “PASSIVE INVESTOR” MEANS A PERSON OR AN ENTITY THAT:

16 (1) HOLDS AN AGGREGATE OWNERSHIP INTEREST OF LESS THAN 5%
17 IN A CANNABIS LICENSEE; AND

18 (2) DOES NOT HAVE CONTROL OF THE CANNABIS LICENSEE.

19 (CC) “PRINCIPAL OFFICER” MEANS A BOARD MEMBER, A PRESIDENT, A VICE
20 PRESIDENT, A SECRETARY, A TREASURER, A PARTNER, AN OFFICER, OR A MANAGING
21 MEMBER, OR ANY OTHER INDIVIDUAL WITH A PROFIT SHARING, FINANCIAL
22 INTEREST, OR REVENUE SHARING ARRANGEMENT, INCLUDING AN INDIVIDUAL WITH
23 THE AUTHORITY TO CONTROL A CANNABIS LICENSEE.

24 (DD) “PROCESSOR” MEANS AN ENTITY LICENSED UNDER THIS TITLE THAT:

25 (1) TRANSFORMS CANNABIS INTO ANOTHER PRODUCT OR AN
26 EXTRACT AND PACKAGES AND LABELS THE CANNABIS PRODUCT; AND

27 (2) IS AUTHORIZED BY THE ~~DIVISION~~ ADMINISTRATION TO PROVIDE
28 CANNABIS TO LICENSED DISPENSARIES AND REGISTERED INDEPENDENT TESTING
29 LABORATORIES.

30 (EE) “QUALIFYING PATIENT” MEANS AN INDIVIDUAL WHO:

1 (1) HAS BEEN PROVIDED WITH A WRITTEN CERTIFICATION BY A
2 CERTIFYING PROVIDER IN ACCORDANCE WITH A BONA FIDE PROVIDER-PATIENT
3 RELATIONSHIP; AND

4 (2) IF UNDER THE AGE OF 18 YEARS, HAS A CAREGIVER.

5 (FF) "SOCIAL EQUITY APPLICANT" MEANS AN APPLICANT FOR A CANNABIS
6 LICENSE OR CANNABIS REGISTRATION THAT:

7 (1) HAS AT LEAST 65% OWNERSHIP AND CONTROL HELD BY ONE OR
8 MORE INDIVIDUALS WHO:

9 (I) HAVE LIVED IN A DISPROPORTIONATELY ~~IMPACTED~~
10 HARMED AREA FOR AT LEAST 5 OF THE 10 YEARS IMMEDIATELY PRECEDING THE
11 SUBMISSION OF THE APPLICATION; ~~OR~~

12 (II) ATTENDED A PUBLIC SCHOOL IN A DISPROPORTIONATELY
13 ~~IMPACTED~~ HARMED AREA FOR AT LEAST 5 YEARS; OR

14 (III) FOR AT LEAST 2 YEARS, ATTENDED A 4-YEAR INSTITUTION
15 OF HIGHER EDUCATION IN THE STATE WHERE AT LEAST 40% OF THE INDIVIDUALS
16 WHO ATTEND THE INSTITUTION OF HIGHER EDUCATION ARE ELIGIBLE FOR A PELL
17 GRANT; OR

18 (2) MEETS ANY OTHER CRITERIA ESTABLISHED BY THE ~~COMMISSION~~
19 ADMINISTRATION BASED ON THE RESULTS OF A DISPARITY STUDY.

20 (GG) "STANDARD LICENSE" MEANS A LICENSE ISSUED IN ACCORDANCE WITH
21 ~~§ 36-401~~ § 36-401(C)(1) OF THIS TITLE.

22 (HH) "TRANSPORTER" MEANS AN ENTITY REGISTERED UNDER THIS TITLE TO
23 TRANSPORT CANNABIS BETWEEN CANNABIS LICENSEES AND REGISTERED
24 INDEPENDENT TESTING LABORATORIES.

25 (II) (1) "USABLE CANNABIS" MEANS THE DRIED LEAVES AND FLOWERS
26 OF THE CANNABIS PLANT.

27 (2) "USABLE CANNABIS" DOES NOT INCLUDE SEEDLINGS, SEEDS,
28 STEMS, STALKS, OR ROOTS OF THE PLANT OR THE WEIGHT OF ANY NONCANNABIS
29 INGREDIENTS COMBINED WITH CANNABIS, SUCH AS INGREDIENTS ADDED TO
30 PREPARE A TOPICAL ADMINISTRATION.

31 (JJ) "WRITTEN CERTIFICATION" MEANS A CERTIFICATION THAT:

1 (1) IS ISSUED BY A CERTIFYING PROVIDER TO A QUALIFYING PATIENT
2 WITH WHOM THE PROVIDER HAS A BONA FIDE PROVIDER-PATIENT RELATIONSHIP;

3 (2) INCLUDES A WRITTEN STATEMENT CERTIFYING THAT, IN THE
4 CERTIFYING PROVIDER'S PROFESSIONAL OPINION, AFTER HAVING COMPLETED AN
5 ASSESSMENT OF THE PATIENT'S MEDICAL HISTORY AND CURRENT MEDICAL
6 CONDITION, THE PATIENT HAS A CONDITION:

7 (I) THAT MEETS THE INCLUSION CRITERIA AND DOES NOT
8 MEET THE EXCLUSION CRITERIA OF THE CERTIFYING PROVIDER'S APPLICATION;
9 AND

10 (II) FOR WHICH THE POTENTIAL BENEFITS OF THE MEDICAL
11 USE OF CANNABIS WOULD LIKELY OUTWEIGH THE HEALTH RISKS FOR THE PATIENT;
12 AND

13 (3) MAY INCLUDE A WRITTEN STATEMENT CERTIFYING THAT, IN THE
14 CERTIFYING PROVIDER'S PROFESSIONAL OPINION, A 30-DAY SUPPLY OF MEDICAL
15 CANNABIS WOULD BE INADEQUATE TO MEET THE MEDICAL NEEDS OF THE
16 QUALIFYING PATIENT.

17 ~~SUBTITLE 2. CANNABIS REGULATION AND ENFORCEMENT DIVISION~~ MARYLAND
18 CANNABIS ADMINISTRATION.

19 36-201.

20 (A) ~~THERE IS A CANNABIS REGULATION AND ENFORCEMENT DIVISION~~
21 ~~ESTABLISHED WITHIN THE OFFICE OF THE EXECUTIVE DIRECTOR OF THE~~
22 ~~COMMISSION~~ MARYLAND CANNABIS ADMINISTRATION ESTABLISHED AS AN
23 INDEPENDENT UNIT OF STATE GOVERNMENT.

24 (B) (1) ~~THERE IS A DIRECTOR OF THE DIVISION~~ ADMINISTRATION.

25 (2) ~~THE GOVERNOR SHALL APPOINT THE DIRECTOR OF THE~~
26 ~~DIVISION~~ ADMINISTRATION WITH THE ADVICE AND CONSENT OF THE SENATE.

27 (3) ~~THE DIRECTOR SERVES AT THE PLEASURE OF THE GOVERNOR.~~

28 (C) ~~THE DIRECTOR MUST HAVE THE TRAINING AND EXPERIENCE,~~
29 ~~INCLUDING KNOWLEDGE OF THE STATE CANNABIS INDUSTRY AND REGULATORY~~
30 ~~SYSTEM, THAT IS NEEDED TO DIRECT THE WORK OF THE~~ DIVISION
31 ADMINISTRATION.

1 (D) ~~THE DIVISION~~ ADMINISTRATION MAY EMPLOY ~~OFFICERS AND~~
2 ~~EMPLOYEES~~ STAFF AND RETAIN CONTRACTORS AS PROVIDED IN THE STATE
3 BUDGET.

4 (E) ~~THE DIVISION~~ ADMINISTRATION:

5 (1) SHALL BE RESPONSIBLE FOR CARRYING OUT THE REQUIREMENTS
6 AND DUTIES ESTABLISHED UNDER THIS ~~DIVISION~~ TITLE; AND

7 (2) MAY RECOMMEND CHANGES TO IMPROVE THE ADMINISTRATION
8 OF THIS ~~DIVISION~~ TITLE RELATING TO THE REGULATION OF CANNABIS.

9 (F) ~~THE DIVISION~~ ADMINISTRATION SHALL ADMINISTER AND ENFORCE
10 THIS TITLE.

11 **36-202.**

12 (A) ~~THE DIVISION~~ ADMINISTRATION SHALL:

13 (1) DEVELOP AND MAINTAIN A SEED-TO-SALE TRACKING SYSTEM
14 THAT TRACKS CANNABIS FROM EITHER THE SEED OR IMMATURE PLANT STAGE
15 UNTIL THE CANNABIS IS SOLD TO A PATIENT, CAREGIVER, OR CONSUMER;

16 (2) CONDUCT FINANCIAL AND CRIMINAL BACKGROUND
17 INVESTIGATIONS OF ANY PERSON WHO SUBMITS AN APPLICATION FOR A CANNABIS
18 LICENSE OR A CANNABIS LICENSEE, AS REQUIRED UNDER THIS TITLE;

19 (3) DEVELOP A PROCESS FOR CONSUMERS AND QUALIFYING
20 PATIENTS TO PURCHASE CLONES AND SEEDS, SEEDLINGS, STALKS, ROOTS, AND
21 STEMS OF THE CANNABIS PLANT FOR CULTIVATION IN ACCORDANCE WITH § 5-601.2
22 OF THE CRIMINAL LAW ARTICLE;

23 ~~(3)~~ (4) SOLICIT, EVALUATE, AND ISSUE OR DENY APPLICATIONS
24 FOR CANNABIS LICENSES AND CANNABIS REGISTRATIONS, INCLUDING:

25 (I) LICENSES TO OPERATE A CANNABIS BUSINESS IN
26 ACCORDANCE WITH THIS TITLE; AND

27 (II) REGISTRATION FOR INDEPENDENT TESTING
28 LABORATORIES, TRANSPORTERS, SECURITY GUARD COMPANIES, AND WASTE
29 DISPOSAL COMPANIES;

30 ~~(4)~~ (5) AWARD OR DENY:

1 (I) A LICENSE TO OPERATE A CANNABIS BUSINESS IN
2 ACCORDANCE WITH THIS TITLE; AND

3 (II) REGISTRATION TO INDEPENDENT TESTING LABORATORIES,
4 TRANSPORTERS, SECURITY GUARD COMPANIES, WASTE DISPOSAL COMPANIES, AND
5 ANY OTHER TYPE OF CANNABIS BUSINESS AUTHORIZED BY THE ~~DIVISION~~
6 ADMINISTRATION;

7 ~~(5)~~ (6) CONDUCT ANNOUNCED AND UNANNOUNCED INSPECTIONS
8 OF ANY BUSINESS LICENSED OR REGISTERED UNDER THIS TITLE TO ENSURE
9 COMPLIANCE WITH THIS TITLE;

10 ~~(6)~~ (7) AFTER A DETERMINATION THAT A VIOLATION OF THIS TITLE
11 OR A REGULATION ADOPTED UNDER THIS TITLE HAS OCCURRED, SUSPEND, FINE,
12 RESTRICT, OR REVOKE CANNABIS LICENSES AND CANNABIS REGISTRATIONS,
13 WHETHER ACTIVE, EXPIRED, OR SURRENDERED, OR IMPOSE ANY OTHER PENALTY
14 AUTHORIZED BY THIS TITLE OR ANY REGULATION ADOPTED UNDER THIS TITLE;

15 ~~(7)~~ (8) (I) GIVE NOTICE AND HOLD A HEARING IN ACCORDANCE
16 WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE, FOR ANY:

17 1. CONTESTED CANNABIS LICENSE OR REGISTRATION
18 DENIAL; OR

19 2. VIOLATION OF THIS TITLE OR ANY REGULATION
20 ADOPTED UNDER THIS TITLE;

21 (II) ADMINISTER OATHS IN A PROCEEDING UNDER THIS
22 SECTION; AND

23 (III) SUBJECT TO SUBSECTION (B)(3) OF THIS SECTION, ALLOW
24 THE PERSON AGAINST WHOM THE ACTION IS CONTEMPLATED TO BE REPRESENTED
25 AT THE HEARING BY COUNSEL;

26 ~~(8)~~ (9) ADOPT REGULATIONS NECESSARY TO CARRY OUT ITS
27 DUTIES UNDER THIS TITLE; AND

28 ~~(9)~~ (10) PERFORM ANY OTHER POWER AUTHORIZED OR DUTY
29 REQUIRED UNDER THIS TITLE OR ANY OTHER PROVISION OF STATE LAW.

30 (B) ~~THE DIVISION~~ ADMINISTRATION MAY:

31 (1) ISSUE A SUBPOENA FOR THE ATTENDANCE OF A WITNESS TO
32 TESTIFY OR THE PRODUCTION OF EVIDENCE IN CONNECTION WITH:

1 (I) ANY DISCIPLINARY ACTION UNDER THIS TITLE; OR

2 (II) ANY INVESTIGATION OR PROCEEDING INITIATED FOR AN
3 ALLEGED VIOLATION OF THIS TITLE;

4 (2) DELEGATE THE HEARING AUTHORITY AUTHORIZED UNDER
5 SUBSECTION ~~(A)(7)~~ (A)(8) OF THIS SECTION; AND

6 (3) IF, AFTER DUE NOTICE, THE PERSON AGAINST WHOM A
7 DISCIPLINARY ACTION IS CONTEMPLATED DOES NOT APPEAR AT A HEARING, HEAR
8 AND DETERMINE THE MATTER.

9 **36-203.**

10 (A) ~~THE DIVISION~~ ADMINISTRATION SHALL:

11 (1) EVALUATE THE REGULATIONS ADOPTED BY THE NATALIE M.
12 LAPRADE MEDICAL CANNABIS COMMISSION IN TITLE 10, SUBTITLE 62 OF THE
13 CODE OF MARYLAND REGULATIONS; AND

14 (2) ON OR BEFORE JULY 1, 2023, ADOPT EMERGENCY REGULATIONS
15 TO:

16 (I) CARRY OUT THE LICENSURE REQUIREMENTS SPECIFIED
17 UNDER THIS TITLE;

18 (II) IMPLEMENT PROCEDURES RELATED TO CANNABIS
19 APPLICATIONS, LICENSES, AND REGISTRATIONS IN ACCORDANCE WITH THIS TITLE;

20 (III) ASSIST THE COMPTROLLER IN THE COLLECTION OF TAXES
21 IMPOSED ON THE SALE OF ADULT-USE CANNABIS UNDER § 11-104(K) OF THE TAX -
22 GENERAL ARTICLE;

23 (IV) IMPLEMENT INVENTORY MANAGEMENT AND TRACKING
24 THAT DOES NOT DIFFERENTIATE BETWEEN ADULT-USE OR MEDICAL CANNABIS OR
25 CANNABIS PRODUCTS BEFORE THE POINT OF SALE, EXCEPT FOR PRODUCTS
26 ALLOWED BY THE ~~DIVISION~~ ADMINISTRATION FOR SALE ONLY TO PATIENTS AND
27 CAREGIVERS; AND

28 (V) ESTABLISH OPERATING REQUIREMENTS FOR CANNABIS
29 LICENSEES OR REGISTRANTS, INCLUDING REQUIREMENTS FOR:

1 1. SECURITY, INCLUDING LIGHTING, PHYSICAL
2 SECURITY, VIDEO, AND ALARM REQUIREMENTS;

3 2. SAFE AND SECURE DELIVERY, TRANSPORT, AND
4 STORAGE OF CANNABIS;

5 3. PREVENTING THE SALE OR DIVERSION OF CANNABIS
6 AND CANNABIS PRODUCTS TO PERSONS UNDER THE AGE OF 21 YEARS; AND

7 4. ~~PACKAGING AND LABELING OF CANNABIS AND~~
8 ~~CANNABIS PRODUCTS, INCLUDING CHILD-RESISTANT PACKAGING; AND~~

9 ~~5.~~ HEALTH AND SAFETY STANDARDS GOVERNING THE
10 CULTIVATION, MANUFACTURE, TESTING, AND DISPENSING OF CANNABIS OR
11 CANNABIS PRODUCTS.

12 (b) THE EMERGENCY REGULATIONS THAT THE ~~DIVISION~~ ADMINISTRATION
13 IS REQUIRED TO ADOPT UNDER SUBSECTION (A) OF THIS SECTION SHALL:

14 (1) BE SUPPLEMENTAL TO THE MEDICAL CANNABIS REGULATIONS
15 UNDER TITLE 10, SUBTITLE 62 OF THE CODE OF MARYLAND REGULATIONS; AND

16 (2) NOTWITHSTANDING ANY OTHER LAW, REMAIN IN EFFECT UNTIL
17 THE TAKING EFFECT OF NONEMERGENCY REGULATIONS ADOPTED UNDER
18 SUBSECTION (C) OF THIS SECTION.

19 (c) (1) ON OR BEFORE JULY 1, 2024, THE ~~DIVISION~~ ADMINISTRATION
20 SHALL ADOPT NONEMERGENCY REGULATIONS ~~NECESSARY~~ TO CARRY OUT ~~THE~~
21 ~~PROVISIONS OF THIS TITLE.~~

22 (2) TO THE EXTENT PRACTICABLE, THE ADMINISTRATION SHALL
23 ADOPT REGULATIONS:

24 (i) REQUIRING CANNABIS LICENSEES TO TRANSITION FROM A
25 CASH SYSTEM AND TO USE TRADITIONAL BANKING SERVICES; AND

26 (ii) ESTABLISHING TRADE PRACTICE RESTRICTIONS.

27 (3) THE ADMINISTRATION SHALL ADOPT REGULATIONS:

28 (i) BANNING INTERNET SALES OF CANNABIS;

1 **(II) IMPLEMENTING AND SUPPLEMENTING PACKAGING AND**
2 **LABELING REQUIREMENTS FOR CANNABIS PRODUCTS UNDER § 36-203.1 OF THIS**
3 **SUBTITLE; AND**

4 **(III) ESTABLISHING PROCEDURES FOR THE USE OF POINT OF**
5 **SALE TECHNOLOGIES BY DISPENSARIES FOR ALL TRANSACTIONS IN ORDER TO**
6 **VERIFY A CONSUMER'S AGE USING A DRIVER'S LICENSE OR OTHER VALID**
7 **IDENTIFICATION ISSUED BY A GOVERNMENTAL UNIT SPECIFIED BY THE**
8 **ADMINISTRATION.**

9 **(D) THE REGULATIONS ADOPTED BY THE ~~DIVISION~~ ADMINISTRATION**
10 **UNDER THIS SECTION SHALL, TO THE EXTENT PRACTICABLE, REGULATE MEDICAL**
11 **AND ADULT-USE CANNABIS IN THE SAME MANNER.**

12 **36-203.1.**

13 **(A) IN CONSULTATION WITH THE CANNABIS PUBLIC HEALTH ADVISORY**
14 **COUNCIL ESTABLISHED UNDER § 13-4502 OF THE HEALTH - GENERAL ARTICLE,**
15 **THE ADMINISTRATION SHALL ADOPT REGULATIONS ESTABLISHING LIMITS ON THE**
16 **MAXIMUM POTENCY OF CANNABIS AND CANNABIS PRODUCTS SOLD IN THE STATE,**
17 **INCLUDING LIMITS ON THE MAXIMUM AMOUNT OF THC IN INDIVIDUAL EDIBLE**
18 **CANNABIS PRODUCTS AND LIMITS ON THE MAXIMUM AGGREGATE THC AMOUNT**
19 **FOR MULTIPLE EDIBLE CANNABIS PRODUCTS PACKAGED TOGETHER.**

20 **(B) REQUIREMENTS FOR PACKAGING AND LABELING OF CANNABIS**
21 **PRODUCTS IN THE STATE SHALL:**

22 **(1) SPECIFY THAT PACKAGING THAT IS ENTIRELY AND UNIFORMLY**
23 **OPAQUE MAY NOT INCLUDE ANY INFORMATION, PRINT, EMBOSSING, DEBOSSING,**
24 **GRAPHIC, OR HIDDEN FEATURE;**

25 **(2) SPECIFY THAT ALL LABELING MUST BE PRINTED IN BLACK;**

26 **(3) CONFORM TO CALIFORNIA STANDARDS FOR:**

27 **(I) CHILD-RESISTANT PACKAGING AND CLEARLY IMPRINTED**
28 **WITH POISON CONTROL INFORMATION; AND**

29 **(II) TAMPER-EVIDENT PACKAGING; AND**

30 **(4) PROVIDE THAT PACKAGING AND LABELING SHALL INCLUDE:**

31 **(I) A FINISHED PRODUCT LOT NUMBER AND EXPIRATION DATE**
32 **IF APPLICABLE;**

1 **(II) A STATEMENT THAT:**

2 **1. CONSUMPTION OF CANNABIS MAY IMPAIR YOUR**
3 **ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, USE EXTREME CAUTION;**

4 **2. THERE ARE RISKS ASSOCIATED WITH CANNABIS USE,**
5 **ESPECIALLY DURING PREGNANCY OR BREAST FEEDING; AND**

6 **3. THIS PACKAGE CONTAINS CANNABIS, KEEP OUT OF**
7 **THE HANDS OF CHILDREN;**

8 **(III) THE NAME, ADDRESS, AND PHONE NUMBER OF THE**
9 **DISPENSARY THAT SOLD THE PRODUCT TO REPORT AN ADVERSE EVENT;**

10 **(IV) ANY ALLERGEN WARNING REQUIRED BY LAW;**

11 **(V) A LISTING OF NONCANNABIS INGREDIENTS; AND**

12 **(VI) AN ITEMIZATION, INCLUDING WEIGHT:**

13 **1. OF ALL CANNABINOID AND TERPENE INGREDIENTS**
14 **SPECIFIED FOR THE PRODUCT; AND**

15 **2. CONCENTRATIONS OF ANY CANNABINOID OF LESS**
16 **THAN 1% PRINTED WITH A LEADING ZERO BEFORE THE DECIMAL POINT.**

17 **(C) CANNABIS LABELING AND PACKAGING MAY NOT INCLUDE:**

18 **(1) ANY IMAGE THAT MAY APPEAL TO CHILDREN INCLUDING:**

19 **(i) IMAGES OF FOOD, CANDY, BAKED GOODS, CEREAL, FRUIT,**
20 **AND BEVERAGES; AND**

21 **(ii) A RESEMBLANCE TO THE TRADEMARKED CHARACTERISTIC**
22 **PRODUCT-SPECIALIZED PACKAGING OF ANY COMMERCIALY AVAILABLE CANDY,**
23 **SNACK, BAKED GOOD, CEREAL, OR BEVERAGE;**

24 **(2) ANY IMAGE THAT IS DESIGNED OR LIKELY TO APPEAL TO MINORS,**
25 **INCLUDING CARTOONS, TOYS, ANIMALS, CHILDREN, OR ANY LIKENESS TO IMAGES,**
26 **CHARACTERS, OR PHRASES THAT ARE POPULARLY USED TO ADVERTISE TO**
27 **CHILDREN;**

1 **(3) A STATEMENT, ARTWORK, OR DESIGN THAT COULD REASONABLY**
2 **MISLEAD ANY INDIVIDUAL TO BELIEVE THAT THE PACKAGING CONTAINS ANYTHING**
3 **OTHER THAN A FINISHED CANNABIS PRODUCT; AND**

4 **(4) ANY IMAGE OF A SEAL, FLAG, CREST, COAT OF ARMS, OR OTHER**
5 **INSIGNIA THAT COULD REASONABLY MISLEAD ANY INDIVIDUAL TO BELIEVE THAT**
6 **THE PRODUCT HAS BEEN ENDORSED, MANUFACTURED, OR USED BY ANY AGENCY OF**
7 **A STATE OR POLITICAL SUBDIVISION.**

8 **(D) A PERSON MAY NOT SEEK, OFFER FOR SALE, OR FACILITATE THE SALE**
9 **OF EMPTY PACKAGING THAT, IF USED, WOULD BE A VIOLATION OF ANY PROVISION**
10 **OF THIS TITLE.**

11 **36-204.**

12 **(A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE ~~DIVISION~~**
13 **ADMINISTRATION SHALL ESTABLISH AND MAINTAIN A STATE CANNABIS TESTING**
14 **LABORATORY.**

15 **(2) (I) ON OR BEFORE JULY 1, 2023, THE MARYLAND**
16 **DEPARTMENT OF AGRICULTURE OR THE MARYLAND DEPARTMENT OF HEALTH**
17 **MAY ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE ~~DIVISION~~**
18 **ADMINISTRATION TO TEST CANNABIS AT AN EXISTING STATE-OWNED LABORATORY**
19 **IF DOING SO WOULD BE A MORE ECONOMIC AND EFFICIENT ALTERNATIVE TO THE**
20 **ESTABLISHMENT OF A TESTING LABORATORY UNDER PARAGRAPH (1) OF THIS**
21 **SUBSECTION.**

22 **(II) IF THE MARYLAND DEPARTMENT OF AGRICULTURE OR**
23 **THE MARYLAND DEPARTMENT OF HEALTH AND THE ~~DIVISION~~ ADMINISTRATION**
24 **DETERMINE THAT CO-LOCATING CANNABIS TESTING AT AN EXISTING**
25 **STATE-OWNED LABORATORY IS NOT OPERATIONALLY FEASIBLE, SUFFICIENT**
26 **FUNDING SHALL BE PROVIDED IN THE ANNUAL BUDGET TO COMPLY WITH**
27 **PARAGRAPH (1) OF THIS SUBSECTION.**

28 **(B) THE STATE CANNABIS TESTING LABORATORY IS RESPONSIBLE FOR:**

29 **(1) DEVELOPING AND MAINTAINING A CANNABIS LABORATORY**
30 **REFERENCE LIBRARY THAT CONTAINS CANNABIS TESTING METHODOLOGIES IN THE**
31 **AREAS OF:**

32 **(I) POTENCY;**

33 **(II) HOMOGENEITY;**

1 (III) DETECTION AND QUANTITATION OF CONTAMINANTS; AND

2 (IV) SOLVENTS;

3 (2) ESTABLISHING STANDARD OPERATING PROCEDURES FOR
4 SAMPLE COLLECTION, PREPARATION, AND ANALYSIS OF CANNABIS BY
5 INDEPENDENT TESTING LABORATORIES;

6 (3) CONDUCTING PROFICIENCY TESTING OF INDEPENDENT TESTING
7 LABORATORIES;

8 (4) REMEDIATING PROBLEMS WITH INDEPENDENT TESTING
9 LABORATORIES; ~~AND~~

10 (5) CONDUCTING COMPLIANCE TESTING ON CANNABIS SAMPLES
11 ANALYZED BY INDEPENDENT TESTING LABORATORIES; AND

12 (6) IDENTIFYING AND DETECTING THE PRESENCE AND PURITY OF
13 CANNABIS, ALCOHOL, AND TOBACCO IN SAMPLES OR SEIZED CONTRABAND IN
14 SUPPORT OF THE REGULATORY AUTHORITY OF THE COMMISSION.

15 (C) INDEPENDENT TESTING LABORATORIES LICENSED UNDER § 36-408 OF
16 THIS TITLE SHALL PROVIDE MATERIALS FOR THE CANNABIS LABORATORY
17 REFERENCE LIBRARY.

18 (D) THE STATE CANNABIS TESTING LABORATORY SHALL HOLD MEDICAL
19 AND ADULT-USE CANNABIS TESTING TO THE SAME STANDARDS.

20 **36-205.**

21 (A) THE ~~DIVISION~~ ADMINISTRATION MAY IMPOSE REGISTRATION AND
22 OTHER FEES TO DEFRAY THE COSTS OF:

23 (1) THE OPERATIONS OF THE ~~DIVISION~~ ADMINISTRATION AND THE
24 COMMISSION; AND

25 (2) ADMINISTERING AND ENFORCING THIS ~~DIVISION~~ TITLE.

26 (B) IF FEES ARE IMPOSED UNDER SUBSECTION (A) OF THIS SECTION, THE
27 ~~DIVISION~~ ADMINISTRATION SHALL DEPOSIT THE FEES COLLECTED IN THE
28 CANNABIS REGULATION AND ENFORCEMENT FUND ESTABLISHED UNDER § 36-206
29 OF THIS SUBTITLE.

30 **36-206.**

1 (A) IN THIS SECTION, "FUND" MEANS THE CANNABIS REGULATION AND
2 ENFORCEMENT FUND.

3 (B) THERE IS A CANNABIS REGULATION AND ENFORCEMENT FUND.

4 (C) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDS TO COVER THE
5 COSTS OF:

6 (1) THE OPERATION OF THE ~~DIVISION AND THE COMMISSION~~
7 ADMINISTRATION; AND

8 (2) ADMINISTERING AND ENFORCING THIS ~~DIVISION~~ TITLE.

9 (D) THE COMPTROLLER SHALL ADMINISTER THE FUND AT THE DIRECTION
10 OF THE ~~DIVISION~~ ADMINISTRATION.

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

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

15 (F) THE FUND CONSISTS OF:

16 (1) FEES DISTRIBUTED TO THE FUND UNDER § 36-205 OF THIS
17 SUBTITLE;

18 (2) REVENUE DISTRIBUTED TO THE FUND UNDER § 2-1302.2 OF THE
19 TAX - GENERAL ARTICLE;

20 (3) INTEREST EARNINGS OF THE FUND; AND

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

24 (G) THE FUND MAY BE USED ONLY FOR CARRYING OUT THIS ~~DIVISION~~
25 TITLE.

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

28 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO
29 THE FUND.

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

3 (J) (1) ON OR BEFORE MARCH 15 EACH YEAR, THE COMPTROLLER
4 SHALL PUBLISH ON ITS WEBSITE A DETAILED REPORT ON REVENUE DISTRIBUTED
5 TO AND EXPENDITURES FROM THE FUND.

6 (2) THE REPORT SHALL ALSO BE SUBMITTED TO THE GENERAL
7 ASSEMBLY IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.

8 SUBTITLE 3. MEDICAL USE OF CANNABIS.

9 36-301.

10 (A) ~~THE DIVISION~~ ADMINISTRATION SHALL REGISTER AS A CERTIFYING
11 PROVIDER AN INDIVIDUAL WHO:

12 (1) MEETS THE REQUIREMENTS OF THIS SUBTITLE; AND

13 (2) SUBMITS THE REQUIRED APPLICATION TO THE ~~DIVISION~~
14 ADMINISTRATION.

15 (B) TO BE REGISTERED AS A CERTIFYING PROVIDER, A PROVIDER SHALL
16 SUBMIT AN APPLICATION TO THE ~~DIVISION~~ ADMINISTRATION THAT INCLUDES:

17 (1) THE REASONS FOR INCLUDING A PATIENT UNDER THE CARE OF
18 THE PROVIDER FOR THE PURPOSES OF THIS SUBTITLE, INCLUDING THE PATIENT'S
19 QUALIFYING MEDICAL CONDITIONS;

20 (2) AN ATTESTATION THAT A STANDARD PATIENT EVALUATION WILL
21 BE COMPLETED, INCLUDING A HISTORY, A PHYSICAL EXAMINATION, A REVIEW OF
22 SYMPTOMS, AND OTHER RELEVANT MEDICAL INFORMATION; AND

23 (3) THE PROVIDER'S PLAN FOR THE ONGOING ASSESSMENT AND
24 FOLLOW-UP CARE OF A PATIENT AND FOR COLLECTING AND ANALYZING DATA.

25 (C) ~~THE DIVISION~~ ADMINISTRATION IS ENCOURAGED TO APPROVE
26 PROVIDER APPLICATIONS FOR THE FOLLOWING:

27 (1) A CHRONIC OR DEBILITATING DISEASE OR MEDICAL CONDITION
28 THAT RESULTS IN A PATIENT BEING ADMITTED INTO HOSPICE OR RECEIVING
29 PALLIATIVE CARE;

1 **(2) A CHRONIC OR DEBILITATING DISEASE OR MEDICAL CONDITION**
2 **OR THE TREATMENT OF A CHRONIC OR DEBILITATING DISEASE OR MEDICAL**
3 **CONDITION THAT PRODUCES:**

4 **(I) CACHEXIA, ANOREXIA, OR WASTING SYNDROME;**

5 **(II) SEVERE OR CHRONIC PAIN;**

6 **(III) SEVERE NAUSEA;**

7 **(IV) SEIZURES; OR**

8 **(V) SEVERE OR PERSISTENT MUSCLE SPASMS;**

9 **(3) GLAUCOMA; OR**

10 **(4) POST-TRAUMATIC STRESS DISORDER.**

11 **(D) THE ~~DIVISION~~ ADMINISTRATION MAY NOT LIMIT TREATMENT OF A**
12 **PARTICULAR MEDICAL CONDITION TO ONE CLASS OF PROVIDERS.**

13 **(E) THE ~~DIVISION~~ ADMINISTRATION MAY APPROVE APPLICATIONS THAT**
14 **INCLUDE ANY OTHER CONDITION THAT IS SEVERE AND FOR WHICH OTHER MEDICAL**
15 **TREATMENTS HAVE BEEN INEFFECTIVE IF THE SYMPTOMS REASONABLY CAN BE**
16 **EXPECTED TO BE RELIEVED BY THE MEDICAL USE OF CANNABIS.**

17 **(F) A CERTIFYING PROVIDER OR THE SPOUSE OF A CERTIFYING PROVIDER**
18 **MAY NOT:**

19 **(1) RECEIVE ANY GIFT FROM A CANNABIS LICENSEE;**

20 **(2) HOLD AN OWNERSHIP INTEREST IN A CANNABIS LICENSEE OR A**
21 **BUSINESS THAT CONTROLS A CANNABIS LICENSEE; OR**

22 **(3) RECEIVE ANY COMPENSATION FROM A CANNABIS LICENSEE.**

23 **(G) A CERTIFYING PROVIDER SHALL ISSUE EACH WRITTEN CERTIFICATION**
24 **IN THE FORM REQUIRED BY THE ~~DIVISION~~ ADMINISTRATION.**

25 **(H) A CERTIFYING PROVIDER MAY DISCUSS MEDICAL CANNABIS WITH A**
26 **PATIENT.**

27 **(I) (1) A CERTIFYING PROVIDER REGISTRATION IS VALID FOR 2 YEARS.**

1 **(2) THE ~~DIVISION~~ ADMINISTRATION SHALL GRANT OR DENY A**
2 **RENEWAL OF A REGISTRATION BASED ON THE PROVIDER'S PERFORMANCE IN**
3 **COMPLYING WITH REGULATIONS ADOPTED BY THE ~~DIVISION~~ ADMINISTRATION.**

4 **36-302.**

5 **(A) A QUALIFYING PATIENT OR CAREGIVER MAY OBTAIN MEDICAL**
6 **CANNABIS FROM A DISPENSARY LICENSED BY THE ~~DIVISION~~ ADMINISTRATION.**

7 **(B) (1) A QUALIFYING PATIENT WHO IS AT LEAST 21 YEARS OLD MAY NOT**
8 **CULTIVATE MORE THAN FOUR CANNABIS PLANTS.**

9 **(2) IF TWO OR MORE QUALIFYING PATIENTS WHO ARE AT LEAST 21**
10 **YEARS OLD RESIDE AT THE SAME RESIDENCE, NOT MORE THAN FOUR CANNABIS**
11 **PLANTS MAY BE CULTIVATED AT THAT RESIDENCE.**

12 **(3) EXCEPT AS PROVIDED IN PARAGRAPHS (1) AND (2) OF THIS**
13 **SUBSECTION, A QUALIFYING PATIENT SHALL COMPLY WITH THE CANNABIS**
14 **CULTIVATION REQUIREMENTS ESTABLISHED UNDER § 5-601.2 OF THE CRIMINAL**
15 **LAW ARTICLE.**

16 **(C) A QUALIFYING PATIENT UNDER THE AGE OF 18 YEARS MAY OBTAIN**
17 **MEDICAL CANNABIS ONLY THROUGH:**

18 **(1) THE QUALIFYING PATIENT'S CAREGIVER; OR**

19 **(2) ANY DESIGNATED SCHOOL PERSONNEL AUTHORIZED TO**
20 **ADMINISTER MEDICAL CANNABIS TO A STUDENT IN ACCORDANCE WITH THE**
21 **GUIDELINES ESTABLISHED UNDER § 7-446 OF THE EDUCATION ARTICLE.**

22 **(D) A CAREGIVER MAY SERVE NOT MORE THAN FIVE QUALIFYING PATIENTS**
23 **AT ANY TIME.**

24 **(E) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A**
25 **QUALIFYING PATIENT MAY HAVE NOT MORE THAN TWO CAREGIVERS.**

26 **(2) A QUALIFYING PATIENT UNDER THE AGE OF 18 YEARS MAY HAVE**
27 **NOT MORE THAN FOUR CAREGIVERS.**

28 **(F) A SALE OF CANNABIS OR CANNABIS PRODUCTS TO A QUALIFYING**
29 **PATIENT IS NOT SUBJECT TO TAXES IMPOSED ON THE SALE OF CANNABIS OR**
30 **CANNABIS PRODUCTS UNDER § 11-104(K) OF THE TAX - GENERAL ARTICLE.**

31 **(G) A QUALIFYING PATIENT MAY POSSESS UP TO:**

1 (1) 120 GRAMS OF USABLE CANNABIS; OR

2 (2) 36 GRAMS OF DELTA-9-TETRAHYDROCANNABINOL (THC) IN THE
3 CASE OF A CANNABIS-INFUSED PRODUCT.

4 (H) DESIGNATED SCHOOL PERSONNEL DESCRIBED IN SUBSECTION (C)(2)
5 OF THIS SECTION:

6 (1) MAY ADMINISTER TO A STUDENT ONLY MEDICAL CANNABIS:

7 (I) THAT IS OBTAINED THROUGH THE STUDENT'S CAREGIVER;
8 AND

9 (II) IN ACCORDANCE WITH DOSING, TIMING, AND DELIVERY
10 ROUTE INSTRUCTIONS AS PROVIDED BY THE CERTIFYING PROVIDER'S WRITTEN
11 INSTRUCTIONS; AND

12 (2) ARE NOT REQUIRED TO REGISTER WITH THE COMMISSION UNDER
13 THIS SUBTITLE.

14 (I) A CAREGIVER MAY ADMINISTER MEDICAL CANNABIS TO A STUDENT
15 WHO IS A QUALIFYING PATIENT OF THE CAREGIVER ON SCHOOL PROPERTY, DURING
16 SCHOOL-SPONSORED ACTIVITIES, AND WHILE ON A SCHOOL BUS.

17 SUBTITLE 4. CANNABIS LICENSING.

18 36-401.

19 (A) (1) A PERSON MUST OBTAIN A CANNABIS LICENSE ISSUED BY THE
20 ~~DIVISION~~ ADMINISTRATION TO OPERATE A CANNABIS BUSINESS.

21 (2) A CANNABIS LICENSE ISSUED UNDER THIS SUBTITLE:

22 (I) AUTHORIZES THE HOLDER OF THE LICENSE TO OPERATE A
23 MEDICAL AND ADULT-USE CANNABIS BUSINESS;

24 (II) IS VALID FOR 5 YEARS ON INITIAL LICENSURE AND 5 YEARS
25 ON RENEWAL; AND

26 (III) MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH
27 SUBTITLE 5 OF THIS TITLE.

28 (B) (1) THE ~~DIVISION~~ ADMINISTRATION SHALL:

1 (I) ISSUE STANDARD LICENSES, MICRO LICENSES, INCUBATOR
2 SPACE LICENSES, AND ON-SITE CONSUMPTION LICENSES IN ACCORDANCE WITH
3 THIS TITLE;

4 (II) ON OR BEFORE JULY 1, 2023, CONVERT LICENSES THAT
5 WERE ISSUED TO MEDICAL CANNABIS GROWERS, PROCESSORS, AND DISPENSARIES,
6 INCLUDING THOSE BUSINESSES PREAPPROVED FOR LICENSURE, TO LICENSES TO
7 OPERATE A MEDICAL AND ADULT-USE CANNABIS BUSINESS IF:

8 1. A CONVERSION FEE IS PAID IN ACCORDANCE WITH §
9 36-403 OF THIS SUBTITLE; AND

10 2. THE BUSINESS COMPLIES WITH THE OWNERSHIP
11 RESTRICTIONS UNDER SUBSECTION (E) OF THIS SECTION;

12 (III) SET PRODUCTION, PROCESSING, SALES, AND OTHER
13 LIMITATIONS AND REQUIREMENTS FOR ALL LICENSE TYPES;

14 (IV) ISSUE DISPENSARY LICENSES IN A MANNER THAT
15 ENCOURAGES A BALANCED GEOGRAPHIC DISTRIBUTION BASED ON POPULATION
16 AND MARKET DEMAND WITHIN A SPECIFIC COUNTY, AS WELL AS
17 CROSS-JURISDICTIONAL MARKET DEMAND;

18 (V) CONSIDER MARKET DEMAND IN THE ISSUANCE OF ALL
19 LICENSE TYPES; AND

20 (VI) ADOPT REGULATIONS REQUIRING LICENSEES WHOSE
21 LICENSES WERE CONVERTED BY THE ~~DIVISION~~ ADMINISTRATION UNDER ITEM (II)
22 OF THIS PARAGRAPH TO RESERVE A SPECIFIED AMOUNT OF CANNABIS FOR SOCIAL
23 EQUITY LICENSEES.

24 (2) ~~THE DIVISION~~ ADMINISTRATION MAY:

25 (I) INSPECT A CANNABIS LICENSEE TO ENSURE COMPLIANCE
26 WITH THIS TITLE AND THE REGULATIONS ADOPTED UNDER THIS TITLE;

27 (II) REVOKE A CANNABIS LICENSE IF GOOD FAITH EFFORTS
28 HAVE NOT BEEN MADE BY THE CANNABIS LICENSEE TO ESTABLISH A CANNABIS
29 BUSINESS WITHIN 18 MONTHS AFTER THE LICENSE WAS AWARDED;

30 (III) IMPOSE PENALTIES OR RESCIND THE LICENSE OF A
31 CANNABIS LICENSEE THAT DOES NOT MEET THE STANDARDS FOR LICENSURE
32 ESTABLISHED UNDER THIS TITLE OR REGULATIONS ADOPTED UNDER THIS TITLE;
33 AND

1 (IV) CONDITIONALLY AWARD CANNABIS LICENSES.

2 (C) (1) A STANDARD LICENSE AUTHORIZES THE HOLDER OF THE
3 LICENSE:

4 (I) FOR GROWERS, TO OPERATE MORE THAN 10,000 SQUARE
5 FEET, BUT NOT MORE THAN 300,000 SQUARE FEET, OF INDOOR CANOPY OR ITS
6 EQUIVALENT, AS CALCULATED BY THE ~~DIVISION~~ ADMINISTRATION;

7 (II) FOR PROCESSORS, TO PROCESS MORE THAN 1,000 POUNDS
8 OF CANNABIS PER YEAR, AS CALCULATED BY THE ~~DIVISION~~ ADMINISTRATION; AND

9 (III) FOR DISPENSARIES, TO OPERATE A STORE AT A PHYSICAL
10 LOCATION THAT SELLS CANNABIS OR CANNABIS PRODUCTS.

11 (2) A MICRO LICENSE AUTHORIZES THE HOLDER OF THE LICENSE:

12 (I) FOR GROWERS, TO OPERATE NOT MORE THAN 10,000
13 SQUARE FEET OF INDOOR CANOPY OR ITS EQUIVALENT, AS CALCULATED BY THE
14 ~~DIVISION~~ ADMINISTRATION;

15 (II) FOR PROCESSORS, TO PROCESS NOT MORE THAN 1,000
16 POUNDS OF CANNABIS PER YEAR, AS CALCULATED BY THE ~~DIVISION~~
17 ADMINISTRATION; AND

18 (III) FOR DISPENSARIES, TO OPERATE A DELIVERY SERVICE
19 THAT SELLS CANNABIS OR CANNABIS PRODUCTS WITHOUT A PHYSICAL
20 STOREFRONT, PROVIDED THAT THE LICENSEE EMPLOYS NOT MORE THAN 10
21 EMPLOYEES.

22 (3) AN INCUBATOR SPACE LICENSE AUTHORIZES THE HOLDER OF
23 THE LICENSE TO OPERATE A FACILITY WITHIN WHICH A MICRO LICENSEE MAY
24 OPERATE IN ACCORDANCE WITH § 36-406 OF THIS SUBTITLE.

25 (4) AN ON-SITE CONSUMPTION LICENSE AUTHORIZES THE HOLDER
26 OF THE LICENSE TO OPERATE A FACILITY IN WHICH INDIVIDUALS CAN ~~SMOKE, VAPE,~~
27 VAPE OR CONSUME CANNABIS IN ACCORDANCE WITH § 36-407 OF THIS SUBTITLE.

28 (D) THE ~~DIVISION~~ ADMINISTRATION MAY NOT ISSUE MORE THAN THE
29 FOLLOWING NUMBER OF LICENSES PER TYPE, INCLUDING LICENSES CONVERTED
30 UNDER SUBSECTION (B)(1)(II) OF THIS SECTION:

31 (1) FOR STANDARD LICENSES:

- 1 (I) 75 GROWER LICENSES;
- 2 (II) 100 PROCESSOR LICENSES; AND
- 3 (III) 300 DISPENSARY LICENSES;

4 (2) FOR MICRO LICENSES:

- 5 (I) 100 GROWER LICENSES;
- 6 (II) 100 PROCESSOR LICENSES; AND
- 7 (III) ~~200~~ 10 DISPENSARY LICENSES;

8 (3) FOR INCUBATOR SPACE LICENSES, 10 LICENSES; AND

9 (4) FOR ON-SITE CONSUMPTION LICENSES, 50 LICENSES.

10 (E) (1) THIS SUBSECTION APPLIES TO ALL LICENSES, INCLUDING
 11 LICENSES CONVERTED UNDER SUBSECTION (B)(1)(II) OF THIS SECTION.

12 (2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A PERSON
 13 MAY HAVE AN OWNERSHIP INTEREST IN OR CONTROL OF, INCLUDING THE POWER TO
 14 MANAGE AND OPERATE, ~~ONLY~~:

15 (I) FOR STANDARD LICENSES AND MICRO LICENSES:

- 16 1. ONE GROWER LICENSEE;
- 17 2. ONE PROCESSOR LICENSEE; AND
- 18 3. NOT MORE THAN ~~TWO~~ FOUR DISPENSARY LICENSEES;

19 (II) FOR INCUBATOR SPACE LICENSES, NOT MORE THAN TWO
 20 LICENSEES; AND

21 (III) FOR ON-SITE CONSUMPTION LICENSES, NOT MORE THAN
 22 TWO LICENSEES.

23 (3) (I) A PERSON WHO OWNS OR CONTROLS AN INCUBATOR SPACE
 24 LICENSEE OR AN ON-SITE CONSUMPTION LICENSEE MAY NOT OWN OR CONTROL ANY
 25 OTHER CANNABIS LICENSEE.

1 (II) ~~DIVISION~~ ADMINISTRATION SHALL ADOPT
2 REGULATIONS LIMITING A PERSON OR FUND FROM ACQUIRING A NONMAJORITY
3 OWNERSHIP INTEREST IN MULTIPLE CANNABIS BUSINESSES BEYOND THE
4 LIMITATIONS ESTABLISHED UNDER THIS SUBSECTION.

5 (4) THE RESTRICTIONS IN PARAGRAPH (2) OF THIS SUBSECTION DO
6 NOT APPLY TO A PERSON OR AN ENTITY WHO HOLDS AN OWNERSHIP INTEREST ONLY
7 AS A PASSIVE INVESTOR.

8 (F) (1) THE HOLDER OF A CANNABIS LICENSE MAY NOT SURRENDER THE
9 LICENSE AND APPLY FOR A NEW LICENSE IN THE SAME OR A SIMILAR CATEGORY.

10 (2) THE LIMITATION UNDER PARAGRAPH (1) OF THIS SUBSECTION
11 APPLIES TO:

12 (I) AFFILIATES, HOLDING COMPANIES, PARENT COMPANIES,
13 OR OTHER RELATED ENTITIES;

14 (II) INDIVIDUALS AND FIRMS WITH IDENTICAL OR
15 SUBSTANTIALLY IDENTICAL BUSINESS OR ECONOMIC INTERESTS;

16 (III) PERSONS WITH COMMON INVESTMENTS; AND

17 (IV) FIRMS THAT ARE ECONOMICALLY DEPENDENT ON EACH
18 OTHER THROUGH CONTRACTUAL OR OTHER RELATIONSHIPS.

19 (G) NOTWITHSTANDING ANY PROVISIONS OF THIS TITLE, THE HOLDER OF A
20 DISPENSARY LICENSE ISSUED BY THE NATALIE M. LAPRADE MEDICAL CANNABIS
21 COMMISSION WHO DOES CONVERT THE LICENSE MAY CONTINUE TO DELIVER
22 MEDICAL CANNABIS UNTIL JANUARY 1, 2024.

23 36-402.

24 (A) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO PRESERVE
25 PRODUCTION AVAILABILITY FOR NEW ADULT-USE CANNABIS CULTIVATION
26 LICENSES ISSUED UNDER THIS SUBTITLE.

27 (B) (1) IF THE LICENSE OF A CANNABIS LICENSEE IS CONVERTED BY THE
28 ~~DIVISION~~ ADMINISTRATION UNDER § 36-401(B)(1)(II) OF THIS SUBTITLE, THE
29 CANNABIS LICENSEE SHALL:

30 (I) IF THE LICENSEE IS A GROWER, ADHERE TO THE EXPANSION
31 LIMITATIONS SPECIFIED UNDER PARAGRAPH (2) OF THIS SUBSECTION; AND

1 (II) PAY THE CONVERSION FEE REQUIRED UNDER § 36-403 OF
2 THIS SUBTITLE.

3 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
4 PARAGRAPH AND SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, ON OR
5 BEFORE JANUARY 1, 2026, AN OPERATIONAL BUSINESS THAT HOLDS A GROWER
6 LICENSE ISSUED BEFORE ~~OCTOBER 1, 2022~~ DECEMBER 31, 2022, MAY EXPAND THE
7 CANOPY OF ITS OPERATIONS AS IT EXISTED ON ~~OCTOBER 1, 2022~~ DECEMBER 31,
8 2022, AND BASED ON FACILITY SQUARE FOOTAGE OF INDOOR CANOPY SPACE OR ITS
9 EQUIVALENT, AS CALCULATED BY THE ~~DIVISION~~ ADMINISTRATION IN ACCORDANCE
10 WITH SUBSECTION (D) OF THIS SECTION, ONLY AS FOLLOWS:

11 1. IF THE CANOPY IS UNDER 25,000 SQUARE FEET, TO
12 25,000 SQUARE FEET OR BY ~~25%~~ 20%, WHICHEVER IS GREATER;

13 2. IF THE CANOPY IS AT OR ABOVE 25,000 SQUARE FEET,
14 BY ~~25%~~ 20%; OR

15 3. IF THE CANNABIS LICENSEE HAS A SQUARE FOOTAGE
16 EXPANSION THAT WAS PREAPPROVED BEFORE ~~OCTOBER 1, 2022~~ DECEMBER 31,
17 2022, THE PREAPPROVED EXPANSION OR ~~25%~~ 20%, WHICHEVER IS GREATER.

18 (II) IF THE ~~DIVISION~~ ADMINISTRATION AND AN OPERATIONAL
19 BUSINESS DESCRIBED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH ARE UNABLE
20 TO AGREE AS TO THE SQUARE FOOTAGE OF THE CANOPY EXPANSION OF THE
21 LICENSEE'S OPERATIONS AUTHORIZED UNDER SUBPARAGRAPH (I) OF THIS
22 PARAGRAPH, THE SQUARE FOOTAGE OF THE CANOPY EXPANSION SHALL BE
23 CALCULATED BASED ON THE LICENSEE'S AVERAGE CANNABIS PRODUCTION IN
24 CALENDAR YEARS 2021 AND 2022.

25 (III) AN OPERATIONAL BUSINESS DESCRIBED UNDER
26 SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY BEGIN TO EXPAND ITS CANOPY OF
27 OPERATIONS:

28 1. BY NOT MORE THAN 50% OF THE TOTAL SQUARE
29 FOOTAGE AUTHORIZED UNDER SUBPARAGRAPH (I) OR (II) OF THIS PARAGRAPH ON
30 OR AFTER JANUARY 1, 2024; AND

31 2. FOR THE REMAINING TOTAL SQUARE FOOTAGE
32 AUTHORIZED UNDER SUBPARAGRAPH (I) OR (II) OF THIS PARAGRAPH ON OR AFTER
33 MAY 1, 2024.

34 (IV) A GROWER LICENSEE MAY NOT OPERATE AN INDOOR
35 CANOPY THAT EXCEEDS 300,000 SQUARE FEET OR ITS EQUIVALENT, AS

1 CALCULATED BY THE ~~DIVISION~~ ADMINISTRATION IN ACCORDANCE WITH
 2 SUBSECTION (D) OF THIS SECTION, IF THE GROWER LICENSEE:

3 1. HELD A STAGE ONE PREAPPROVAL FOR A LICENSE
 4 BEFORE ~~OCTOBER 1, 2022~~ DECEMBER 31, 2022; AND

5 2. WAS NOT OPERATIONAL BEFORE ~~OCTOBER 1, 2022~~
 6 DECEMBER 31, 2022.

7 (C) A BUSINESS THAT IS ISSUED A NEW CANNABIS LICENSE UNDER § 36-401
 8 OF THIS SUBTITLE MAY NOT OPERATE AN INDOOR CANOPY THAT EXCEEDS 300,000
 9 SQUARE FEET FOR INDOOR CANOPIES OR ITS EQUIVALENT, AS CALCULATED BY THE
 10 ~~DIVISION~~ ADMINISTRATION.

11 (D) (1) (I) THIS PARAGRAPH APPLIES TO ALL LICENSED GROWERS.

12 (II) A LICENSED GROWER SHALL ACCURATELY CALCULATE AND
 13 REPORT ANNUALLY TO THE ~~DIVISION~~ ADMINISTRATION ITS FLOWERING CANNABIS
 14 PLANT CANOPY AREA.

15 (III) THE CANOPY AREA IS MEASURED USING THE OUTSIDE
 16 BOUNDARIES OF ANY AREA THAT INCLUDES FLOWERING CANNABIS PLANTS AND ALL
 17 OF THE SPACE WITHIN THE BOUNDARIES.

18 (IV) FOR THE PURPOSE OF MEASURING CANOPY, 1 SQUARE
 19 FOOT OF INDOOR CANOPY IS EQUAL TO 4 SQUARE FEET OF OUTDOOR CANOPY.

20 (V) THE MAXIMUM AMOUNT OF SPACE FOR CANNABIS
 21 PRODUCTION MAY NOT EXCEED THE CANOPY AUTHORIZED UNDER THIS SECTION.

22 (VI) IF THE AMOUNT OF SQUARE FEET OF PRODUCTION FOR A
 23 LICENSED GROWER EXCEEDS THE CANOPY AUTHORIZED UNDER THIS SECTION AND
 24 § 36-401 OF THIS SUBTITLE, THE COMMISSION MAY:

25 1. REDUCE THE CANOPY OF THE LICENSED GROWER BY
 26 THE SAME PERCENTAGE AS IT EXCEEDS THE AUTHORIZED CANOPY; AND

27 2. SEIZE, DESTROY, CONFISCATE, OR PLACE AN
 28 ADMINISTRATIVE HOLD ON ANY FLOWERING CANNABIS PLANTS PRODUCED IN
 29 EXCESS OF THE CANOPY.

30 (VII) THE ADMINISTRATION SHALL ANNUALLY REPORT TO THE
 31 GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT

1 ARTICLE, THE AMOUNT OF CANOPY AREA REPORTED TO THE ADMINISTRATION BY
2 LICENSED GROWERS UNDER ITEM (II) OF THIS PARAGRAPH.

3 (2) THE MAXIMUM AMOUNT OF CANOPY FOR AN OPERATIONAL
4 BUSINESS THAT HOLDS A LICENSE ISSUED BEFORE ~~OCTOBER 1, 2022~~ DECEMBER
5 31, 2022, SHALL BE CALCULATED BASED ON THE MAXIMUM CANOPY OF THE
6 LICENSEE AS SELF-REPORTED BY THE LICENSEE AND RECORDED BY THE ~~DIVISION~~
7 NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION ON OR BEFORE
8 ~~DECEMBER 1, 2022~~ MARCH 1, 2023.

9 (E) (1) ON OR BEFORE JULY 1, 2024, THE ADMINISTRATION SHALL
10 ADOPT MINIMUM STANDARDS FOR LICENSED GROWERS TO PROTECT THE RIGHTS OF
11 THE GROWERS AND EMPLOYEES CONCERNING GRIEVANCES, LABOR DISPUTES,
12 WAGES, RATES OF PAY, HOURS, OR OTHER TERMS OR CONDITIONS OF EMPLOYMENT.

13 (2) THE STANDARDS SHALL, AT A MINIMUM, PROTECT THE STATE'S
14 INTERESTS BY PROHIBITING A LABOR ORGANIZATION FROM ENGAGING IN
15 PICKETING, WORK STOPPAGES, BOYCOTTS, OR ANY OTHER ECONOMIC
16 INTERFERENCE WITH THE OPERATION OF THE LICENSED GROWER.

17 (3) AS A CONDITION OF LICENSURE, THE LICENSED GROWER SHALL:

18 (I) COMPLY WITH THE STANDARDS ADOPTED UNDER
19 PARAGRAPH (1) OF THIS SUBSECTION; AND

20 (II) NEGOTIATE IN GOOD FAITH WITH EMPLOYEES AND ANY
21 LEGITIMATE LABOR ORGANIZATION RECOGNIZED BY THE ADMINISTRATION.

22 **36-403.**

23 (A) (1) THIS SUBSECTION APPLIES ONLY TO A BUSINESS THAT HOLDS A
24 CANNABIS LICENSE AND WAS PHYSICALLY AND ACTIVELY ENGAGED IN THE
25 CULTIVATION OR PROCESSING OF MEDICAL CANNABIS BEFORE ~~OCTOBER 1, 2022~~
26 DECEMBER 31, 2022.

27 (2) (I) ~~EACH GROWER OR PROCESSOR~~ SUBJECT TO SUBSECTION
28 (E) OF THIS SECTION AND EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
29 PARAGRAPH, EACH GROWER, PROCESSOR, AND DISPENSARY SHALL PAY THE
30 ~~FOLLOWING~~ A ONE-TIME CONVERSION FEE BASED ON OF 10% OF THE TOTAL GROSS
31 REVENUE OF THE ~~GROWER OR PROCESSOR IN 2022~~ GROWER, PROCESSOR, OR
32 DISPENSARY IN 2022, BUT NOT MORE THAN \$2,000,000.

33 (II) THE AMOUNT OF THE CONVERSION FEE IN SUBPARAGRAPH
34 (I) OF THIS PARAGRAPH MAY NOT BE LESS THAN \$100,000.

1 ~~(I) \$100,000 IF THE GROSS REVENUE WAS LESS THAN~~
2 ~~\$1,000,000;~~

3 ~~(II) \$500,000 IF THE GROSS REVENUE WAS AT LEAST~~
4 ~~\$1,000,000, BUT NOT MORE THAN \$5,000,000;~~

5 ~~(III) \$1,000,000 IF THE GROSS REVENUE WAS MORE THAN~~
6 ~~\$5,000,000, BUT NOT MORE THAN \$10,000,000;~~

7 ~~(IV) \$1,500,000 IF THE GROSS REVENUE WAS MORE THAN~~
8 ~~\$10,000,000, BUT NOT MORE THAN \$15,000,000;~~

9 ~~(V) \$2,000,000 IF THE GROSS REVENUE WAS MORE THAN~~
10 ~~\$15,000,000, BUT NOT MORE THAN \$20,000,000; OR~~

11 ~~(VI) \$2,500,000 IF THE GROSS REVENUE WAS MORE THAN~~
12 ~~\$20,000,000.~~

13 (3) IF A BUSINESS HOLDS A GROWER AND PROCESSOR LICENSE, THE
14 FEE SHALL BE BASED ON TOTAL GROSS REVENUE FROM BOTH LICENSE TYPES.

15 ~~(B) (1) THIS SUBSECTION APPLIES ONLY TO A BUSINESS THAT HOLDS A~~
16 ~~CANNABIS LICENSE AND WAS PHYSICALLY AND ACTIVELY ENGAGED IN THE~~
17 ~~DISPENSING OF MEDICAL CANNABIS BEFORE OCTOBER 1, 2022.~~

18 ~~(2) EACH DISPENSARY SHALL PAY THE FOLLOWING ONE-TIME~~
19 ~~CONVERSION FEE BASED ON THE GROSS REVENUE OF THE DISPENSARY IN 2022:~~

20 ~~(I) \$100,000 IF THE GROSS REVENUE WAS LESS THAN~~
21 ~~\$1,000,000;~~

22 ~~(II) \$250,000 IF THE GROSS REVENUE WAS AT LEAST~~
23 ~~\$1,000,000, BUT NOT MORE THAN \$5,000,000;~~

24 ~~(III) \$500,000 IF THE GROSS REVENUE WAS MORE THAN~~
25 ~~\$5,000,000, BUT NOT MORE THAN \$10,000,000;~~

26 ~~(IV) \$1,000,000 IF THE GROSS REVENUE WAS MORE THAN~~
27 ~~\$10,000,000, BUT NOT MORE THAN \$15,000,000;~~

28 ~~(V) \$1,500,000 IF THE GROSS REVENUE WAS MORE THAN~~
29 ~~\$15,000,000, BUT NOT MORE THAN \$20,000,000; OR~~

1 ~~(VI) \$2,000,000 IF THE GROSS REVENUE WAS MORE THAN~~
2 ~~\$20,000,000.~~

3 ~~(C)~~ (B) (1) THIS SUBSECTION APPLIES ONLY TO A BUSINESS THAT:

4 (I) HELD A STAGE ONE PREAPPROVAL FOR A LICENSE BEFORE
5 ~~OCTOBER 1, 2022~~ DECEMBER 31, 2022; AND

6 (II) WAS NOT OPERATIONAL BEFORE ~~OCTOBER 1, 2022~~
7 DECEMBER 31, 2022.

8 (2) A SUBJECT TO SUBSECTION (E) OF THIS SECTION, A GROWER OR
9 PROCESSOR SHALL PAY A ONE-TIME CONVERSION FEE OF \$50,000.

10 (3) A SUBJECT TO SUBSECTION (E) OF THIS SECTION, A DISPENSARY
11 SHALL PAY A ONE-TIME CONVERSION FEE OF \$25,000.

12 ~~(D)~~ (C) (1) THIS SUBSECTION APPLIES ONLY TO AN APPLICANT
13 APPLYING FOR A CANNABIS LICENSE UNDER § 36-404 OF THIS SUBTITLE.

14 (2) AN APPLICANT FOR A STANDARD LICENSE, AN INCUBATOR SPACE
15 LICENSE, OR AN ON-SITE CONSUMPTION LICENSE SHALL PAY AN APPLICATION FEE
16 OF \$5,000.

17 (3) AN APPLICANT FOR A MICRO LICENSE SHALL PAY AN
18 APPLICATION FEE OF \$1,000.

19 ~~(E)~~ (D) (1) SUBJECT TO ~~PARAGRAPH (2)~~ PARAGRAPHS (2) AND (3) OF
20 THIS SUBSECTION, THE ~~DIVISION~~ ADMINISTRATION SHALL ESTABLISH RENEWAL
21 FEES FOR ALL CANNABIS LICENSES.

22 (2) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS
23 SUBSECTION, THE RENEWAL FEES ESTABLISHED UNDER PARAGRAPH (1) OF THIS
24 SUBSECTION FOR STANDARD CANNABIS LICENSEES MAY NOT EXCEED THE LESSER
25 OF 10% OF THE STANDARD CANNABIS LICENSEE'S ANNUAL GROSS REVENUE OR
26 \$50,000.

27 (3) THE ADMINISTRATION SHALL REDUCE LICENSING AND RENEWAL
28 FEES BY AT LEAST 50% FOR SOCIAL EQUITY LICENSES, MICRO LICENSES,
29 INCUBATOR SPACE LICENSES, AND ON-SITE CONSUMPTION LICENSES.

30 ~~(F)~~ (E) (1) THE ONE-TIME CONVERSION FEES UNDER THIS SECTION:

31 (I) MAY BE PAID IN SEPARATE INSTALLMENTS; AND

1 **(II) SHALL BE PAID IN FULL ON OR BEFORE JANUARY 1, 2025.**

2 **(2) THE AMOUNT OF ANY RENEWAL FEE PAID BY A BUSINESS FOR**
3 **FISCAL YEAR 2024 TO THE NATALIE M. LAPRADE MEDICAL CANNABIS**
4 **COMMISSION SHALL BE CREDITED AGAINST THE ONE-TIME CONVERSION FEE**
5 **ASSESSED UNDER THIS SECTION.**

6 **(F) ALL FEES COLLECTED UNDER THIS SECTION SHALL BE PAID TO THE**
7 **~~DIVISION~~ ADMINISTRATION.**

8 **36-404.**

9 **(A) (1) ON OR BEFORE JANUARY 1, 2024, THE ~~DIVISION~~**
10 **ADMINISTRATION SHALL BEGIN ISSUING FIRST ROUND LICENSES IN ACCORDANCE**
11 **WITH SUBSECTION (D) OF THIS SECTION.**

12 **(2) ON OR AFTER MAY 1, 2024, THE ~~DIVISION~~ ADMINISTRATION**
13 **SHALL BEGIN ISSUING SECOND ROUND LICENSES IN ACCORDANCE WITH**
14 **SUBSECTIONS (E) OR (F) OF THIS SECTION.**

15 **(3) SUBJECT TO PARAGRAPHS (1) AND (2) OF THIS SUBSECTION, THE**
16 **~~DIVISION~~ ADMINISTRATION MAY ISSUE LICENSES IN ACCORDANCE WITH**
17 **SUBSECTION (G) OF THIS SECTION.**

18 **(B) (1) THE ~~DIVISION~~ ADMINISTRATION SHALL:**

19 **(I) CONDUCT EXTENSIVE OUTREACH TO SMALL, MINORITY,**
20 **AND WOMEN BUSINESS OWNERS AND ENTREPRENEURS WHO MAY HAVE AN INTEREST**
21 **IN APPLYING FOR A CANNABIS LICENSE BEFORE ACCEPTING AND PROCESSING**
22 **CANNABIS LICENSE APPLICATIONS;**

23 **(II) CONNECT POTENTIAL SOCIAL EQUITY APPLICANTS WITH**
24 **THE OFFICE OF SOCIAL EQUITY;**

25 **(III) ACCEPT AND PROCESS APPLICATIONS FOR LICENSES:**

26 **1. IN RESPONSE TO A REQUEST FOR APPLICATIONS**
27 **ISSUED UNDER THIS SECTION;**

28 **2. FOR A PERIOD OF 30 CALENDAR DAYS; AND**

1 3. BEGINNING ON A DATE THAT IS AT LEAST 60
2 CALENDAR DAYS AFTER THE DATE ON WHICH THE ~~DIVISION~~ ADMINISTRATION
3 ISSUED THE REQUEST FOR APPLICATIONS;

4 (IV) AWARD CANNABIS LICENSES IN AT LEAST TWO SEPARATE
5 ROUNDS IN ACCORDANCE WITH THIS SECTION; AND

6 (V) RESERVE A REASONABLE NUMBER OF LICENSES TO ALLOW
7 MICRO LICENSES TO TRANSITION TO STANDARD LICENSES, AS DETERMINED IN
8 REGULATIONS BY THE ~~DIVISION~~ ADMINISTRATION.

9 (2) THE ~~DIVISION~~ ADMINISTRATION MAY SUSPEND, FINE, RESTRICT,
10 OR REVOKE A CANNABIS LICENSE IF IT IS DETERMINED THAT A CANNABIS LICENSEE
11 HAS NOT COMPLIED WITH STATEMENTS IN THE APPLICATION, INCLUDING
12 STATEMENTS ABOUT STANDARDS OF OPERATION OR EMPLOYMENT PRACTICES
13 RELATED TO DIVERSITY, EQUITY, AND INCLUSION.

14 (3) THE ~~DIVISION~~ ADMINISTRATION MAY NOT:

15 (I) ACCEPT MORE THAN ONE APPLICATION PER LICENSE TYPE
16 FROM AN APPLICANT IN ANY ROUND;

17 (II) ACCEPT MORE THAN TWO APPLICATIONS FROM AN
18 APPLICANT IN ANY ROUND;

19 (III) REQUIRE THAT AN APPLICANT POSSESS OR OWN A
20 PROPERTY OR FACILITY TO OPERATE A CANNABIS BUSINESS AT THE TIME OF
21 APPLICATION; ~~OR~~

22 (IV) REGARDLESS OF THE NUMBER OF LICENSE AWARDS
23 AUTHORIZED IN EACH ROUND, AWARD MORE LICENSES THAN THE TOTAL NUMBER
24 OF LICENSES AUTHORIZED UNDER § 36-401(D) OF THIS SUBTITLE; OR

25 (V) CONDUCT A MARKET DEMAND STUDY BEFORE THE FIRST
26 ROUND LICENSES ARE ISSUED.

27 (4) THE ~~DIVISION~~ ADMINISTRATION MAY ADOPT REGULATIONS
28 CONCERNING THE EQUITY AND FAIRNESS OF THE POOL OF APPLICANTS
29 THROUGHOUT THE APPLICATION PROCESS.

30 (C) TO BE LICENSED, AN APPLICANT SHALL SUBMIT TO THE ~~DIVISION~~
31 ADMINISTRATION:

1 (1) AN APPLICATION FEE IN ACCORDANCE WITH § 36-403 OF THIS
2 SUBTITLE; AND

3 (2) AN APPLICATION DEVELOPED BY THE ~~DIVISION~~ ADMINISTRATION
4 UNDER THIS TITLE.

5 (D) (1) FOR THE FIRST ROUND, SUBJECT TO PARAGRAPHS (2) AND (3) OF
6 THIS SUBSECTION, THE ~~DIVISION~~ ADMINISTRATION SHALL ENTER EACH SOCIAL
7 EQUITY APPLICANT THAT MEETS THE MINIMUM QUALIFICATIONS ESTABLISHED BY
8 THE ~~DIVISION~~ ADMINISTRATION INTO A LOTTERY AND ISSUE TO SOCIAL EQUITY
9 APPLICANTS NOT MORE THAN:

10 (I) FOR STANDARD LICENSES:

- 11 1. 20 GROWER LICENSES;
- 12 2. 40 PROCESSOR LICENSES; AND
- 13 3. 80 DISPENSARY LICENSES;

14 (II) FOR MICRO LICENSES:

- 15 1. 30 GROWER LICENSES;
- 16 2. 30 PROCESSOR LICENSES; AND
- 17 3. ~~75~~ 10 DISPENSARY LICENSES; AND

18 (III) 10 INCUBATOR SPACE LICENSES.

19 (2) THE ~~DIVISION~~ ADMINISTRATION SHALL DETERMINE WHETHER
20 AN APPLICATION MEETS THE MINIMUM QUALIFICATIONS FOR THE LOTTERY ON A
21 PASS-FAIL BASIS, AS DETERMINED BY THE ~~DIVISION~~ ADMINISTRATION, AFTER
22 EVALUATING:

23 (I) A DETAILED OPERATIONAL PLAN FOR THE SAFE, SECURE,
24 AND EFFECTIVE CULTIVATION, MANUFACTURE, OR DISPENSING OF CANNABIS;

25 (II) A BUSINESS PLAN DEMONSTRATING A LIKELIHOOD OF
26 SUCCESS AND SUFFICIENT BUSINESS ABILITY AND EXPERIENCE ON THE PART OF
27 THE APPLICANT, AND PROVIDING FOR APPROPRIATE EMPLOYEE WORKING
28 CONDITIONS; AND

29 (III) A DETAILED DIVERSITY PLAN.

1 **(3) FIRST ROUND APPLICATION SUBMISSIONS FOR ALL LICENSE**
 2 **TYPES ARE LIMITED TO SOCIAL EQUITY APPLICANTS.**

3 **(4) ON OR BEFORE DECEMBER 31, 2024, THE ADMINISTRATION**
 4 **SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH §**
 5 **2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE ABILITY OF MICRO**
 6 **DISPENSARY LICENSEES TO SAFELY AND SECURELY DISPENSE CANNABIS.**

7 **(E) FOR THE SECOND ROUND OF LICENSING, THE ADMINISTRATION SHALL**
 8 **ISSUE LICENSES IN ACCORDANCE WITH SUBSECTION (F) OR (G) OF THIS SECTION.**

9 ~~**(F)**~~ **(1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IF THE**
 10 **ADMINISTRATION, IN CONSULTATION WITH THE CERTIFICATION AGENCY**
 11 **DESIGNATED BY THE BOARD OF PUBLIC WORKS UNDER § 14-303(B) OF THE STATE**
 12 **FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR'S OFFICE OF SMALL,**
 13 **MINORITY, AND WOMEN BUSINESS AFFAIRS, THE GENERAL ASSEMBLY, AND THE**
 14 **OFFICE OF THE ATTORNEY GENERAL, DETERMINES THAT ~~THE APPLICANTS~~**
 15 **~~AWARDED A LICENSE UNDER SUBSECTION (D) OF THIS SECTION ARE NOT DIVERSE~~**
 16 **~~AND A DISPARITY STUDY DETERMINES THAT THERE IS A COMPELLING INTEREST TO~~**
 17 **~~IMPLEMENT REMEDIAL MEASURES TO ASSIST MINORITIES AND WOMEN IN THE~~**
 18 **~~CANNABIS INDUSTRY~~ A DISPARITY STUDY DEMONSTRATES A STRONG BASIS IN**
 19 **EVIDENCE OF BUSINESS DISCRIMINATION AGAINST FIRMS OWNED BY MINORITIES**
 20 **AND WOMEN IN THE MARYLAND CANNABIS MARKET, THE ~~DIVISION~~**
 21 **ADMINISTRATION SHALL ~~ENTER EACH APPLICANT THAT MEETS THE MINIMUM~~**
 22 **~~QUALIFICATIONS ESTABLISHED BY THE DIVISION INTO A LOTTERY AND~~ ISSUE TO**
 23 **~~THE APPLICANTS~~ A SECOND ROUND OF LICENSES, EMPLOYING REMEDIAL**
 24 **MEASURES CONSISTENT WITH CONSTITUTIONAL REQUIREMENTS, FOR NOT MORE**
 25 **THAN:**

26 **(I) FOR STANDARD LICENSES:**

- 27 1. **25 GROWER LICENSES;**
- 28 2. **25 PROCESSOR LICENSES; AND**
- 29 3. **120 DISPENSARY LICENSES;**

30 **(II) FOR MICRO LICENSES:**

- 31 1. **70 GROWER LICENSES; AND**
- 32 2. **70 PROCESSOR LICENSES; AND**
- 33 3. ~~**125 DISPENSARY LICENSES;**~~

1 (III) 10 INCUBATOR SPACE LICENSES; AND

2 (IV) 15 ON-SITE CONSUMPTION LICENSES.

3 ~~(2) THE DIVISION SHALL DETERMINE WHETHER AN APPLICATION~~
 4 ~~MEETS THE MINIMUM QUALIFICATIONS FOR A LOTTERY BASED ON A PASS FAIL~~
 5 ~~BASIS, AS DETERMINED BY THE DIVISION, AFTER EVALUATING:~~

6 ~~(I) A DETAILED OPERATIONAL PLAN FOR THE SAFE, SECURE,~~
 7 ~~AND EFFECTIVE CULTIVATION, MANUFACTURE, OR DISPENSING OF CANNABIS;~~

8 ~~(II) A BUSINESS PLAN DEMONSTRATING A LIKELIHOOD OF~~
 9 ~~SUCCESS AND SUFFICIENT BUSINESS ABILITY AND EXPERIENCE ON THE PART OF~~
 10 ~~THE APPLICANT, AND PROVIDING FOR APPROPRIATE EMPLOYEE WORKING~~
 11 ~~CONDITIONS;~~

12 ~~(III) A DETAILED DIVERSITY PLAN; AND~~

13 ~~(IV) REMEDIAL MEASURES ESTABLISHED IN ACCORDANCE~~
 14 ~~WITH A DISPARITY STUDY.~~

15 (2) IF THE ADMINISTRATION, IN CONSULTATION WITH THE
 16 CERTIFICATION AGENCY DESIGNATED BY THE BOARD OF PUBLIC WORKS UNDER §
 17 14-303(B) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE
 18 GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, THE
 19 GENERAL ASSEMBLY, AND THE OFFICE OF THE ATTORNEY GENERAL, DETERMINES
 20 THAT A LOTTERY SYSTEM EMPLOYING REMEDIAL MEASURES ESTABLISHED IN
 21 ACCORDANCE WITH A DISPARITY STUDY CAN BE CONDUCTED CONSISTENT WITH
 22 CONSTITUTIONAL REQUIREMENTS, THE ADMINISTRATION SHALL AWARD LICENSES
 23 UNDER PARAGRAPH (1) OF THIS SUBSECTION THROUGH A LOTTERY PROCESS THAT
 24 EMPLOYS REMEDIAL MEASURES.

25 ~~(F)~~ (G) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS
 26 SUBSECTION, IF THE ADMINISTRATION, IN CONSULTATION WITH THE
 27 CERTIFICATION AGENCY DESIGNATED BY THE BOARD OF PUBLIC WORKS UNDER §
 28 14-303(B) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE
 29 GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, THE
 30 GENERAL ASSEMBLY, AND THE OFFICE OF THE ATTORNEY GENERAL, DETERMINES
 31 THAT THE APPLICANTS AWARDED A LICENSE UNDER SUBSECTION (D) OF THIS
 32 SECTION ARE DIVERSE REGARDLESS OF THE RESULTS OF A DISPARITY STUDY DOES
 33 NOT DEMONSTRATE A STRONG BASIS IN EVIDENCE OF BUSINESS DISCRIMINATION
 34 AGAINST FIRMS OWNED BY MINORITIES AND WOMEN IN THE MARYLAND CANNABIS
 35 MARKET, THE DIVISION ADMINISTRATION SHALL ENTER EACH APPLICANT THAT

1 MEETS THE MINIMUM QUALIFICATIONS ESTABLISHED BY THE ~~DIVISION~~
2 ADMINISTRATION INTO A LOTTERY AND ISSUE TO THE APPLICANTS NOT MORE
3 THAN:

4 (I) FOR STANDARD LICENSES:

- 5 1. 25 GROWER LICENSES;
- 6 2. 25 PROCESSOR LICENSES; AND
- 7 3. 120 DISPENSARY LICENSES;

8 (II) FOR MICRO LICENSES:

- 9 1. 70 GROWER LICENSES; AND
- 10 2. 70 PROCESSOR LICENSES; ~~AND~~
- 11 ~~3. 125 DISPENSARY LICENSES;~~

12 (III) 10 INCUBATOR SPACE LICENSES; AND

13 (IV) 15 ON-SITE CONSUMPTION LICENSES.

14 (2) THE ~~DIVISION~~ ADMINISTRATION SHALL DETERMINE WHETHER
15 AN APPLICATION MEETS THE MINIMUM QUALIFICATIONS FOR A LOTTERY BASED ON
16 A PASS-FAIL BASIS, AS DETERMINED BY THE ~~DIVISION~~ ADMINISTRATION, AFTER
17 EVALUATING:

18 (I) A DETAILED OPERATIONAL PLAN FOR THE SAFE, SECURE,
19 AND EFFECTIVE CULTIVATION, MANUFACTURE, OR DISPENSING OF CANNABIS;

20 (II) A BUSINESS PLAN DEMONSTRATING A LIKELIHOOD OF
21 SUCCESS AND SUFFICIENT BUSINESS ABILITY AND EXPERIENCE ON THE PART OF
22 THE APPLICANT, AND PROVIDING FOR APPROPRIATE EMPLOYEE WORKING
23 CONDITIONS;

24 (III) A DETAILED DIVERSITY PLAN; AND

25 (IV) FOR ALL LICENSE TYPES EXCEPT MICRO LICENSES,
26 WHETHER OR NOT THE APPLICANT QUALIFIES AS A SOCIAL EQUITY APPLICANT.

27 (3) ~~SECOND-ROUND APPLICATION~~ APPLICATION SUBMISSIONS FOR
28 MICRO LICENSES UNDER THIS SUBSECTION ARE LIMITED TO SOCIAL EQUITY
29 APPLICANTS.

1 ~~(G)~~ (H) (1) FOR CANNABIS LICENSE AWARDS SUBSEQUENT TO THE
2 ROUND SPECIFIED UNDER ~~PARAGRAPH (2)~~ SUBSECTION (F) OR (G) OF THIS
3 ~~SUBSECTION~~ SECTION, THE ~~DIVISION~~ ADMINISTRATION SHALL AWARD LICENSES IN
4 ACCORDANCE WITH THIS SUBSECTION.

5 (2) THE ADMINISTRATION SHALL AWARD LICENSES AS NEEDED IN
6 ACCORDANCE WITH A MARKET DEMAND STUDY.

7 ~~(2)~~ (3) THE ~~DIVISION~~ ADMINISTRATION MAY:

8 (I) ~~SHALL DETERMINE WHETHER AN APPLICATION MEETS THE~~
9 ~~MINIMUM QUALIFICATIONS FOR A LOTTERY BASED ON FACTORS THAT IT DEVELOPS;~~
10 ~~AND~~

11 ~~(H) MAY LIMIT SOME OR ALL OF THE LICENSES ISSUED UNDER~~
12 ~~THIS PARAGRAPH TO SOCIAL EQUITY APPLICANTS OR MINORITY BUSINESS~~
13 ~~APPLICANTS, IF DOING SO IS NEEDED TO ENSURE DIVERSITY AND INCLUSION IN THE~~
14 ~~INDUSTRY, AS WARRANTED BY THE DISPARITY STUDY; AND~~

15 (II) EMPLOY REMEDIAL MEASURES, CONSISTENT WITH
16 CONSTITUTIONAL REQUIREMENTS, IF THE ADMINISTRATION, IN CONSULTATION
17 WITH THE CERTIFICATION AGENCY DESIGNATED BY THE BOARD OF PUBLIC WORKS
18 UNDER § 14-303(B) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE
19 GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, THE
20 GENERAL ASSEMBLY, AND THE OFFICE OF THE ATTORNEY GENERAL, DETERMINES
21 THAT A DISPARITY STUDY DEMONSTRATES A STRONG BASIS IN EVIDENCE OF
22 BUSINESS DISCRIMINATION AGAINST FIRMS OWNED BY MINORITIES AND WOMEN IN
23 THE MARYLAND CANNABIS MARKET.

24 (I) (1) TO THE EXTENT PRACTICABLE AND AUTHORIZED BY THE U.S.
25 CONSTITUTION, A CANNABIS LICENSEE SHALL COMPLY WITH THE STATE'S
26 MINORITY BUSINESS ENTERPRISE PROGRAM.

27 (2) THE ADMINISTRATION, IN CONSULTATION WITH THE
28 CERTIFICATION AGENCY DESIGNATED BY THE BOARD OF PUBLIC WORKS UNDER §
29 14-303(B) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE
30 GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, THE
31 GENERAL ASSEMBLY, AND THE OFFICE OF THE ATTORNEY GENERAL, SHALL
32 REVIEW THE DISPARITY STUDY REQUIRED BY CHAPTER 26 OF THE ACTS OF 2022 TO
33 EVALUATE WHETHER APPLICATION OF THE STATE'S MINORITY BUSINESS
34 ENTERPRISE PROGRAM TO CANNABIS LICENSES WOULD COMPLY WITH THE CITY OF
35 RICHMOND V. J.A. CROSON CO., 488 U.S. 469, AND ANY SUBSEQUENT FEDERAL OR
36 CONSTITUTIONAL REQUIREMENTS.

1 **(3) ON OR BEFORE 6 MONTHS AFTER THE ISSUANCE OF A CANNABIS**
 2 **LICENSE UNDER § 36-401 OF THE ALCOHOLIC BEVERAGES AND CANNABIS**
 3 **ARTICLE, THE GOVERNOR’S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS**
 4 **AFFAIRS, IN CONSULTATION WITH THE OFFICE OF THE ATTORNEY GENERAL AND**
 5 **THE OFFICE OF SOCIAL EQUITY WITHIN THE ALCOHOL, TOBACCO, AND CANNABIS**
 6 **COMMISSION AND THE CANNABIS LICENSEE, SHALL ESTABLISH A CLEAR PLAN FOR**
 7 **SETTING REASONABLE AND APPROPRIATE MINORITY BUSINESS ENTERPRISE**
 8 **PARTICIPATION GOALS AND PROCEDURES FOR THE PROCUREMENT OF GOODS AND**
 9 **SERVICES RELATED TO CANNABIS, INCLUDING THE CULTIVATION,**
 10 **MANUFACTURING, AND DISPENSING OF CANNABIS.**

11 **(4) TO THE EXTENT PRACTICABLE, THE GOALS AND PROCEDURES**
 12 **SPECIFIED IN PARAGRAPH (3) OF THIS SUBSECTION SHALL BE BASED ON THE**
 13 **REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND**
 14 **PROCUREMENT ARTICLE AND THE REGULATIONS IMPLEMENTING THAT SUBTITLE.**

15 **36-405.**

16 **(A) ~~A LOCAL JURISDICTION~~ POLITICAL SUBDIVISION MAY:**

17 **(1) ESTABLISH REASONABLE ZONING REQUIREMENTS FOR CANNABIS**
 18 **BUSINESSES; AND**

19 **(2) DECIDE HOW TO DISTRIBUTE ITS ALLOCATION OF REVENUE**
 20 **UNDER § 2-1302.2 OF THE TAX – GENERAL ARTICLE.**

21 **(B) ~~A LOCAL JURISDICTION~~ POLITICAL SUBDIVISION MAY NOT:**

22 **~~(1) IMPOSE A TAX ON CANNABIS;~~**

23 **~~(2)~~ (1) ESTABLISH ZONING OR OTHER REQUIREMENTS THAT**
 24 **UNDULY BURDEN A CANNABIS LICENSEE;**

25 **~~(3)~~ (2) IMPOSE LICENSING, OPERATING, OR OTHER FEES OR**
 26 **REQUIREMENTS ON A CANNABIS LICENSEE THAT ARE DISPROPORTIONATELY**
 27 **GREATER OR MORE BURDENSOME THAN THOSE IMPOSED ON OTHER BUSINESSES**
 28 **WITH A SIMILAR IMPACT ON THE AREA WHERE THE CANNABIS LICENSEE IS**
 29 **LOCATED;**

30 **(3) PROHIBIT TRANSPORTATION THROUGH OR DELIVERIES WITHIN**
 31 **THE ~~LOCAL JURISDICTION~~ POLITICAL SUBDIVISION BY CANNABIS ~~ESTABLISHMENTS~~**
 32 **BUSINESSES LOCATED IN OTHER ~~JURISDICTIONS~~ POLITICAL SUBDIVISIONS;**

1 (4) PREVENT AN ENTITY WHOSE LICENSE MAY BE CONVERTED UNDER
2 § 36-401(B)(1)(II) OF THIS SUBTITLE AND THAT IS IN COMPLIANCE WITH ALL
3 RELEVANT MEDICAL CANNABIS REGULATIONS FROM BEING GRANTED THE LICENSE
4 CONVERSION; OR

5 (5) NEGOTIATE OR ENTER INTO AN AGREEMENT WITH A CANNABIS
6 ESTABLISHMENT OR A CANNABIS ESTABLISHMENT APPLICANT REQUIRING THAT
7 THE CANNABIS ESTABLISHMENT OR APPLICANT PROVIDE MONEY, DONATIONS,
8 IN-KIND CONTRIBUTIONS, SERVICES, OR ANYTHING OF VALUE TO THE ~~LOCAL~~
9 JURISDICTION POLITICAL SUBDIVISION.

10 (C) THE USE OF A FACILITY BY A CANNABIS LICENSEE IS NOT REQUIRED TO
11 BE SUBMITTED TO, OR APPROVED BY, A COUNTY OR MUNICIPAL ZONING BOARD,
12 AUTHORITY, OR UNIT IF IT WAS PROPERLY ZONED AND OPERATING ON OR BEFORE
13 JANUARY 1, 2023.

14 (D) A POLITICAL SUBDIVISION OR SPECIAL TAXING DISTRICT MAY NOT
15 IMPOSE A TAX ON CANNABIS.

16 36-406.

17 (A) THE ~~DIVISION~~ ADMINISTRATION MAY ISSUE INCUBATOR SPACE
18 LICENSES AUTHORIZING ~~AN~~ A NONPROFIT ENTITY TO OPERATE A LICENSED
19 PREMISES IN WHICH MICRO LICENSEES MAY OPERATE A CANNABIS BUSINESS.

20 (B) SUBJECT TO SUBSECTION ~~(C)~~ (D) OF THIS SECTION, THE MARYLAND
21 ECONOMIC DEVELOPMENT CORPORATION, IN CONSULTATION WITH THE ~~DIVISION~~
22 ADMINISTRATION, SHALL ACQUIRE AND CONSTRUCT OR REFURBISH AT LEAST ONE
23 FACILITY TO OPERATE AN INCUBATOR SPACE.

24 (C) AFTER THE COMPLETION OF THE CONSTRUCTION OR REFURBISHMENT
25 OF A FACILITY ACQUIRED UNDER SUBSECTION (B) OF THIS SECTION, OWNERSHIP OF
26 THE FACILITY SHALL BE TRANSFERRED TO THE DEPARTMENT OF GENERAL
27 SERVICES.

28 ~~(C) (D) THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION MAY~~
29 ~~ENTER INTO A MEMORANDUM OF UNDERSTANDING~~ DEPARTMENT OF GENERAL
30 SERVICES SHALL CONTRACT WITH A NONPROFIT ORGANIZATION TO OPERATE A
31 FACILITY UNDER SUBSECTION (B) OF THIS SECTION ~~IF THE DIVISION AND THE~~
32 ~~CORPORATION PROVIDE OVERSIGHT OF THE FACILITY.~~

33 (E) AN INCUBATOR SPACE LICENSEE MAY PURCHASE EQUIPMENT TO BE
34 USED BY OTHER INCUBATOR SPACE LICENSEES IN THE SAME INCUBATOR SPACE.

1 ~~(D)~~ (F) **THE ~~DIVISION~~ ADMINISTRATION SHALL ADOPT REGULATIONS TO**
2 **ESTABLISH A MARYLAND INCUBATOR PROGRAM BASED ON THE BEST PRACTICES IN**
3 **OTHER STATES.**

4 **36-407.**

5 (A) (1) **A PERSON SHALL OBTAIN AN ON-SITE CONSUMPTION LICENSE**
6 **FROM THE ADMINISTRATION BEFORE OPERATING A PREMISES WHERE CANNABIS**
7 **MAY BE CONSUMED.**

8 (2) **THE ~~DIVISION~~ ADMINISTRATION MAY ISSUE ON-SITE**
9 **CONSUMPTION LICENSES AUTHORIZING AN ENTITY TO OPERATE A LICENSED**
10 **PREMISES IN WHICH CANNABIS MAY BE CONSUMED, BUT NOT SMOKED, IN**
11 **ACCORDANCE WITH THIS TITLE AND ANY REGULATIONS ADOPTED UNDER THIS**
12 **TITLE.**

13 ~~(2)~~ (3) **AN ON-SITE CONSUMPTION ESTABLISHMENT MAY OPERATE**
14 **ONLY IF THE COUNTY AND, IF APPLICABLE, THE MUNICIPALITY, WHERE THE**
15 **BUSINESS IS LOCATED HAVE ISSUED A PERMIT OR LICENSE THAT EXPRESSLY**
16 **ALLOWS THE OPERATION OF THE ON-SITE CONSUMPTION ESTABLISHMENT.**

17 (B) **SUBJECT TO THE LIMITATIONS IN § 36-405 OF THIS SUBTITLE, A**
18 **COUNTY AND, IF APPLICABLE, A MUNICIPALITY MAY:**

19 (1) **PROHIBIT THE OPERATION OF ON-SITE CONSUMPTION**
20 **ESTABLISHMENTS;**

21 (2) **PROHIBIT OR RESTRICT THE ~~SMOKING OR~~ VAPING OF CANNABIS**
22 **AT ON-SITE CONSUMPTION ESTABLISHMENTS; OR**

23 (3) **ADOPT ZONING AND PLANNING REQUIREMENTS FOR ON-SITE**
24 **CONSUMPTION ESTABLISHMENTS.**

25 (C) (1) **AN ON-SITE CONSUMPTION LICENSE AUTHORIZES AN ENTITY TO**
26 **DISTRIBUTE CANNABIS OR CANNABIS PRODUCTS FOR ON-SITE CONSUMPTION.**

27 (2) **AN ON-SITE CONSUMPTION LICENSE DOES NOT AUTHORIZE THE**
28 **HOLDER OF THE LICENSE TO:**

29 (I) **CULTIVATE CANNABIS;**

30 (II) **PROCESS CANNABIS OR CANNABIS-INFUSED PRODUCTS; OR**

1 (III) ADD CANNABIS TO FOOD PREPARED OR SERVED ON THE
2 PREMISES.

3 (D) ~~A FOOD SERVICE FACILITY, AS DEFINED IN § 21-301 OF THE HEALTH~~
4 ~~GENERAL ARTICLE, MAY APPLY FOR A LICENSE TO OPERATE AN ON-SITE~~
5 ~~CONSUMPTION ESTABLISHMENT.~~

6 ~~(E)~~ THE ~~DIVISION~~ ADMINISTRATION SHALL:

7 (1) MAINTAIN A LIST OF ALL ON-SITE CONSUMPTION
8 ESTABLISHMENTS IN THE STATE; AND

9 (2) MAKE THE LIST AVAILABLE ON ITS WEBSITE.

10 ~~(F)~~ (E) AN ON-SITE CONSUMPTION ESTABLISHMENT MAY NOT:

11 (1) ALLOW ON-DUTY EMPLOYEES OF THE BUSINESS TO CONSUME
12 CANNABIS ON THE LICENSED PREMISES;

13 (2) DISTRIBUTE OR ALLOW THE DISTRIBUTION OF FREE SAMPLES OF
14 CANNABIS ON THE LICENSED PREMISES;

15 (3) ALLOW THE CONSUMPTION OF ALCOHOL ON THE LICENSED
16 PREMISES;

17 (4) ALLOW THE SMOKING OR VAPING OF TOBACCO OR TOBACCO
18 PRODUCTS ON THE LICENSED PREMISES;

19 (5) ALLOW AN ACTIVITY ON THE LICENSED PREMISES THAT WOULD
20 REQUIRE AN ADDITIONAL LICENSE UNDER THIS TITLE, INCLUDING GROWING,
21 PROCESSING, OR DISPENSING;

22 (6) ALLOW THE SMOKING OF CANNABIS OR CANNABIS PRODUCTS ON
23 THE LICENSED PREMISES;

24 (7) ALLOW THE USE OR CONSUMPTION OF CANNABIS BY A PATRON
25 WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION; OR

26 ~~(7)~~ (8) ADMIT ONTO THE LICENSED PREMISES AN INDIVIDUAL WHO
27 IS UNDER THE AGE OF 21 YEARS.

28 ~~(G)~~ (F) AN ON-SITE CONSUMPTION ESTABLISHMENT SHALL:

1 (1) REQUIRE ALL EMPLOYEES TO SUCCESSFULLY COMPLETE AN
2 ANNUAL RESPONSIBLE VENDOR TRAINING PROGRAM AUTHORIZED UNDER THIS
3 TITLE; AND

4 (2) ENSURE THAT THE DISPLAY AND CONSUMPTION OF CANNABIS OR
5 CANNABIS PRODUCTS ARE NOT VISIBLE FROM OUTSIDE OF THE LICENSED
6 PREMISES.

7 ~~(H)~~ (G) (1) AN ON-SITE CANNABIS ESTABLISHMENT SHALL EDUCATE
8 CONSUMERS BY PROVIDING INFORMATIONAL MATERIALS REGARDING THE SAFE
9 CONSUMPTION OF CANNABIS.

10 (2) THE EDUCATIONAL MATERIALS PROVIDED UNDER PARAGRAPH
11 (1) OF THIS SUBSECTION MUST BE BASED ON THE REQUIREMENTS ESTABLISHED BY
12 THE CANNABIS PUBLIC HEALTH ADVISORY COUNCIL ESTABLISHED UNDER §
13 13-4502 OF THE HEALTH – GENERAL ARTICLE.

14 ~~(H)~~ (H) THIS SECTION DOES NOT PROHIBIT A COUNTY OR MUNICIPALITY
15 FROM ADOPTING ADDITIONAL REQUIREMENTS FOR EDUCATION ON THE SAFE
16 CONSUMPTION OF CANNABIS ON THE PREMISES OF A LICENSED ON-SITE
17 CONSUMPTION ESTABLISHMENT.

18 ~~(I)~~ (I) A PERSON MAY HAVE AN OWNERSHIP INTEREST IN OR CONTROL OF,
19 INCLUDING THE POWER TO MANAGE AND OPERATE, TWO ON-SITE CONSUMPTION
20 ESTABLISHMENTS LICENSED UNDER THIS SECTION.

21 36-408.

22 (A) (1) THE ~~DIVISION~~ ADMINISTRATION SHALL REGISTER AT LEAST ONE
23 INDEPENDENT TESTING LABORATORY TO TEST CANNABIS AND CANNABIS PRODUCTS
24 THAT ARE TO BE SOLD IN THE STATE.

25 (2) THE ~~DIVISION~~ ADMINISTRATION SHALL HOLD MEDICAL AND
26 ADULT-USE CANNABIS TESTING TO THE SAME STANDARDS.

27 (B) TO BE REGISTERED AS AN INDEPENDENT TESTING LABORATORY, A
28 LABORATORY MUST:

29 (1) MEET THE APPLICATION REQUIREMENTS ESTABLISHED BY THE
30 ~~DIVISION~~ ADMINISTRATION;

31 (2) PAY AN APPLICATION FEE DETERMINED BY THE ~~DIVISION~~
32 ADMINISTRATION; AND

1 **(3) MEET THE STANDARDS AND REQUIREMENTS FOR**
2 **ACCREDITATION, INSPECTION, AND TESTING ESTABLISHED BY THE ~~DIVISION~~**
3 **ADMINISTRATION.**

4 **(C) (1) AN INDEPENDENT TESTING LABORATORY LICENSE IS VALID FOR**
5 **2 YEARS ON INITIAL LICENSURE.**

6 **(2) AN INDEPENDENT TESTING LABORATORY LICENSE IS VALID FOR**
7 **2 YEARS ON RENEWAL.**

8 **(D) A REGISTERED INDEPENDENT TESTING LABORATORY IS AUTHORIZED**
9 **TO TEST AND TRANSPORT CANNABIS AND CANNABIS PRODUCTS ON BEHALF OF**
10 **CANNABIS LICENSEES.**

11 **(E) (1) A LABORATORY AGENT OR AN EMPLOYEE OF AN INDEPENDENT**
12 **TESTING LABORATORY MAY NOT RECEIVE DIRECT OR INDIRECT FINANCIAL**
13 **COMPENSATION, OTHER THAN REASONABLE CONTRACTUAL FEES TO CONDUCT**
14 **TESTING, FROM ANY ENTITY FOR WHICH IT IS CONDUCTING TESTING UNDER THIS**
15 **TITLE.**

16 **(2) AN INDIVIDUAL WHO POSSESSES AN INTEREST IN OR IS A**
17 **LABORATORY AGENT EMPLOYED BY AN INDEPENDENT TESTING LABORATORY, OR**
18 **AN IMMEDIATE FAMILY MEMBER OF THE INDIVIDUAL, MAY NOT POSSESS AN**
19 **INTEREST IN OR BE EMPLOYED BY A CANNABIS LICENSEE.**

20 **(F) CANNABIS AND CANNABIS PRODUCTS MAY NOT BE SOLD OR OTHERWISE**
21 **MARKETED UNDER THIS TITLE IF THE CANNABIS OR CANNABIS PRODUCT HAS NOT**
22 **BEEN TESTED BY AN INDEPENDENT TESTING LABORATORY AND DETERMINED TO**
23 **MEET THE ~~DIVISION'S~~ ADMINISTRATION'S TESTING PROTOCOLS.**

24 **(G) THE ~~DIVISION~~ ADMINISTRATION SHALL ADOPT REGULATIONS THAT**
25 **ESTABLISH:**

26 **(1) THE STANDARDS AND REQUIREMENTS TO BE MET BY AN**
27 **INDEPENDENT TESTING LABORATORY TO OBTAIN A REGISTRATION;**

28 **(2) THE STANDARDS OF CARE TO BE FOLLOWED BY AN INDEPENDENT**
29 **TESTING LABORATORY; AND**

30 **(3) THE BASIS AND PROCESSES FOR DENIAL, REVOCATION, AND**
31 **SUSPENSION OF A REGISTRATION OF AN INDEPENDENT TESTING LABORATORY.**

1 (H) ~~THE DIVISION~~ ADMINISTRATION MAY INSPECT AN INDEPENDENT
2 TESTING LABORATORY REGISTERED UNDER THIS SECTION TO ENSURE COMPLIANCE
3 WITH THIS TITLE AND ANY REGULATIONS ADOPTED UNDER THIS TITLE.

4 (I) (1) ANY REGISTRATION TO OPERATE AN INDEPENDENT TESTING
5 LABORATORY ISSUED BY THE NATALIE M. LAPRADE MEDICAL CANNABIS
6 COMMISSION ON OR BEFORE JULY 1, 2023, SHALL BE VALID UNDER THIS TITLE AND
7 SHALL AUTHORIZE AN INDEPENDENT TESTING LABORATORY TO PERFORM TESTING
8 ON MEDICAL AND ADULT-USE CANNABIS AND CANNABIS PRODUCTS.

9 (2) ~~THE DIVISION~~ ADMINISTRATION SHALL CONVERT ALL
10 INDEPENDENT TESTING LABORATORY REGISTRATIONS IN ACCORDANCE WITH THIS
11 SUBSECTION.

12 36-409.

13 (A) THE FOLLOWING BUSINESSES SHALL REGISTER WITH THE ~~DIVISION~~
14 ADMINISTRATION IN ORDER TO PROVIDE SERVICES TO A CANNABIS LICENSEE:

15 (1) A TRANSPORTER;

16 (2) A SECURITY GUARD AGENCY;

17 (3) A WASTE DISPOSAL COMPANY; AND

18 (4) ANY OTHER TYPE OF CANNABIS BUSINESS THAT IS AUTHORIZED
19 BY THE ~~DIVISION~~ ADMINISTRATION TO PROVIDE PLANT OR PRODUCT-TOUCHING
20 SERVICES TO CANNABIS LICENSEES.

21 (B) ~~THE DIVISION~~ ADMINISTRATION SHALL ADOPT REGULATIONS THAT
22 ESTABLISH:

23 (1) THE STANDARDS AND REQUIREMENTS TO BE MET BY AN ENTITY
24 TO OBTAIN A REGISTRATION UNDER THIS SUBTITLE; AND

25 (2) THE BASIS AND PROCESSES FOR APPROVAL, DENIAL,
26 REVOCATION, AND SUSPENSION OF THE CANNABIS REGISTRATION.

27 (C) A REGISTRATION TO OPERATE A TRANSPORTER, SECURITY GUARD
28 AGENCY, OR WASTE DISPOSAL COMPANY ISSUED BY THE ~~DIVISION~~ NATALIE M.
29 LAPRADE MEDICAL CANNABIS COMMISSION ON OR BEFORE JULY 1, 2023, SHALL
30 BE VALID UNDER THIS TITLE AND AUTHORIZE A TRANSPORTER, SECURITY GUARD
31 AGENCY, OR WASTE DISPOSAL COMPANY TO HANDLE MEDICAL AND ADULT-USE
32 CANNABIS AND CANNABIS PRODUCTS.

1 36-410.

2 (A) BEGINNING JULY 1, 2023, A CANNABIS LICENSEE THAT IS OPERATING A
3 DISPENSARY SHALL:

4 (1) ENSURE THAT IT HAS ADEQUATE SUPPLY FOR QUALIFYING
5 PATIENTS AND CAREGIVERS; ~~AND~~

6 (2) SET ASIDE OPERATING HOURS TO SERVE ONLY QUALIFYING
7 PATIENTS AND CAREGIVERS; AND

8 (3) ENSURE THAT SHELF SPACE IN THE DISPENSARY IS AVAILABLE
9 FOR CANNABIS AND CANNABIS PRODUCTS FROM GROWERS AND PROCESSORS THAT
10 DO NOT SHARE COMMON OWNERSHIP WITH THE DISPENSARY.

11 (B) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A
12 LICENSED DISPENSARY MAY NOT LOCATE WITHIN:

13 (1) 500 FEET OF:

14 (I) A PRE-EXISTING PRIMARY OR SECONDARY SCHOOL IN THE
15 STATE, OR A LICENSED CHILD CARE CENTER OR REGISTERED FAMILY CHILD CARE
16 HOME UNDER TITLE 9.5 OF THE EDUCATION ARTICLE; OR

17 (II) A PLAYGROUND, RECREATION CENTER, LIBRARY, OR
18 PUBLIC PARK; OR

19 (2) 1,000 FEET OF ANOTHER DISPENSARY UNDER THIS TITLE.

20 (C) A POLITICAL SUBDIVISION MAY ADOPT AN ORDINANCE REDUCING THE
21 DISTANCE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION.

22 (D) THE DISTANCE REQUIREMENTS UNDER SUBSECTION (B) OF THIS
23 SECTION DO NOT APPLY TO A DISPENSARY LICENSE THAT WAS:

24 (1) CONVERTED UNDER § 36-401(B)(1)(II) OF THIS SUBTITLE; AND

25 (2) PROPERLY ZONED AND OPERATING BEFORE JULY 1, 2023.

26 SUBTITLE 5. AGENT, OWNER, AND LICENSE TRANSFER REQUIREMENTS.

27 36-501.

1 (A) ~~EACH~~ A CANNABIS AGENT SHALL BE REGISTERED WITH THE ~~DIVISION~~
2 ADMINISTRATION BEFORE THE AGENT MAY VOLUNTEER OR WORK FOR A CANNABIS
3 LICENSEE OR CANNABIS REGISTRANT.

4 (B) A CANNABIS AGENT REGISTRATION IS VALID FOR 2 YEARS.

5 (C) ~~TO BE ELIGIBLE TO REGISTER AS A CANNABIS AGENT WITH THE~~
6 DIVISION ADMINISTRATION, A CANNABIS AGENT AN INDIVIDUAL MUST:

7 (1) BE AT LEAST 21 YEARS OLD; AND

8 (2) IF THE RECORDS ARE LEGALLY ACCESSIBLE, OBTAIN A STATE AND
9 NATIONAL CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 36-505 OF
10 THIS SUBTITLE.

11 (D) ~~THE DIVISION~~ ADMINISTRATION MAY NOT REGISTER AS A CANNABIS
12 AGENT AN INDIVIDUAL WHO:

13 (1) DOES NOT MEET THE CRITERIA ESTABLISHED UNDER
14 SUBSECTION (C) OF THIS SECTION; OR

15 (2) HAS BEEN CONVICTED OF OR PLEADED NOLO CONTENDERE TO A
16 CRIME INVOLVING MORAL TURPITUDE, WHETHER OR NOT ANY APPEAL OR OTHER
17 PROCEEDING IS PENDING TO HAVE THE CONVICTION OR PLEA SET ASIDE.

18 (E) ~~THE DIVISION~~ ADMINISTRATION MAY NOT DENY A CANNABIS AGENT
19 REGISTRATION BASED ON ANY CANNABIS-RELATED OFFENSES OCCURRING BEFORE
20 ~~JANUARY~~ JULY 1, 2023.

21 (F) A CANNABIS LICENSEE SHALL REQUIRE EACH REGISTERED CANNABIS
22 AGENT TO COMPLETE AN ANNUAL RESPONSIBLE VENDOR TRAINING PROGRAM
23 AUTHORIZED UNDER THIS TITLE.

24 (G) A REGISTRATION OF A CANNABIS AGENT ISSUED BY THE NATALIE M.
25 LAPRADE MEDICAL CANNABIS COMMISSION ON OR BEFORE JULY 1, 2023, SHALL:

26 (1) BE VALID UNDER THIS TITLE; AND

27 (2) AUTHORIZE THE CANNABIS AGENT TO BE EMPLOYED BY OR
28 VOLUNTEER WITH A LICENSED CANNABIS BUSINESS.

29 36-502.

1 (A) ~~AN INDIVIDUAL~~ A PERSON WISHING TO HOLD AN OWNERSHIP INTEREST
2 OF 5% OR GREATER IN, OR CONTROL OF, A CANNABIS LICENSEE SHALL SUBMIT TO
3 THE ~~DIVISION~~ ADMINISTRATION:

4 (1) AN APPLICATION THAT INCLUDES THE NAME, ADDRESS, AND DATE
5 OF BIRTH OF THE APPLICANT;

6 (2) A STATEMENT SIGNED BY THE APPLICANT ASSERTING THAT THE
7 APPLICANT HAS NOT PREVIOUSLY HAD A CANNABIS LICENSE OR CANNABIS
8 REGISTRATION SUSPENDED OR REVOKED;

9 (3) A STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK IN
10 ACCORDANCE WITH § 36-505 OF THIS SUBTITLE;

11 (4) ANY INFORMATION REQUIRED BY THE ~~DIVISION~~
12 ADMINISTRATION TO COMPLETE AN INVESTIGATION INTO THE BACKGROUND OF
13 THE APPLICANT, INCLUDING FINANCIAL RECORDS AND OTHER INFORMATION
14 RELATING TO THE BUSINESS AFFAIRS OF THE APPLICANT; AND

15 (5) AN APPLICATION FEE IN AN AMOUNT TO BE DETERMINED BY THE
16 ~~DIVISION~~ ADMINISTRATION IN ACCORDANCE WITH THIS SUBTITLE.

17 (B) THE ~~DIVISION~~ ADMINISTRATION MAY DENY AN APPLICATION IF:

18 (1) THE APPLICANT:

19 (I) FAILS TO SUBMIT THE INFORMATION REQUIRED UNDER
20 SUBSECTION (A) OF THIS SECTION; OR

21 (II) HAS BEEN CONVICTED OF OR PLEADED NOLO CONTENDERE
22 TO A CRIME INVOLVING MORAL TURPITUDE, WHETHER OR NOT ANY APPEAL OR
23 OTHER PROCEEDING IS PENDING TO HAVE THE CONVICTION OR PLEA SET ASIDE; OR

24 (2) THE ~~DIVISION~~ ADMINISTRATION FINDS A SUBSTANTIAL REASON
25 TO DENY THE REGISTRATION.

26 **36-503.**

27 (A) A CANNABIS LICENSE GRANTED UNDER THIS TITLE IS NOT
28 TRANSFERABLE EXCEPT AS PROVIDED IN THIS SECTION.

29 (B) TO TRANSFER OWNERSHIP OR CONTROL OF A LICENSE ISSUED UNDER
30 THIS TITLE, A LICENSEE:

1 (1) SHALL SUBMIT TO THE ~~DIVISION~~ ADMINISTRATION:

2 (I) AN APPLICATION FEE IN AN AMOUNT TO BE DETERMINED BY
3 THE ~~DIVISION~~ ADMINISTRATION IN ACCORDANCE WITH THIS SUBTITLE; AND

4 (II) AN APPLICATION DEVELOPED BY THE ~~DIVISION~~
5 ADMINISTRATION; AND

6 (2) MUST MEET THE REQUIREMENTS FOR TRANSFER OF OWNERSHIP
7 OR CONTROL ESTABLISHED BY THE ~~DIVISION~~ ADMINISTRATION UNDER THIS TITLE.

8 (C) (1) A CANNABIS LICENSEE, INCLUDING A CANNABIS LICENSEE WHOSE
9 LICENSE WAS CONVERTED IN ACCORDANCE WITH § 36-401 OF THIS TITLE, MAY NOT
10 TRANSFER OWNERSHIP OR CONTROL OF THE LICENSE FOR A PERIOD OF AT LEAST 5
11 YEARS FOLLOWING LICENSURE.

12 (2) THE 5-YEAR PERIOD SPECIFIED IN PARAGRAPH (1) OF THIS
13 SUBSECTION DOES NOT INCLUDE THE TIME PERIOD THAT A BUSINESS IS
14 CONSIDERED BY THE ~~DIVISION~~ ADMINISTRATION TO BE IN A PREAPPROVED
15 LICENSURE STATUS.

16 (3) THE LIMITATIONS UNDER THIS SUBSECTION DO NOT APPLY TO
17 TRANSFERS AS A RESULT OF THE DISABILITY, INCAPACITY, OR DEATH OF THE
18 OWNER OF A CANNABIS LICENSE, THE BANKRUPTCY OF A CANNABIS LICENSEE, OR
19 COURT ORDER.

20 (4) THE LIMITATIONS UNDER THIS SUBSECTION DO NOT APPLY TO A
21 TRANSFER OF OWNERSHIP THAT IS THE SUBJECT OF A LEGALLY BINDING
22 SETTLEMENT AGREEMENT RESULTING FROM LITIGATION COMMENCED ON OR
23 BEFORE JANUARY 1, 2023.

24 **36-504.**

25 (A) (1) IN THIS SECTION, "OWNER" INCLUDES ANY TYPE OF OWNER OR
26 BENEFICIARY OF A BUSINESS ENTITY, INCLUDING A PRINCIPAL OFFICER, A
27 DIRECTOR, A PRINCIPAL EMPLOYEE, A PARTNER, AN INVESTOR, ~~A STOCKHOLDER,~~
28 OR A BENEFICIAL OWNER OF THE BUSINESS ENTITY AND, NOTWITHSTANDING ANY
29 OTHER PROVISION OF THIS SUBTITLE, A PERSON HAVING ANY OWNERSHIP
30 INTEREST REGARDLESS OF THE PERCENTAGE OF OWNERSHIP INTEREST.

31 (2) "OWNER" DOES NOT INCLUDE A STOCKHOLDER.

32 (B) THE PROVISIONS IN THIS SECTION ARE IN ADDITION TO THE CONFLICT
33 OF INTEREST PROVISIONS IN TITLE 5 OF THE GENERAL PROVISIONS ARTICLE.

1 ~~(B)~~ (C) EXCEPT AS PROVIDED IN SUBSECTION ~~(C)~~ (D) OF THIS SECTION, A
2 CONSTITUTIONAL OFFICER OR A SECRETARY OF A PRINCIPAL DEPARTMENT OF THE
3 EXECUTIVE BRANCH OF THE STATE GOVERNMENT MAY NOT:

4 (1) BE AN OWNER OR AN EMPLOYEE OF A BUSINESS ENTITY THAT
5 HOLDS A LICENSE OR REGISTRATION UNDER THIS TITLE; OR

6 (2) HAVE AN OFFICIAL RELATIONSHIP WITH A BUSINESS ENTITY THAT
7 HOLDS A LICENSE OR REGISTRATION UNDER THIS TITLE.

8 ~~(C)~~ (D) A SUBJECT TO THE PROVISIONS OF TITLE 5 OF THE GENERAL
9 PROVISIONS ARTICLE, CONSTITUTIONAL OFFICER OR A SECRETARY OF A
10 PRINCIPAL DEPARTMENT OF THE EXECUTIVE BRANCH OF THE STATE GOVERNMENT
11 MAY REMAIN AN OWNER OR AN EMPLOYEE OF A BUSINESS ENTITY THAT HOLDS A
12 LICENSE UNDER THIS TITLE IF THE CONSTITUTIONAL OFFICER OR SECRETARY WAS
13 AN OWNER OR EMPLOYEE OF THE BUSINESS ENTITY BEFORE THE CONSTITUTIONAL
14 OFFICER'S ELECTION OR APPOINTMENT OR THE SECRETARY'S APPOINTMENT.

15 ~~(D)~~ (E) A MEMBER OF THE GENERAL ASSEMBLY MAY NOT:

16 (1) BE AN OWNER OR AN EMPLOYEE OF A BUSINESS ENTITY THAT
17 HOLDS A LICENSE OR REGISTRATION UNDER THIS TITLE; OR

18 (2) HAVE AN OFFICIAL RELATIONSHIP WITH A BUSINESS ENTITY THAT
19 HOLDS A LICENSE OR REGISTRATION UNDER THIS TITLE.

20 ~~(E)~~ (F) A FORMER MEMBER OF THE GENERAL ASSEMBLY, FOR THE
21 1-YEAR PERIOD IMMEDIATELY AFTER THE MEMBER LEAVES OFFICE, MAY NOT:

22 (1) BE AN OWNER OR AN EMPLOYEE OF A BUSINESS ENTITY THAT
23 HOLDS A LICENSE OR REGISTRATION UNDER THIS TITLE; OR

24 (2) HAVE AN OFFICIAL RELATIONSHIP WITH A BUSINESS ENTITY THAT
25 HOLDS A LICENSE OR REGISTRATION UNDER THIS TITLE.

26 ~~(F)~~ (G) AN EMPLOYEE OF THE ~~DIVISION~~ ADMINISTRATION MAY NOT:

27 (1) HAVE A DIRECT OR INDIRECT FINANCIAL, OWNERSHIP, OR
28 MANAGEMENT INTEREST, INCLUDING OWNERSHIP OF ANY STOCKS, BONDS, OR
29 OTHER SIMILAR FINANCIAL INSTRUMENTS, IN ANY CANNABIS LICENSEE;

30 (2) HAVE AN OFFICIAL RELATIONSHIP WITH A PERSON WHO HOLDS A
31 LICENSE OR REGISTRATION UNDER THIS TITLE;

1 (3) BE AN ELECTED OFFICIAL OF STATE OR LOCAL GOVERNMENT;

2 (4) RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE RECEIPTS
3 OR PROCEEDS OF A CANNABIS LICENSEE; OR

4 (5) HAVE A BENEFICIAL INTEREST IN A CONTRACT FOR THE
5 MANUFACTURE OR SALE OF CANNABIS OR THE PROVISION OF INDEPENDENT
6 CONSULTING SERVICES IN CONNECTION WITH A CANNABIS LICENSE.

7 **36-505.**

8 (A) IN THIS SECTION, "CENTRAL REPOSITORY" MEANS THE CRIMINAL
9 JUSTICE INFORMATION SYSTEM CENTRAL REPOSITORY IN THE DEPARTMENT OF
10 PUBLIC SAFETY AND CORRECTIONAL SERVICES.

11 (B) AS PART OF AN APPLICATION TO THE CENTRAL REPOSITORY FOR A
12 STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK, AN APPLICANT SHALL
13 SUBMIT TO THE CENTRAL REPOSITORY:

14 (1) TWO COMPLETE SETS OF LEGIBLE FINGERPRINTS TAKEN ON
15 FORMS APPROVED BY THE DIRECTOR OF THE CENTRAL REPOSITORY AND THE
16 DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION;

17 (2) THE FEE AUTHORIZED UNDER § 10-221(B)(7) OF THE CRIMINAL
18 PROCEDURE ARTICLE FOR ACCESS TO STATE CRIMINAL HISTORY RECORDS; AND

19 (3) THE PROCESSING FEE REQUIRED BY THE FEDERAL BUREAU OF
20 INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY RECORDS CHECK.

21 (C) IN ACCORDANCE WITH §§ 10-201 THROUGH 10-228 OF THE CRIMINAL
22 PROCEDURE ARTICLE, THE CENTRAL REPOSITORY SHALL FORWARD TO THE
23 ~~DIVISION~~ ADMINISTRATION AND TO THE APPLICANT THE APPLICANT'S CRIMINAL
24 HISTORY RECORD INFORMATION.

25 (D) IF AN APPLICANT HAS MADE TWO OR MORE UNSUCCESSFUL ATTEMPTS
26 AT SECURING LEGIBLE FINGERPRINTS, THE ~~DIVISION~~ ADMINISTRATION MAY
27 ACCEPT AN ALTERNATE METHOD OF A CRIMINAL HISTORY RECORDS CHECK AS
28 PERMITTED BY THE DIRECTOR OF THE CENTRAL REPOSITORY AND THE DIRECTOR
29 OF THE FEDERAL BUREAU OF INVESTIGATION.

30 (E) INFORMATION OBTAINED FROM THE CENTRAL REPOSITORY UNDER
31 THIS SECTION SHALL BE:

1 (1) CONFIDENTIAL AND MAY NOT BE REDISSEMINATED; AND

2 (2) USED ONLY FOR THE PURPOSE OF REGISTRATION UNDER THIS
3 TITLE.

4 (F) THE SUBJECT OF A CRIMINAL HISTORY RECORDS CHECK UNDER THIS
5 SECTION MAY CONTEST THE CRIMINAL HISTORY RECORD INFORMATION
6 DISSEMINATED BY THE CENTRAL REPOSITORY, AS PROVIDED IN § 10-223 OF THE
7 CRIMINAL PROCEDURE ARTICLE.

8 SUBTITLE 6. MEDICAL CANNABIS COMPASSIONATE USE FUND AND PROGRAM.
9 36-601.

10 (A) IN THIS SECTION, "FUND" MEANS THE MEDICAL CANNABIS
11 COMPASSIONATE USE FUND.

12 (B) THERE IS A MEDICAL CANNABIS COMPASSIONATE USE FUND.

13 ~~(B)~~ (C) (1) THE DIVISION ADMINISTRATION SHALL:

14 (I) ADMINISTER THE ~~COMPASSIONATE USE FUND~~; AND

15 (II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,
16 ESTABLISH FEES IN AN AMOUNT NECESSARY TO PROVIDE REVENUES FOR THE
17 PURPOSES OF THE ~~COMPASSIONATE USE FUND~~.

18 (2) THE DIVISION ADMINISTRATION MAY NOT IMPOSE THE FEES
19 ESTABLISHED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION ON A LICENSED
20 MEDICAL CANNABIS GROWER, PROCESSOR, OR DISPENSARY DURING THE 2-YEAR
21 PERIOD IMMEDIATELY FOLLOWING THE ISSUANCE OF A LICENSE UNDER THIS TITLE.

22 ~~(C)~~ (D) THE PURPOSE OF THE ~~COMPASSIONATE USE FUND~~ IS TO
23 PROVIDE ACCESS TO CANNABIS FOR INDIVIDUALS ENROLLED IN THE MARYLAND
24 MEDICAL ASSISTANCE PROGRAM OR IN THE VETERANS AFFAIRS MARYLAND
25 HEALTH CARE SYSTEM, INCLUDING ACCESS TO, AT A REDUCED COST:

26 (1) AN ASSESSMENT OF THE PATIENT'S MEDICAL HISTORY AND
27 CURRENT MEDICAL CONDITION; AND

28 (2) MEDICAL CANNABIS FROM A LICENSED DISPENSARY.

1 ~~(D)~~ **(E)** **(1)** **THE ~~COMPASSIONATE USE~~ FUND IS A SPECIAL,**
 2 **NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND**
 3 **PROCUREMENT ARTICLE.**

4 **(2)** **THE STATE TREASURER SHALL HOLD THE ~~COMPASSIONATE USE~~**
 5 **FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE**
 6 **~~COMPASSIONATE USE~~ FUND.**

7 ~~**(3)** **THE ~~COMPASSIONATE USE FUND SHALL BE INVESTED AND~~**
 8 **~~REINVESTED IN THE SAME MANNER AS OTHER STATE FUNDS, AND ANY INVESTMENT~~**
 9 **~~EARNINGS SHALL BE RETAINED TO THE CREDIT OF THE ~~COMPASSIONATE USE~~~~**
 10 **~~FUND.~~**~~

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

12 **(1)** **FEES ESTABLISHED UNDER SUBSECTION (C)(1)(II) OF THIS**
 13 **SECTION;**

14 **(2)** **FINES ASSESSED BY THE ADMINISTRATION UNDER THIS TITLE;**

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

16 **(4)** **INTEREST EARNINGS; AND**

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

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

21 **(2)** **ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
 22 **THE FUND.**

23 ~~**(4)**~~ **(H)** **THE ~~COMPASSIONATE USE~~ FUND SHALL BE SUBJECT TO AN**
 24 **AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2-1220 OF**
 25 **THE STATE GOVERNMENT ARTICLE.**

26 ~~**(5)**~~ **(I)** **THE COMPTROLLER SHALL PAY OUT MONEY FROM THE**
 27 **~~COMPASSIONATE USE~~ FUND AS DIRECTED BY THE ~~DIVISION~~ ADMINISTRATION.**

28 ~~**(E)**~~ **(J)** **NO PART OF THE ~~COMPASSIONATE USE~~ FUND MAY REVERT OR BE**
 29 **CREDITED TO:**

30 **(1)** **THE GENERAL FUND OF THE STATE; OR**

1 (2) ANY OTHER SPECIAL FUND OF THE STATE.

2 ~~(F)~~ (K) EXPENDITURES FROM THE ~~COMPASSIONATE USE~~ FUND MAY BE
3 MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

4 ~~(G)~~ (L) THE ~~DIVISION~~ ADMINISTRATION SHALL ADOPT REGULATIONS TO
5 CARRY OUT THIS SECTION.

6 SUBTITLE 7. CANNABIS RESEARCH AND DEVELOPMENT.

7 36-701.

8 (A) (1) AN INSTITUTION OF HIGHER EDUCATION, A RELATED MEDICAL
9 FACILITY, OR AN AFFILIATED BIOMEDICAL RESEARCH FIRM MAY REGISTER WITH
10 THE ~~DIVISION~~ ADMINISTRATION TO PURCHASE CANNABIS FOR THE PURPOSE OF
11 CONDUCTING A BONA FIDE RESEARCH PROJECT RELATING TO THE USES,
12 PROPERTIES, OR COMPOSITION OF CANNABIS.

13 (2) A REGISTRATION FILED UNDER PARAGRAPH (1) OF THIS
14 SUBSECTION SHALL INCLUDE:

15 (I) THE NAME OF THE PRIMARY RESEARCHER;

16 (II) THE EXPECTED DURATION OF THE RESEARCH PROJECT;

17 AND

18 (III) THE PRIMARY OBJECTIVES OF THE RESEARCH PROJECT.

19 (3) A REGISTRATION FILED UNDER PARAGRAPH (1) OF THIS
20 SUBSECTION SHALL REMAIN VALID UNTIL THERE IS A CHANGE IN THE RESEARCH
21 PROJECT OR A WITHDRAWAL OF THE REGISTRATION.

22 (B) AN ACADEMIC RESEARCH REPRESENTATIVE MAY PURCHASE CANNABIS
23 FROM A LICENSED DISPENSARY OR A SUPPLIER OF CANNABIS THAT IS LICENSED BY
24 ANY FEDERAL AGENCY TO SUPPLY CANNABIS TO RESEARCHERS.

25 (C) AN ACADEMIC RESEARCH REPRESENTATIVE MAY NOT BE PENALIZED OR
26 ARRESTED UNDER STATE LAW FOR ACQUIRING, POSSESSING, OR DISPENSING
27 CANNABIS, PRODUCTS CONTAINING CANNABIS, RELATED SUPPLIES, OR
28 EDUCATIONAL MATERIALS FOR USE IN A BONA FIDE RESEARCH PROJECT RELATING
29 TO THE USES, PROPERTIES, OR COMPOSITION OF CANNABIS.

1 (D) THE ~~DIVISION~~ ADMINISTRATION MAY ADOPT REGULATIONS TO
2 IMPLEMENT THIS SECTION.

3 36-702.

4 (A) THE ~~DIVISION~~ ADMINISTRATION MAY REGISTER AN ENTITY TO GROW,
5 PROCESS, TEST, AND TRANSFER CANNABIS FOR THE PURPOSES OF RESEARCH AND
6 DEVELOPMENT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION.

7 (B) A REGISTRATION ISSUED UNDER SUBSECTION (A) OF THIS SECTION
8 AUTHORIZES THE REGISTRANT ONLY TO:

9 (1) TEST CHEMICAL POTENCY AND COMPOSITION LEVELS;

10 (2) CONDUCT CLINICAL INVESTIGATIONS OF CANNABIS-DERIVED
11 MEDICINAL PRODUCTS;

12 (3) CONDUCT RESEARCH ON THE EFFICACY AND SAFETY OF
13 ADMINISTERING CANNABIS AS PART OF MEDICAL TREATMENT;

14 (4) CONDUCT GENOMIC, HORTICULTURAL, OR AGRICULTURAL
15 RESEARCH; AND

16 (5) CONDUCT RESEARCH ON CANNABIS-AFFILIATED PRODUCTS OR
17 SYSTEMS.

18 (C) TO OBTAIN A RESEARCH AND DEVELOPMENT REGISTRATION, AN
19 APPLICANT SHALL SUBMIT TO THE ~~DIVISION~~ ADMINISTRATION:

20 (1) AN APPLICATION FEE IN AN AMOUNT TO BE DETERMINED BY THE
21 ~~DIVISION~~ ADMINISTRATION; AND

22 (2) AN APPLICATION DEVELOPED BY THE ~~DIVISION~~
23 ADMINISTRATION.

24 (D) AN APPLICANT FOR A RESEARCH AND DEVELOPMENT REGISTRATION
25 MUST MEET THE REGISTRATION STANDARDS AND REQUIREMENTS ESTABLISHED BY
26 THE ~~DIVISION~~ ADMINISTRATION.

27 (E) (1) A RESEARCH AND DEVELOPMENT REGISTRATION IS VALID FOR AN
28 INITIAL TERM OF 2 YEARS.

29 (2) A RESEARCH AND DEVELOPMENT REGISTRATION IS VALID FOR 2
30 YEARS ON RENEWAL.

1 (F) A RESEARCH AND DEVELOPMENT REGISTRANT MAY TRANSFER, BY SALE
2 OR DONATION, CANNABIS GROWN WITHIN ITS OPERATION ONLY TO OTHER
3 RESEARCH AND DEVELOPMENT REGISTRANTS.

4 (G) A RESEARCH AND DEVELOPMENT REGISTRANT MAY CONTRACT TO
5 PERFORM RESEARCH IN CONJUNCTION WITH A PUBLIC HIGHER EDUCATION
6 RESEARCH INSTITUTION OR ANOTHER RESEARCH AND DEVELOPMENT REGISTRANT.

7 SUBTITLE 8. REPORTS.

8 36-801.

9 (A) ON OR BEFORE ~~JUNE 30 EACH YEAR, EACH ENTITY LICENSED OR~~
10 ~~REGISTERED UNDER THIS TITLE SHALL REPORT TO THE DIVISION ON~~ AUGUST 1
11 EACH YEAR, EACH CANNABIS LICENSEE AND CANNABIS REGISTRANT SHALL REPORT
12 TO THE ADMINISTRATION INFORMATION DETERMINED BY THE ADMINISTRATION TO
13 BE NECESSARY TO CONTINUE TO ASSESS THE NEED FOR REMEDIAL MEASURES IN
14 THE CANNABIS INDUSTRY AND MARKET, INCLUDING:

15 (1) THE NUMBER OF MINORITY AND WOMEN OWNERS OF THE
16 CANNABIS LICENSEE OR CANNABIS REGISTRANT;

17 (2) THE OWNERSHIP INTEREST OF ANY MINORITY AND WOMEN
18 OWNERS OF THE CANNABIS LICENSEE OR CANNABIS REGISTRANT; ~~AND~~

19 (3) THE NUMBER OF MINORITY AND WOMEN EMPLOYEES OF THE
20 CANNABIS LICENSEE OR CANNABIS REGISTRANT;

21 (4) A LIST OF THE LICENSEE'S OR REGISTRANT'S EXPENDITURES FOR
22 THE PRIOR STATE FISCAL YEAR; AND

23 (5) FOR EACH EXPENDITURE:

24 (I) A DESCRIPTION OF THE WORK PERFORMED;

25 (II) THE DOLLAR VALUE OF THE EXPENDITURE;

26 (III) WHETHER THE WORK WAS PERFORMED BY THE LICENSEE
27 OR A CONTRACTOR OR SUBCONTRACTOR; AND

28 (IV) IF THE WORK WAS PERFORMED BY A CONTRACTOR OR
29 SUBCONTRACTOR, THE NAME OF THE ENTITY THAT PERFORMED THE WORK.

1 (B) ALL DATA PROVIDED BY A LICENSEE OR REGISTRANT UNDER
2 SUBSECTION (A)(4) AND (5) OF THIS SECTION:

3 (1) SHALL CONSTITUTE CONFIDENTIAL COMMERCIAL AND
4 FINANCIAL INFORMATION AND BE TREATED AS CONFIDENTIAL BY THE
5 ADMINISTRATION AND THE STATE; AND

6 (2) MAY BE USED ONLY FOR THE PURPOSES AUTHORIZED UNDER THIS
7 SECTION AND MAY ONLY BE DISCLOSED TO THE PUBLIC IN AN ANONYMIZED OR
8 AGGREGATED FORMAT.

9 (C) ON OR BEFORE AUGUST 15 EACH YEAR, THE ADMINISTRATION SHALL
10 PROVIDE THE DATA COLLECTED UNDER SUBSECTION (A) OF THIS SECTION TO THE
11 CERTIFICATION AGENCY DESIGNATED BY THE BOARD OF PUBLIC WORKS UNDER §
12 14-303(B) OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

13 ~~(B)~~ (D) ON OR BEFORE JANUARY 1 EACH YEAR, THE ~~DIVISION~~
14 ADMINISTRATION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE
15 WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE INFORMATION
16 REPORTED UNDER SUBSECTION ~~(A)~~ (A)(1) THROUGH (3) OF THIS SECTION.

17 **36-802.**

18 ON OR BEFORE JANUARY 1 EACH ~~ODD-NUMBERED~~ YEAR, THE ~~DIVISION~~
19 ADMINISTRATION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE
20 WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON:

21 (1) THE AMOUNT OF CANNABIS CULTIVATED, PROCESSED, AND
22 DISPENSED BY STANDARD AND MICRO LICENSEES; AND

23 (2) WHETHER THE SUPPLY OF CANNABIS IS ADEQUATE TO MEET THE
24 DEMAND FOR CANNABIS AND CANNABIS PRODUCTS.

25 **36-803.**

26 THE ~~DIVISION~~ ADMINISTRATION SHALL PUBLISH THE FOLLOWING DATA,
27 ORGANIZED BY MONTH, ON A ROLLING BASIS AND ON A PUBLICLY ACCESSIBLE PART
28 OF THE ~~COMMISSION'S~~ ADMINISTRATION'S WEBSITE:

29 (1) THE NUMBER OF PATIENTS, CAREGIVERS, AND PROVIDERS
30 CERTIFIED UNDER THIS TITLE;

31 (2) THE WHOLESALE AND RETAIL SALES OF MEDICAL AND ADULT-USE
32 CANNABIS, MEASURED BY REVENUE AND VOLUME; AND

1 (3) THE MEDIAN CONSUMER PRICE FOR CANNABIS AND CANNABIS
2 PRODUCTS.

3 SUBTITLE 9. ADVERTISING.

4 ~~36-901.~~

5 IN THIS SUBTITLE, "ADVERTISEMENT" MEANS THE PUBLICATION,
6 DISSEMINATION, OR CIRCULATION OF ANY AUDITORY, VISUAL, DIGITAL, ORAL, OR
7 WRITTEN MATTER, INCLUDING LABELING, PACKAGING, AND BRANDING, WHICH IS
8 DIRECTLY OR INDIRECTLY CALCULATED TO INDUCE THE SALE OF CANNABIS OR ANY
9 CANNABIS-RELATED PRODUCT OR SERVICE.

10 ~~36-902.~~

11 (A) ~~ADVERTISEMENTS~~ AN ADVERTISEMENT FOR MEDICAL CANNABIS AND
12 MEDICAL CANNABIS PRODUCTS OR MEDICAL CANNABIS-RELATED SERVICES THAT
13 ~~MAKE~~ MAKES THERAPEUTIC OR MEDICAL CLAIMS SHALL:

14 (1) BE SUPPORTED BY ~~SUBSTANTIAL CLINICAL EVIDENCE OR~~
15 ~~SUBSTANTIAL CLINICAL DATA~~ COMPETENT AND RELIABLE SCIENTIFIC EVIDENCE;
16 AND

17 (2) INCLUDE INFORMATION ON THE MOST ~~SIGNIFICANT~~ SERIOUS AND
18 MOST COMMON SIDE EFFECTS OR RISKS ASSOCIATED WITH THE USE OF CANNABIS.

19 (B) ~~ADVERTISEMENTS~~ AN ADVERTISEMENT FOR MEDICAL CANNABIS OR
20 MEDICAL CANNABIS PRODUCTS SHALL INCLUDE A STATEMENT THAT THE PRODUCT
21 IS FOR USE ONLY BY A QUALIFYING PATIENT.

22 (C) ADVERTISEMENTS FOR A CANNABIS PRODUCT, CANNABIS-RELATED
23 PRODUCTS, OR SERVICES MAY NOT INCLUDE HEALTH, THERAPEUTIC, OR
24 MEDICINAL CLAIMS.

25 ~~36-902.~~ 36-903.

26 (A) (1) THIS SUBSECTION DOES NOT APPLY TO AN ADVERTISEMENT
27 PLACED ON PROPERTY OWNED OR LEASED BY A DISPENSARY, GROWER, OR
28 PROCESSOR.

29 (2) AN ADVERTISEMENT FOR A CANNABIS LICENSEE, CANNABIS
30 PRODUCT, OR CANNABIS-RELATED SERVICE MAY NOT:

1 ~~(1) (I) MAKE A STATEMENT THAT IS FALSE OR MISLEADING IN A~~
2 ~~MATERIAL WAY OR IS OTHERWISE A VIOLATION OF~~ VIOLATE TITLE 13, SUBTITLE 3
3 OF THE COMMERCIAL LAW ARTICLE;

4 ~~(2) (II) DIRECTLY OR INDIRECTLY TARGET INDIVIDUALS UNDER~~
5 THE AGE OF 21 YEARS OR TAKE ANY ACTION TO INITIATE, MAINTAIN, OR INCREASE
6 THE INCIDENCE OF CANNABIS USE BY INDIVIDUALS UNDER THE AGE OF 21 YEARS;

7 (III) CONTAIN A DESIGN, AN ILLUSTRATION, A PICTURE, OR A
8 REPRESENTATION THAT:

9 ~~(I)~~ 1. TARGETS OR IS ATTRACTIVE TO MINORS, INCLUDING
10 A CARTOON CHARACTER, A MASCOT, OR ANY OTHER DEPICTION THAT IS COMMONLY
11 USED TO MARKET PRODUCTS TO MINORS;

12 ~~(II)~~ 2. DISPLAYS THE USE OF CANNABIS, INCLUDING THE
13 CONSUMPTION, SMOKING, OR VAPING OF CANNABIS;

14 ~~(III)~~ 3. ENCOURAGES OR PROMOTES CANNABIS FOR USE AS
15 AN INTOXICANT; OR

16 ~~(IV)~~ 4. IS OBSCENE;

17 ~~(3) (IV) ENGAGE IN ADVERTISING BY MEANS OF TELEVISION, RADIO,~~
18 INTERNET, MOBILE APPLICATION, SOCIAL MEDIA, OR OTHER ELECTRONIC
19 COMMUNICATION, OR PRINT PUBLICATION, UNLESS AT LEAST 85% OF THE
20 AUDIENCE IS REASONABLY EXPECTED TO BE AT LEAST 21 YEARS OLD AS
21 DETERMINED BY RELIABLE AND CURRENT AUDIENCE COMPOSITION DATA; OR

22 ~~(4) (V) ENGAGE IN ADVERTISING BY MEANS OF PLACING AN~~
23 ADVERTISEMENT ON THE SIDE OF A BUILDING OR ANOTHER PUBLICLY VISIBLE
24 LOCATION OF ANY FORM, INCLUDING A SIGN, A POSTER, A PLACARD, A DEVICE, A
25 GRAPHIC DISPLAY, AN OUTDOOR BILLBOARD, OR A FREESTANDING SIGNBOARD.

26 (B) (1) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,
27 ~~EACH WEBSITE OWNED, MANAGED, OR OPERATED BY A CANNABIS LICENSEE~~ SHALL
28 EMPLOY A NEUTRAL AGE-SCREENING MECHANISM THAT VERIFIES THAT THE USER
29 IS AT LEAST 21 YEARS OLD, INCLUDING BY USING AN AGE-GATE, AGE-SCREEN, OR
30 AGE VERIFICATION MECHANISM BEFORE THE USER MAY ACCESS OR VIEW ANY
31 CONTENT AND BEFORE THE WEBSITE MAY COLLECT THE USER'S ADDRESS, E-MAIL
32 ADDRESS, PHONE NUMBER, OR CONTACT INFORMATION TO DISSEMINATE
33 ADVERTISEMENTS.

1 (II) IF A WEBSITE IS APPROPRIATE FOR A QUALIFYING PATIENT
2 WHO IS UNDER THE AGE OF 21 YEARS, THE WEBSITE SHALL PROVIDE AN
3 ALTERNATIVE SCREENING MECHANISM FOR THE QUALIFYING PATIENT.

4 (2) AN ADVERTISEMENT PLACED ON SOCIAL MEDIA OR A MOBILE
5 APPLICATION SHALL INCLUDE A NOTIFICATION THAT AN INDIVIDUAL MUST BE AT
6 LEAST 21 YEARS OLD TO VIEW THE CONTENT.

7 (3) THE PROVISIONS OF THIS SUBTITLE APPLICABLE TO CANNABIS
8 LICENSEES MAY NOT BE AVOIDED BY HIRING OR CONTRACTING WITH A
9 THIRD-PARTY, OR OUTSOURCING ADVERTISEMENTS THAT DO NOT COMPLY WITH
10 THIS SUBTITLE.

11 (4) A CANNABIS LICENSEE MAY NOT PERMIT THE USE OF THE
12 LICENSEE'S TRADEMARKS, BRANDS, NAMES, LOCATIONS, OR OTHER
13 DISTINGUISHING CHARACTERISTICS FOR THIRD-PARTY USE FOR ADVERTISEMENTS
14 THAT DOES NOT COMPLY WITH THIS SUBTITLE.

15 (C) THE ~~DIVISION~~ ADMINISTRATION AND THE OFFICE OF THE ATTORNEY
16 GENERAL'S CONSUMER PROTECTION DIVISION SHALL ADOPT REGULATIONS TO
17 ESTABLISH:

18 ~~(1) PROCEDURES FOR THE ENFORCEMENT OF THIS SECTION; AND~~

19 ~~(2) A PROCESS FOR AN INDIVIDUAL TO VOLUNTARILY SUBMIT AN~~
20 ~~ADVERTISEMENT TO THE DIVISION FOR AN ADVISORY OPINION ON WHETHER THE~~
21 ~~ADVERTISEMENT COMPLIES WITH THE RESTRICTIONS ON ADVERTISEMENTS FOR~~
22 ~~CANNABIS, CANNABIS PRODUCTS, EDIBLE CANNABIS PRODUCTS, AND~~
23 ~~CANNABIS-RELATED SERVICES.~~

24 SUBTITLE 10. RESPONSIBLE VENDOR TRAINING PROGRAM.

25 36-1001.

26 (A) ~~IF A PERSON WOULD LIKE TO~~ TO OFFER A RESPONSIBLE MEDICAL OR
27 ADULT-USE CANNABIS VENDOR, SERVER, AND SELLER TRAINING PROGRAM, ~~THE A~~
28 PERSON ~~MUST~~ SHALL SUBMIT AN APPLICATION TO THE ~~DIVISION~~ ADMINISTRATION.

29 (B) THE ~~DIVISION~~ ADMINISTRATION SHALL APPROVE THE APPLICATION IF
30 THE PROPOSED TRAINING PROGRAM MEETS THE MINIMUM EDUCATIONAL
31 STANDARDS ESTABLISHED UNDER SUBSECTION (C) OF THIS SECTION.

32 (C) AT A MINIMUM, A TRAINING PROGRAM MUST:

1 (1) BE TAUGHT IN A CLASSROOM OR VIRTUAL SETTING FOR AT LEAST
2 A 2-HOUR PERIOD;

3 (2) ESTABLISH PROGRAM STANDARDS, INCLUDING CERTIFICATION
4 AND RECERTIFICATION REQUIREMENTS, RECORD KEEPING, TESTING AND
5 ASSESSMENT PROTOCOLS, AND EFFECTIVENESS EVALUATIONS; AND

6 (3) PROVIDE A CORE CURRICULUM OF RELEVANT STATUTORY AND
7 REGULATORY PROVISIONS, WHICH SHALL INCLUDE:

8 (I) INFORMATION ON REQUIRED LICENSES, AGE
9 REQUIREMENTS, PATIENT REGISTRY CARDS ISSUED BY THE ~~DIVISION~~
10 ADMINISTRATION, MAINTENANCE OF RECORDS, PRIVACY ISSUES, AND UNLAWFUL
11 ACTS;

12 (II) ADMINISTRATIVE AND CRIMINAL LIABILITY AND LICENSE
13 AND COURT SANCTIONS;

14 (III) STATUTORY AND REGULATORY REQUIREMENTS FOR
15 EMPLOYEES AND OWNERS;

16 (IV) STATUTORY AND REGULATORY REQUIREMENTS RELATED
17 TO CANNABIS SALE, TRANSFER, AND DELIVERY;

18 (V) ACCEPTABLE FORMS OF IDENTIFICATION, INCLUDING
19 PATIENT AND CAREGIVER IDENTIFICATION CARDS;

20 (VI) STATE AND LOCAL LICENSING AND ENFORCEMENT; AND

21 (VII) INFORMATION ON SERVING SIZE, THC AND CANNABINOID
22 POTENCY, AND IMPAIRMENT.

23 **36-1002.**

24 ~~THE DIVISION~~ ADMINISTRATION SHALL ADOPT REGULATIONS ESTABLISHING
25 THE RESPONSIBLE VENDOR TRAINING PROGRAM AND THE MINIMUM STANDARDS
26 FOR THE PROGRAM.

27 **36-1003.**

28 A PROVIDER OF AN APPROVED TRAINING PROGRAM SHALL:

29 (1) MAINTAIN ITS TRAINING RECORDS AT ITS PRINCIPAL PLACE OF
30 BUSINESS FOR AT LEAST 4 YEARS; AND

1 (2) MAKE THE RECORDS AVAILABLE FOR INSPECTION BY THE
2 ~~DIVISION~~ ADMINISTRATION.

3 SUBTITLE 11. PROHIBITED ACTS.

4 **36-1101.**

5 (A) A CANNABIS LICENSEE MAY NOT SELL, TRANSFER, OR DELIVER
6 CANNABIS OR CANNABIS PRODUCTS UNLESS THE LICENSEE VERIFIES BY MEANS OF
7 A VALID DRIVER'S LICENSE OR OTHER GOVERNMENT-ISSUED PHOTO
8 IDENTIFICATION CONTAINING THE BEARER'S DATE OF BIRTH THAT:

9 (1) FOR ADULT-USE CANNABIS, THE CONSUMER IS AT LEAST 21
10 YEARS OLD; OR

11 (2) FOR MEDICAL CANNABIS, THE PATIENT OR CAREGIVER IS:

12 (I) REGISTERED WITH THE ~~DIVISION~~ ADMINISTRATION; AND

13 (II) AT LEAST 18 YEARS OLD.

14 (B) (1) ~~(I)~~ A EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
15 PARAGRAPH, A LICENSEE THAT SELLS, TRANSFERS, OR DELIVERS CANNABIS OR
16 CANNABIS PRODUCTS IN VIOLATION OF SUBSECTION (A) OF THIS SECTION IS
17 SUBJECT TO A CIVIL PENALTY OF:

18 ~~(I)~~ 1. \$500 FOR A FIRST VIOLATION;

19 ~~(II)~~ 2. \$1,000 FOR A SECOND VIOLATION OCCURRING
20 WITHIN 24 MONTHS AFTER THE FIRST VIOLATION; AND

21 ~~(III)~~ 3. \$5,000 FOR EACH SUBSEQUENT VIOLATION
22 OCCURRING WITHIN 24 MONTHS AFTER THE IMMEDIATELY PRECEDING VIOLATION.

23 (II) A VIOLATION OF SUBSECTION (A) OF THIS SECTION THAT
24 OCCURS MORE THAN 24 MONTHS AFTER THE IMMEDIATELY PRECEDING VIOLATION
25 SHALL BE TREATED AS A FIRST VIOLATION.

26 (2) THE ~~DIVISION~~ ADMINISTRATION MAY DENY A CANNABIS LICENSE
27 TO AN APPLICANT, REPRIMAND A CANNABIS LICENSEE, OR SUSPEND OR REVOKE A
28 CANNABIS LICENSE IF THE APPLICANT OR LICENSEE VIOLATES SUBSECTION (A) OF
29 THIS SECTION TWO OR MORE TIMES IN A 24-MONTH PERIOD.

1 **(3) IN A HEARING FOR AN ALLEGED VIOLATION OF THIS SECTION, IT**
 2 **IS A DEFENSE THAT AN AGENT OF THE DEFENDANT EXAMINED THE CONSUMER’S,**
 3 **PATIENT’S, OR CAREGIVER’S DRIVER’S LICENSE OR OTHER VALID IDENTIFICATION**
 4 **ISSUED BY A GOVERNMENTAL UNIT THAT POSITIVELY IDENTIFIED THE CONSUMER,**
 5 **PATIENT, OR CAREGIVER AS MEETING THE MINIMUM AGE SPECIFIED IN SUBSECTION**
 6 **(A) OF THIS SECTION.**

7 **(C) (1) A CANNABIS LICENSEE MAY NOT:**

8 **(I) SELL, TRANSFER, OR DELIVER CANNABIS TO AN INDIVIDUAL**
 9 **WHO IS VISIBLY INTOXICATED; OR**

10 **(II) OFFER CANNABIS OR CANNABIS PRODUCTS AS A PRIZE,**
 11 **PREMIUM, OR CONSIDERATION FOR A LOTTERY, CONTEST, GAME OF CHANCE, GAME**
 12 **OF SKILL, OR COMPETITION OF ANY KIND.**

13 **(2) A CANNABIS LICENSEE THAT VIOLATES PARAGRAPH (1) OF THIS**
 14 **SUBSECTION IS SUBJECT TO A FINE NOT EXCEEDING \$1,000, SUSPENSION OR**
 15 **REVOCAION OF A LICENSE, OR BOTH.**

16 **36-1102.**

17 ~~**(A) THIS TITLE MAY NOT BE CONSTRUED TO AUTHORIZE AN INDIVIDUAL TO:**~~

18 ~~**(1) OPERATE, NAVIGATE, OR BE IN ACTUAL PHYSICAL CONTROL OF A**~~
 19 ~~**MOTOR VEHICLE, AIRCRAFT, OR BOAT WHILE UNDER THE INFLUENCE OF CANNABIS;**~~

20 ~~**(2) USE CANNABIS IN A PUBLIC PLACE;**~~

21 ~~**(3) USE CANNABIS IN A MOTOR VEHICLE;**~~

22 ~~**(4) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,**~~
 23 ~~**SMOKE CANNABIS ON A PRIVATE PROPERTY THAT:**~~

24 ~~**(I) 1. IS RENTED FROM A LANDLORD; AND**~~

25 ~~**2. IS SUBJECT TO A POLICY THAT PROHIBITS THE**~~
 26 ~~**SMOKING OF CANNABIS ON THE PROPERTY; OR**~~

27 ~~**(II) IS SUBJECT TO A POLICY THAT PROHIBITS THE SMOKING OF**~~
 28 ~~**CANNABIS ON THE PROPERTY OF AN ATTACHED DWELLING ADOPTED BY ONE OF THE**~~
 29 ~~**FOLLOWING ENTITIES:**~~

~~1. THE BOARD OF DIRECTORS OF THE COUNCIL OF UNIT OWNERS OF A CONDOMINIUM REGIME; OR~~

~~2. THE GOVERNING BODY OF A HOMEOWNERS ASSOCIATION; OR~~

~~(5) POSSESS 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.~~

~~(B) THE PROVISIONS OF SUBSECTION (A)(4) OF THIS SECTION DO NOT APPLY TO VAPORIZING CANNABIS.~~

~~36-1103.~~

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

(2) "HEMP" HAS THE MEANING STATED IN § 14-401 OF THE AGRICULTURE ARTICLE.

(3) "TETRAHYDROCANNABINOL" MEANS:

(I) ANY TETRAHYDROCANNABINOL, INCLUDING DELTA-8-TETRAHYDROCANNABINOL, DELTA-9-TETRAHYDROCANNABINOL, AND DELTA-10-TETRAHYDROCANNABINOL, REGARDLESS OF HOW DERIVED;

(II) ANY OTHER CANNABINOID, EXCEPT CANNABIDIOL THAT THE ADMINISTRATION DETERMINES TO CAUSE INTOXICATION; AND

(III) ANY OTHER CHEMICALLY SIMILAR COMPOUND, SUBSTANCE, DERIVATIVE, OR ISOMER OF TETRAHYDROCANNABINOL, AS IDENTIFIED BY THE ADMINISTRATION.

(4) "TINCTURE" MEANS A SOLUTION THAT IS:

(I) DISSOLVED IN ALCOHOL, GLYCERIN, OR VEGETABLE OIL; AND

(II) DISTRIBUTED IN A DROPPER BOTTLE OF 4 OUNCES OR LESS.

~~(A) (B) (1) A PERSON MAY NOT SELL OR DISTRIBUTE A PRODUCT INTENDED FOR HUMAN CONSUMPTION OR INHALATION THAT CONTAINS MORE THAN~~

1 **0.5 MILLIGRAMS OF TETRAHYDROCANNABINOL PER SERVING OR 2.5 MILLIGRAMS**
2 **OF TETRAHYDROCANNABINOL PER PACKAGE UNLESS THE PERSON IS LICENSED**
3 **UNDER § 36-401 OF THIS TITLE AND THE PRODUCT COMPLIES WITH THE:**

4 (I) MANUFACTURING STANDARDS ESTABLISHED UNDER §
5 36-203 OF THIS TITLE;

6 (II) LABORATORY TESTING STANDARDS ESTABLISHED UNDER §
7 36-203 OF THIS TITLE; AND

8 (III) PACKAGING AND LABELING STANDARDS ESTABLISHED
9 UNDER § 36-203 OF THIS TITLE.

10 (2) A PERSON MAY NOT SELL OR DISTRIBUTE A PRODUCT DESCRIBED
11 UNDER PARAGRAPH (1) OF THIS SUBSECTION TO AN INDIVIDUAL UNDER THE AGE OF
12 21 YEARS.

13 ~~(B)~~ (C) A PERSON MAY NOT SELL OR DISTRIBUTE A CANNABINOID
14 PRODUCT THAT IS NOT DERIVED FROM NATURALLY OCCURRING BIOLOGICALLY
15 ACTIVE CHEMICAL CONSTITUENTS.

16 (D) NOTWITHSTANDING SUBSECTION (B) OF THIS SECTION, IT IS NOT A
17 VIOLATION OF THIS SECTION FOR A PERSON TO SELL OR DISTRIBUTE A
18 HEMP-DERIVED TINCTURE INTENDED FOR HUMAN CONSUMPTION THAT CONTAINS:

19 (1) A RATIO OF CANNABIDIOL TO TETRAHYDROCANNABINOL OF AT
20 LEAST 15 TO 1; AND

21 (2) 2.5 MILLIGRAMS OR LESS OF TETRAHYDROCANNABINOL PER
22 SERVING AND 100 MILLIGRAMS OR LESS OF TETRAHYDROCANNABINOL PER
23 PACKAGE.

24 ~~(C)~~ (E) A PERSON WHO VIOLATES SUBSECTION ~~(A)~~ (B) OF THIS SECTION
25 IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT
26 EXCEEDING \$5,000.

27 ~~(D)~~ (F) A PERSON WHO VIOLATES SUBSECTION ~~(B)~~ (C) OF THIS SECTION
28 IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT
29 EXCEEDING \$10,000.

30 SUBTITLE 12. LEGAL PROTECTIONS.

31 36-1201.

1 THE FOLLOWING PERSONS ACTING IN ACCORDANCE WITH THE PROVISIONS
 2 OF THIS TITLE MAY NOT BE SUBJECT TO ARREST, PROSECUTION, REVOCATION OF
 3 MANDATORY SUPERVISION, PAROLE, OR PROBATION, OR ANY CIVIL OR
 4 ADMINISTRATIVE PENALTY, INCLUDING A CIVIL PENALTY OR DISCIPLINARY ACTION
 5 BY A PROFESSIONAL LICENSING BOARD, OR BE DENIED ANY RIGHT OR PRIVILEGE,
 6 FOR THE USE OF OR POSSESSION OF CANNABIS THAT IS AUTHORIZED UNDER THIS
 7 TITLE:

8 (1) A QUALIFYING PATIENT;

9 (2) A CANNABIS LICENSEE OR CANNABIS REGISTRANT THAT IS
 10 LICENSED OR REGISTERED UNDER THIS TITLE;

11 (3) A CERTIFYING PROVIDER;

12 (4) A CAREGIVER;

13 (5) AN ACADEMIC RESEARCH REPRESENTATIVE PURCHASING
 14 MEDICAL CANNABIS UNDER ~~§ 36-701~~ SUBTITLE 7 OF THIS TITLE;

15 (6) A HOSPITAL, MEDICAL FACILITY, OR HOSPICE PROGRAM WHERE A
 16 QUALIFYING PATIENT IS RECEIVING TREATMENT; OR

17 (7) DESIGNATED SCHOOL PERSONNEL AUTHORIZED TO ADMINISTER
 18 MEDICAL CANNABIS TO A STUDENT IN ACCORDANCE WITH THE GUIDELINES
 19 ESTABLISHED UNDER § 7-446 OF THE EDUCATION ARTICLE UNLESS THE ACT OR
 20 OMISSION CONSTITUTES GROSS NEGLIGENCE OR WANTON OR WILLFUL
 21 MISCONDUCT.

22 **SUBTITLE 13. ~~CIVIL IMMUNITIES AND LIABILITIES~~ RESERVED.**

23 ~~36-1301.~~

24 ~~(A) EXCEPT AS PROVIDED IN THIS SECTION, NEITHER THE STATE NOR ANY~~
 25 ~~OF ITS POLITICAL SUBDIVISIONS MAY DENY A BENEFIT, AN ENTITLEMENT, A~~
 26 ~~DRIVER'S LICENSE, A PROFESSIONAL LICENSE, HOUSING ASSISTANCE, SOCIAL~~
 27 ~~SERVICES, OR OTHER BENEFITS BASED ON LAWFUL CANNABIS USE OR FOR THE~~
 28 ~~PRESENCE OF CANNABINOIDS OR CANNABINOID METABOLITES IN THE URINE,~~
 29 ~~BLOOD, SALIVA, BREATH, HAIR, OR OTHER TISSUE OR FLUID OF AN INDIVIDUAL WHO~~
 30 ~~IS AT LEAST 21 YEARS OLD OR A QUALIFYING PATIENT WHO IS UNDER THE AGE OF~~
 31 ~~21 YEARS.~~

32 ~~(B) AN INDIVIDUAL MAY NOT BE DENIED CUSTODY OF OR VISITATION WITH~~
 33 ~~A MINOR FOR ACTING IN ACCORDANCE WITH THIS TITLE, UNLESS THE INDIVIDUAL'S~~

~~1 BEHAVIOR CREATES AN UNREASONABLE DANGER TO THE MINOR THAT CAN BE
2 CLEARLY ARTICULATED AND SUBSTANTIATED.~~

~~3 (C) EXCEPT AS PROVIDED IN THIS SECTION, NEITHER THE STATE NOR ANY
4 OF ITS POLITICAL SUBDIVISIONS MAY DENY EMPLOYMENT OR A CONTRACT TO AN
5 INDIVIDUAL FOR A PRIOR CONVICTION FOR A NONVIOLENT CANNABIS OFFENSE
6 THAT DOES NOT INVOLVE DISTRIBUTION TO MINORS.~~

~~7 (D) FOR THE PURPOSES OF MEDICAL CARE, INCLUDING ORGAN AND TISSUE
8 TRANSPLANTS:~~

~~9 (1) THE USE OF CANNABIS DOES NOT CONSTITUTE THE USE OF AN
10 ILLICIT SUBSTANCE OR OTHERWISE DISQUALIFY AN INDIVIDUAL FROM NEEDED
11 MEDICAL CARE; AND~~

~~12 (2) MAY BE CONSIDERED ONLY WITH RESPECT TO EVIDENCE-BASED
13 CLINICAL CRITERIA.~~

~~14 (E) (1) THIS SECTION DOES NOT PREVENT A GOVERNMENT EMPLOYER
15 FROM DISCIPLINING AN EMPLOYEE OR A CONTRACTOR FOR:~~

~~16 (I) INGESTING CANNABIS IN THE WORKPLACE; OR~~

~~17 (II) WORKING WHILE IMPAIRED BY CANNABIS.~~

~~18 (2) THE PROTECTIONS PROVIDED BY THIS SECTION DO NOT APPLY TO
19 THE EXTENT THAT THEY CONFLICT WITH A GOVERNMENT EMPLOYER'S
20 OBLIGATIONS UNDER FEDERAL LAW OR TO THE EXTENT THAT THEY WOULD
21 DISQUALIFY THE ENTITY FROM A MONETARY OR LICENSING-RELATED BENEFIT
22 UNDER FEDERAL LAW.~~

~~23 (3) THIS SECTION DOES NOT AUTHORIZE ANY PERSON AN INDIVIDUAL
24 TO ENGAGE IN, AND DOES NOT PREVENT THE IMPOSITION OF ANY CIVIL, CRIMINAL,
25 DISCIPLINE, OR OTHER PENALTIES, INCLUDING DISCIPLINE OR TERMINATION BY A
26 GOVERNMENT EMPLOYER FOR ENGAGING IN ANY TASK WHILE UNDER THE
27 INFLUENCE OF CANNABIS, WHEN DOING SO WOULD CONSTITUTE NEGLIGENCE OR
28 PROFESSIONAL MALPRACTICE.~~

~~29 (F) NOTHING IN THIS SECTION MAY BE CONSTRUED TO PREVENT OR
30 PROHIBIT ANY EMPLOYER FROM DENYING EMPLOYMENT OR A CONTRACT TO AN
31 INDIVIDUAL OR DISCIPLINING AN EMPLOYEE OR A CONTRACTOR FOR TESTING
32 POSITIVE FOR THE PRESENCE OF CANNABINOIDS OR CANNABINOID METABOLITES
33 IN THE URINE, BLOOD, SALIVA, BREATH, HAIR, OR OTHER TISSUE OR FLUID OF THE~~

1 ~~EMPLOYEE'S OR CONTRACTOR'S BODY, IF THE TEST WAS CONDUCTED IN~~
2 ~~ACCORDANCE WITH THE EMPLOYER'S ESTABLISHED DRUG TESTING POLICY.~~

3 ~~36-1302.~~

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

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

12 ~~36-1303.~~

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

16 ~~36-1304.~~

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

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

28 SUBTITLE 14. CAPITAL ACCESS PROGRAM.

29 ~~36-1401.~~

30 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
31 INDICATED.

32 (B) "BORROWER" MEANS A BUSINESS THAT:

1 (1) QUALIFIES AS A SMALL BUSINESS UNDER THE U.S. SMALL
2 BUSINESS ADMINISTRATION SIZE STANDARDS;

3 (2) APPLIES TO A LENDER FOR BUSINESS FINANCING; AND

4 (3) HAS FEWER THAN 50 EMPLOYEES.

5 (C) “DEPARTMENT” MEANS THE DEPARTMENT OF COMMERCE.

6 ~~(C)~~ (D) “LENDER” MEANS:

7 (1) A CREDIT UNION, AS DEFINED IN § 1-101 OF THE FINANCIAL
8 INSTITUTIONS ARTICLE;

9 (2) A FINANCIAL INSTITUTION, AS DEFINED IN § 1-101 OF THE
10 FINANCIAL INSTITUTIONS ARTICLE; OR

11 (3) A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION, AS
12 DEFINED IN 12 U.S.C. § 4702(5).

13 ~~(D)~~ (E) “PROGRAM” MEANS THE CAPITAL ACCESS PROGRAM
14 ESTABLISHED UNDER THIS SUBTITLE.

15 36-1402.

16 THERE IS A CAPITAL ACCESS PROGRAM IN THE DEPARTMENT OF
17 COMMERCE.

18 36-1403.

19 THE PURPOSE OF THE PROGRAM IS TO STIMULATE OPPORTUNITIES FOR
20 SOCIAL EQUITY LICENSEES THAT HAVE DIFFICULTY OBTAINING FINANCING AND TO
21 ESTABLISH A LOAN LOSS RESERVE ACCOUNT.

22 36-1404.

23 (A) A LOAN TO A SOCIAL EQUITY LICENSEE QUALIFIES UNDER THE
24 PROGRAM IF THE LOAN:

25 (1) SATISFIES THE LENDING CRITERIA OF THE ~~FINANCIAL~~
26 ~~INSTITUTION~~ LENDER; AND

27 (2) ~~HAS A TERM NOT EXCEEDING 10 YEARS; AND~~

1 ~~(3)~~ DOES NOT EXCEED:

2 (I) FOR A DISPENSARY, \$500,000; OR

3 (II) FOR A GROWER OR PROCESSOR, \$1,000,000.

4 (B) A LOAN THAT QUALIFIES UNDER SUBSECTION (A) OF THIS SECTION MAY
5 BE SHORT OR LONG TERM, HAVE FIXED OR VARIABLE RATES, AND BE SECURED OR
6 UNSECURED.

7 **36-1405.**

8 (A) ~~IF A LENDER WOULD LIKE TO~~ TO PARTICIPATE IN THE PROGRAM, THE
9 ~~LENDER MUST~~ A LENDER SHALL ENROLL THE QUALIFYING LOAN IN THE PROGRAM
10 NOT MORE THAN 30 DAYS AFTER THE DATE OF THE FIRST DISBURSEMENT OF THE
11 LOAN.

12 (B) A LENDER MAY ENROLL ALL OR A PORTION OF A QUALIFYING LOAN IN
13 AN AMOUNT OF NOT MORE THAN:

14 (1) FOR A DISPENSARY, \$500,000; OR

15 (2) FOR A GROWER OR PROCESSOR, \$1,000,000.

16 **36-1406.**

17 (A) THE DEPARTMENT SHALL ESTABLISH A LOAN LOSS RESERVE ACCOUNT
18 FOR A LENDER WHEN THE LENDER ENROLLS ITS FIRST LOAN UNDER THE PROGRAM.

19 (B) AT THE TIME OF ENROLLMENT:

20 (1) THE BORROWER SHALL MAKE A PAYMENT TO THE ACCOUNT OF
21 BETWEEN 0% AND 7% OF THE ENROLLED LOAN AMOUNT;

22 (2) THE LENDER SHALL MAKE A PAYMENT TO THE ACCOUNT OF AT
23 LEAST 2% OF THE ENROLLED AMOUNT; AND

24 (3) THE ~~DIVISION~~ ADMINISTRATION SHALL MAKE A MATCHING
25 PAYMENT TO THE ACCOUNT IN AN AMOUNT EQUAL TO THE BORROWER AND
26 LENDER'S AGGREGATE PAYMENT UNDER ITEMS (1) AND (2) OF THIS SUBSECTION.

27 (C) THE LOAN LOSS RESERVE ACCOUNT OF A LENDER SHALL BE AVAILABLE
28 FOR THE LENDER TO WITHDRAW IF A BORROWER DEFAULTS ON A QUALIFYING LOAN.

1 (D) THE DEPARTMENT SHALL COLLABORATE WITH THE OFFICE OF SOCIAL
 2 EQUITY ESTABLISHED UNDER § 1-309.1 OF THIS ARTICLE TO IDENTIFY AND ASSIST
 3 BUSINESSES WITH OBTAINING FINANCING FROM THE PROGRAM.

4 (E) THE DEPARTMENT SHALL ESTABLISH PROCEDURES FOR A LENDER TO
 5 WITHDRAW FROM THE PROGRAM.

6 SUBTITLE 15. BANKING AND INSURANCE.

7 36-1501.

8 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
 9 INDICATED.

10 (B) “CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS” MEANS A
 11 MANUFACTURER, PRODUCER, OR ANOTHER PERSON THAT:

12 (1) PARTICIPATES IN ANY BUSINESS OR ORGANIZED ACTIVITY THAT
 13 INVOLVES HANDLING CANNABIS OR CANNABIS PRODUCTS, INCLUDING
 14 CULTIVATING, PRODUCING, MANUFACTURING, SELLING, TRANSPORTING,
 15 DISPLAYING, DISPENSING, DISTRIBUTING, OR PURCHASING CANNABIS OR CANNABIS
 16 PRODUCTS; AND

17 (2) ENGAGES IN AN ACTIVITY DESCRIBED IN ITEM (1) OF THIS
 18 SUBSECTION IN ACCORDANCE WITH STATE LAW.

19 (C) “DEPOSITORY INSTITUTION” MEANS A STATE-CHARTERED OR
 20 FEDERALLY CHARTERED FINANCIAL INSTITUTION, OTHER-STATE BANK, OR
 21 FOREIGN BRANCH THAT:

22 (1) IS LOCATED IN THE STATE OR MAINTAINS BRANCHES IN THE
 23 STATE; AND

24 (2) IS AUTHORIZED TO MAINTAIN ACCOUNTS.

25 ~~(D)~~ (D) (1) “SERVICE PROVIDER” MEANS:

26 ~~(1)~~ (1) A BUSINESS, AN ORGANIZATION, OR ANY OTHER PERSON
 27 THAT:

28 ~~(1)~~ (1) SELLS GOODS OR SERVICES TO A CANNABIS-RELATED
 29 ~~LEGITIMATE~~ BUSINESS; OR

1 ~~2.~~ **(II) PROVIDES ANY BUSINESS SERVICES, INCLUDING THE**
 2 **SALE OR LEASE OF REAL OR ANY OTHER PROPERTY, LEGAL OR OTHER LICENSED**
 3 **SERVICES, OR ANY OTHER ANCILLARY SERVICE, RELATING TO CANNABIS.**

4 **(2) “SERVICE PROVIDER” DOES NOT INCLUDE A BUSINESS, AN**
 5 **ORGANIZATION, OR ANY OTHER PERSON THAT PARTICIPATES IN ANY BUSINESS OR**
 6 **ORGANIZED ACTIVITY THAT INVOLVES HANDLING CANNABIS OR CANNABIS**
 7 **PRODUCTS, INCLUDING CULTIVATING, PRODUCING, MANUFACTURING, SELLING,**
 8 **TRANSPORTING, DISPLAYING, DISPENSING, DISTRIBUTING, OR PURCHASING**
 9 **CANNABIS OR CANNABIS PRODUCTS.**

10 **36-1502.**

11 **THE PROVISIONS IN THIS SUBTITLE APPLY TO:**

12 **(1) ALL BANKS, CREDIT UNIONS, AND OTHER ENTITIES OPERATING AS**
 13 **DEPOSITORY INSTITUTIONS IN THE STATE; AND**

14 **(2) INSURANCE COMPANIES AND INSURANCE PRODUCERS**
 15 **OPERATING IN THE STATE.**

16 **36-1503.**

17 **(A) ~~THE STATE BANKING REGULATOR~~ THE OFFICE OF FINANCIAL**
 18 **REGULATION MAY NOT:**

19 **(1) TERMINATE OR LIMIT THE DEPOSIT INSURANCE OR SHARE**
 20 **INSURANCE OF A DEPOSITORY INSTITUTION UNDER THE FEDERAL DEPOSIT**
 21 **INSURANCE ACT OR THE FEDERAL CREDIT UNION ACT, A DEPOSITORY**
 22 **INSTITUTION OPERATING IN THE STATE UNDER THE FINANCIAL INSTITUTIONS**
 23 **ARTICLE, OR TAKE ANY OTHER ADVERSE ACTION AGAINST A DEPOSITORY**
 24 **INSTITUTION UNDER 12 U.S.C. § 1818 SOLELY BECAUSE THE DEPOSITORY**
 25 **INSTITUTION PROVIDES OR HAS PROVIDED FINANCIAL SERVICES TO A**
 26 **CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER;**

27 **(2) PROHIBIT, PENALIZE, OR OTHERWISE DISCOURAGE A**
 28 **DEPOSITORY INSTITUTION FROM PROVIDING FINANCIAL SERVICES TO A**
 29 **CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS IN THE STATE;**

30 **(3) RECOMMEND, INCENTIVIZE, OR ENCOURAGE A DEPOSITORY**
 31 **INSTITUTION ~~NOT TO~~ TO NOT OFFER FINANCIAL SERVICES TO AN ACCOUNT HOLDER,**
 32 **OR TO DOWNGRADE OR CANCEL THE FINANCIAL SERVICES OFFERED TO AN**
 33 **ACCOUNT HOLDER SOLELY BECAUSE:**

1 (I) THE ACCOUNT HOLDER IS A CANNABIS-RELATED
2 ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER, OR IS AN EMPLOYEE, OWNER, OR
3 OPERATOR OF A CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS OR SERVICE
4 PROVIDER;

5 (II) THE ACCOUNT HOLDER LATER BECOMES AN EMPLOYEE,
6 OWNER, OR OPERATOR OF A CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS OR
7 SERVICE PROVIDER; OR

8 (III) THE DEPOSITORY INSTITUTION WAS NOT AWARE THAT THE
9 ACCOUNT HOLDER IS AN EMPLOYEE, OWNER, OR OPERATOR OF A
10 CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER;

11 (4) TAKE ANY ADVERSE OR CORRECTIVE SUPERVISORY ACTION ON A
12 LOAN MADE TO:

13 (I) A CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS OR SERVICE
14 PROVIDER SOLELY BECAUSE THE BUSINESS IS A CANNABIS-RELATED ~~LEGITIMATE~~
15 BUSINESS OR SERVICE PROVIDER;

16 (II) AN EMPLOYEE, OWNER, OR OPERATOR OF A
17 CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER SOLELY
18 BECAUSE THE EMPLOYEE, OWNER, OR OPERATOR IS EMPLOYED BY, OWNS, OR
19 OPERATES A CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER, AS
20 APPLICABLE; OR

21 (III) AN OWNER OR OPERATOR OF REAL ESTATE OR EQUIPMENT
22 THAT IS LEASED TO A CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS OR SERVICE
23 PROVIDER SOLELY BECAUSE THE OWNER OR OPERATOR OF THE REAL ESTATE OR
24 EQUIPMENT LEASED THE EQUIPMENT OR REAL ESTATE TO A CANNABIS-RELATED
25 ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER, AS APPLICABLE; OR

26 (5) PROHIBIT OR PENALIZE A DEPOSITORY INSTITUTION, OR AN
27 ENTITY PERFORMING A FINANCIAL SERVICE FOR OR IN ASSOCIATION WITH A
28 DEPOSITORY INSTITUTION, OR OTHERWISE DISCOURAGE A DEPOSITORY
29 INSTITUTION, OR AN ENTITY PERFORMING A FINANCIAL SERVICE FOR OR IN
30 ASSOCIATION WITH A DEPOSITORY INSTITUTION, FROM ENGAGING IN A FINANCIAL
31 SERVICE FOR A CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER.

32 (B) SUBSECTION (A) OF THIS SECTION SHALL APPLY TO AN INSTITUTION
33 APPLYING FOR A DEPOSITORY INSTITUTION CHARTER TO THE SAME EXTENT AS IT
34 APPLIES TO A DEPOSITORY INSTITUTION.

1 **FOR THE PURPOSES OF ~~TITLE~~ 18 U.S.C. §§ 1956 AND 1957 AND ALL OTHER**
2 **PROVISIONS OF FEDERAL LAW, THE PROCEEDS FROM A TRANSACTION INVOLVING**
3 **ACTIVITIES OF A CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS OR SERVICE**
4 **PROVIDER MAY NOT BE CONSIDERED PROCEEDS FROM AN UNLAWFUL ACTIVITY**
5 **SOLELY BECAUSE:**

6 **(1) THE TRANSACTION INVOLVES PROCEEDS FROM A**
7 **CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER; OR**

8 **(2) THE TRANSACTION INVOLVES PROCEEDS FROM:**

9 **(I) CANNABIS-RELATED ACTIVITIES CONDUCTED BY A**
10 **CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS; OR**

11 **(II) ACTIVITIES CONDUCTED BY A SERVICE PROVIDER.**

12 **36-1505.**

13 **(A) WITH RESPECT TO PROVIDING A FINANCIAL SERVICE TO A**
14 **CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS OR A SERVICE PROVIDER, A**
15 **DEPOSITORY INSTITUTION, ENTITY PERFORMING A FINANCIAL SERVICE FOR OR IN**
16 **ASSOCIATION WITH A DEPOSITORY INSTITUTION, OR INSURER THAT PROVIDES A**
17 **FINANCIAL SERVICE TO A CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS OR SERVICE**
18 **PROVIDER, AND THE OFFICERS, DIRECTORS, AND EMPLOYEES OF THAT DEPOSITORY**
19 **INSTITUTION, ENTITY, OR INSURER MAY NOT BE HELD LIABLE UNDER ANY STATE**
20 **LAW OR REGULATION:**

21 **(1) SOLELY FOR PROVIDING THE FINANCIAL SERVICE; OR**

22 **(2) FOR FURTHER INVESTING ANY INCOME DERIVED FROM THE**
23 **FINANCIAL SERVICE.**

24 **(B) AN INSURER THAT ENGAGES IN THE BUSINESS OF INSURANCE WITH A**
25 **CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER OR THAT**
26 **OTHERWISE ENGAGES WITH A PERSON IN A TRANSACTION ALLOWED UNDER STATE**
27 **LAW RELATED TO CANNABIS, AND THE OFFICERS, DIRECTORS, AND EMPLOYEES OF**
28 **THAT INSURER MAY NOT BE HELD LIABLE UNDER STATE LAW OR REGULATION:**

29 **(1) SOLELY FOR ENGAGING IN THE BUSINESS OF INSURANCE; OR**

30 **(2) FOR FURTHER INVESTING ANY INCOME DERIVED FROM THE**
31 **BUSINESS OF INSURANCE.**

1 (C) A DEPOSITORY INSTITUTION THAT HAS A LEGAL INTEREST IN THE
 2 COLLATERAL FOR A LOAN OR ANOTHER FINANCIAL SERVICE PROVIDED TO AN
 3 OWNER, EMPLOYEE, OR OPERATOR OF A CANNABIS-RELATED ~~LEGITIMATE~~
 4 BUSINESS OR SERVICE PROVIDER, OR TO AN OWNER OR OPERATOR OF REAL ESTATE
 5 OR EQUIPMENT THAT IS LEASED OR SOLD TO A CANNABIS-RELATED ~~LEGITIMATE~~
 6 BUSINESS OR SERVICE PROVIDER, MAY NOT BE SUBJECT TO CRIMINAL, CIVIL, OR
 7 ADMINISTRATIVE FORFEITURE OF THAT LEGAL INTEREST UNDER STATE LAW FOR
 8 PROVIDING THE LOAN OR OTHER FINANCIAL SERVICE.

9 **36-1506.**

10 (A) THIS SUBTITLE DOES NOT REQUIRE A DEPOSITORY INSTITUTION,
 11 ENTITY PERFORMING A FINANCIAL SERVICE FOR OR IN ASSOCIATION WITH A
 12 DEPOSITORY INSTITUTION, OR INSURER TO PROVIDE FINANCIAL SERVICES TO A
 13 CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS, SERVICE PROVIDER, OR ANY OTHER
 14 BUSINESS.

15 (B) THIS SUBTITLE MAY NOT BE CONSTRUED TO LIMIT OR OTHERWISE
 16 RESTRICT THE GENERAL EXAMINATION, SUPERVISORY, AND ENFORCEMENT
 17 AUTHORITY OF THE STATE BANKING REGULATOR, PROVIDED THAT THE BASIS FOR
 18 ANY SUPERVISORY OR ENFORCEMENT ACTION IS NOT THE PROVISION OF FINANCIAL
 19 SERVICES TO A CANNABIS-RELATED ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER.

20 (C) THIS SUBTITLE MAY NOT BE CONSTRUED TO INTERFERE WITH THE
 21 REGULATION OF THE BUSINESS OF INSURANCE.

22 **36-1507.**

23 THE STATE MAY NOT COOPERATE OR AID FEDERAL LAW ENFORCEMENT
 24 AUTHORITIES ATTEMPTING TO PROSECUTE FINANCIAL INSTITUTIONS THAT ARE
 25 LAWFULLY OPERATING WITHIN THE CONFINES OF THIS SUBTITLE.

26 **Article – Tax – General**

27 **2-1302.2.**

28 AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-1301 THROUGH
 29 2-1302.1 OF THIS SUBTITLE, OF THE SALES AND USE TAX COLLECTED UNDER §
 30 11-104(K) OF THIS ARTICLE FROM THE SALE OF CANNABIS FROM A DISPENSARY TO
 31 A CONSUMER UNDER TITLE 36 OF THE ALCOHOLIC BEVERAGES AND CANNABIS
 32 ARTICLE, THE COMPTROLLER QUARTERLY SHALL DISTRIBUTE:

33 (1) TO THE CANNABIS REGULATION AND ENFORCEMENT FUND,
 34 ESTABLISHED UNDER § 36-206 OF THE ALCOHOLIC BEVERAGES AND CANNABIS

1 ARTICLE, AN AMOUNT NECESSARY TO DEFRAY THE ENTIRE COST OF THE
 2 OPERATION OF THE ~~CANNABIS REGULATION AND ENFORCEMENT DIVISION~~
 3 MARYLAND CANNABIS ADMINISTRATION ESTABLISHED UNDER TITLE 36 OF THE
 4 ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE;

5 (2) ~~30%~~ **35%** TO THE COMMUNITY REINVESTMENT AND REPAIR
 6 FUND UNDER § 1-322 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE
 7 FOR FISCAL YEARS 2024 THROUGH 2033;

8 (3) ~~1.5%~~ **5%** TO COUNTIES ~~AND MUNICIPALITIES~~, WHICH SHALL BE
 9 ALLOCATED TO EACH ~~JURISDICTION~~ COUNTY BASED ON THE PERCENTAGE OF
 10 REVENUE COLLECTED FROM THAT ~~JURISDICTION~~ COUNTY, EXCEPT THAT A COUNTY
 11 SHALL CONSIDER DISTRIBUTING THE ALLOCATION RECEIVED UNDER THIS ITEM TO
 12 A MUNICIPALITY LOCATED IN THE COUNTY IN PROPORTION TO THE REVENUE
 13 GENERATED BY THAT MUNICIPALITY;

14 (4) ~~1.5%~~ **5%** TO THE CANNABIS PUBLIC HEALTH FUND ESTABLISHED
 15 UNDER § 13-4505 OF THE HEALTH – GENERAL ARTICLE;

16 (5) FOR FISCAL YEARS 2024 THROUGH 2028, ~~1.5%~~ **5%** TO THE
 17 CANNABIS BUSINESS ASSISTANCE FUND ESTABLISHED UNDER § 5-1901 OF THE
 18 ECONOMIC DEVELOPMENT ARTICLE; AND

19 (6) ANY BALANCE REMAINING AFTER THE DISTRIBUTIONS REQUIRED
 20 UNDER PARAGRAPHS (1) THROUGH (5) OF THIS SECTION TO THE GENERAL FUND OF
 21 THE STATE.

22 2-1303.

23 After making the distributions required under §§ 2-1301 through [2-1302.1]
 24 **2-1302.2** of this subtitle, the Comptroller shall pay:

25 (1) revenues from the hotel surcharge into the Dorchester County
 26 Economic Development Fund established under § 10-130 of the Economic Development
 27 Article;

28 (2) to the Blueprint for Maryland's Future Fund established under § 5-206
 29 of the Education Article, the following percentage of the remaining sales and use tax
 30 revenues:

31 (i) for fiscal year 2023, 9.2%;

32 (ii) for fiscal year 2024, 11.0%;

33 (iii) for fiscal year 2025, 11.3%;

- 1 (iv) for fiscal year 2026, 11.7%; and
- 2 (v) for fiscal year 2027 and each fiscal year thereafter, 12.1%; and
- 3 (3) the remaining sales and use tax revenue into the General Fund of the
- 4 State.
- 5 11-104.

6 **(K) THE SALES AND USE TAX RATE FOR THE SALE OF CANNABIS FROM A**
 7 **DISPENSARY TO A CONSUMER UNDER TITLE 36 OF THE ALCOHOLIC BEVERAGES**
 8 **AND CANNABIS ARTICLE IS ~~AS FOLLOWS~~, FOR FISCAL YEAR 2024 AND EACH FISCAL**
 9 **YEAR THEREAFTER, 9%.**

- 10 ~~(1) FOR FISCAL YEAR 2024, 6%;~~
- 11 ~~(2) FOR FISCAL YEAR 2025, 7%;~~
- 12 ~~(3) FOR FISCAL YEAR 2026, 8%;~~
- 13 ~~(4) FOR FISCAL YEAR 2027, 9%; AND~~
- 14 ~~(5) FOR FISCAL YEAR 2028 AND EACH FISCAL YEAR THEREAFTER,~~
- 15 ~~10%.~~

16 11-245.

17 **THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF:**

- 18 **(1) MEDICAL CANNABIS UNDER TITLE 36 OF THE ALCOHOLIC**
- 19 **BEVERAGES AND CANNABIS ARTICLE; OR**
- 20 **(2) CANNABIS BETWEEN CANNABIS ESTABLISHMENTS THAT ARE**
- 21 **LICENSED UNDER TITLE 36 OF THE ALCOHOLIC BEVERAGES AND CANNABIS**
- 22 **ARTICLE.**

23 **Article – Economic Development**

24 5-1901.

- 25 (a) **(1) In this section[,] THE FOLLOWING WORDS HAVE THE MEANINGS**
- 26 **INDICATED.**
- 27 **(2) “Fund” means the Cannabis Business Assistance Fund.**

1 **(3) (I) “PERSONAL NET WORTH” MEANS THE NET VALUE OF THE**
 2 **ASSETS OF AN INDIVIDUAL REMAINING AFTER TOTAL LIABILITIES ARE DEDUCTED,**
 3 **INCLUDING THE INDIVIDUAL’S SHARE OF ASSETS HELD JOINTLY OR AS COMMUNITY**
 4 **PROPERTY WITH THE INDIVIDUAL’S SPOUSE.**

5 **(II) “PERSONAL NET WORTH” DOES NOT INCLUDE:**

6 **1. THE INDIVIDUAL’S OWNERSHIP INTEREST IN THE**
 7 **APPLICANT;**

8 **2. THE INDIVIDUAL’S EQUITY IN THE INDIVIDUAL’S**
 9 **PRIMARY PLACE OF RESIDENCE; OR**

10 **3. THE CASH VALUE OF ANY QUALIFIED RETIREMENT**
 11 **SAVINGS PLANS OR INDIVIDUAL RETIREMENT ACCOUNTS.**

12 (b) There is a Cannabis Business Assistance Fund.

13 (c) The purpose of the Fund is to assist small, minority-owned, and
 14 women-owned businesses entering the adult-use cannabis industry.

15 (d) The Department shall administer the Fund.

16 (e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of
 17 the State Finance and Procurement Article.

18 (2) The State Treasurer shall hold the Fund separately, and the
 19 Comptroller shall account for the Fund.

20 (f) The Fund consists of:

21 (1) money appropriated in the State budget to the Fund; [and]

22 (2) **REVENUE DISTRIBUTED TO THE FUND IN ACCORDANCE WITH §**
 23 **2-1302.2 OF THE TAX – GENERAL ARTICLE; AND**

24 **(3)** any other money from any other source accepted for the benefit of the
 25 Fund.

26 (g) (1) Subject to paragraph (2) of this subsection, the Fund may be used only
 27 for:

28 (i) grants or loans to small, minority-owned, or women-owned
 29 businesses for:

- 1 1. license application assistance for participation in the
2 adult–use cannabis industry;
- 3 2. assistance with the operating or capital expenses of a
4 business participating in the adult–use cannabis industry; or
- 5 3. targeted training to support participation in the adult–use
6 cannabis industry; and
- 7 (ii) grants to historically black colleges and universities for
8 cannabis–related programs and business development organizations, including incubators,
9 to train and assist small, minority, and women business owners and entrepreneurs seeking
10 to become licensed to participate in the adult–use cannabis industry.

11 (2) The Department:

12 (i) shall prioritize awarding grants and loans in accordance with
13 paragraph (1) of this subsection to:

- 14 1. populations that have been historically disproportionately
15 ~~impacted~~ **HARMED** by the enforcement of laws criminalizing the use of cannabis; and
- 16 2. individuals who have been convicted of a violation of a law
17 criminalizing the use of cannabis; and

18 (ii) may not award grants or loans to small, minority, and women
19 business owners and entrepreneurs with a personal net worth exceeding \$1,700,000.

20 (3) In order to award grants and loans in accordance with paragraph (1) of
21 this subsection, the Department shall develop partnerships with:

- 22 (i) traditional minority–serving institutions in the State and
23 surrounding jurisdictions, including historically black colleges and universities;
- 24 (ii) trade associations representing minority and women–owned
25 businesses; and
- 26 (iii) the Governor’s Office of Small, Minority, and Women Business
27 Affairs.

28 (h) (1) The State Treasurer shall invest the money of the Fund in the same
29 manner as other State money may be invested.

30 (2) Any interest earnings of the Fund shall be credited to the Fund.

31 (i) Expenditures from the Fund may be made only in accordance with the State
32 budget.

Article – State Finance and Procurement

6–201.

(e) “Financial institution” means:

(1) any banking institution;

(2) any national banking association;

(3) an institution that is incorporated under the laws of any other state as a bank; [and] OR

(4) an institution that is incorporated under the laws of this State or of the United States as a savings and loan association.

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:

170. the Cannabis Public Health Fund; [and]

171. the Community Reinvestment and Repair Fund;

172. THE CANNABIS REGULATION AND ENFORCEMENT FUND; AND

173. THE MEDICAL CANNABIS COMPASSIONATE USE FUND.

Article – State Personnel and Pensions

23–201.

(a) Except as provided in subsection (b) of this section, §§ 23–203 through 23–205 of this subtitle apply only to:

1 (d) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of
2 the State Finance and Procurement Article.

3 (2) The State Treasurer shall hold the Fund separately, and the
4 Comptroller shall account for the Fund.

5 (e) The Fund consists of:

6 (1) Revenue distributed to the Fund based on revenues from adult–use
7 cannabis;

8 (2) Money appropriated in the State budget to the Fund; [and]

9 **(3) REVENUE DISTRIBUTED TO THE FUND IN ACCORDANCE WITH §**
10 **2–1302.2 OF THE TAX – GENERAL ARTICLE; AND**

11 ~~[(3)]~~ (4) Any other money from any other source accepted for the benefit
12 of the Fund.

13 (f) The Fund may be used only for:

14 (1) Supporting the Advisory Council in performing its duties;

15 (2) Supporting data collection and research on the effects of cannabis
16 legalization in the State;

17 (3) Providing funding for education and public awareness campaigns
18 related to cannabis use, including funding for educational programs to be used in schools;

19 (4) Supporting substance use disorder counseling and treatment for
20 individuals;

21 (5) Training and equipment for law enforcement to recognize impairments
22 due to cannabis; and

23 (6) Purchasing technology proven to be effective at measuring cannabis
24 levels in drivers.

25 (g) (1) The State Treasurer shall invest the money of the Fund in the same
26 manner as other State money may be invested.

27 (2) Any interest earnings of the Fund shall be credited to the Fund.

28 (h) Expenditures from the Fund may be made only in accordance with the State
29 budget.

1 SECTION ~~5~~ 6. AND BE IT FURTHER ENACTED, That Article – Alcoholic
2 Beverages of the Annotated Code of Maryland be renamed to be Article – Alcoholic
3 Beverages and Cannabis.

4 SECTION ~~6~~ 7. AND BE IT FURTHER ENACTED, That:

5 (a) The transfer of the Maryland Medical Cannabis Commission personnel to the
6 ~~Alcohol, Tobacco, and Cannabis Commission~~ Maryland Cannabis Administration to oversee
7 the regulation of cannabis under this Act shall be conducted in a manner that will minimize
8 the costs of the transfer and will result in a more cost-efficient operation for the regulation
9 of cannabis for the protection of the public health, safety, and welfare of the State.

10 (b) The ~~Cannabis Regulation and Enforcement Division of the Office of the~~
11 ~~Executive Director of the Alcohol, Tobacco, and Cannabis Commission~~ Maryland Cannabis
12 Commission Administration is the successor of the Maryland Medical Cannabis
13 Commission in matters concerning the regulation of medical cannabis.

14 (c) In every law, executive order, rule, regulation, policy, or document created by
15 an official, an employee, or a unit of this State, the names and titles of those agencies and
16 officials mean the names and titles of the successor agency or official.

17 SECTION ~~7~~ 8. AND BE IT FURTHER ENACTED, That all persons who, as of ~~June~~
18 ~~30, 2023~~ the effective date of this Act, are merit employees or contract staff in budgeted
19 positions of the Maryland Medical Cannabis Commission and whose positions are
20 transferred to the ~~Cannabis Regulation and Enforcement Division of the Office of the~~
21 ~~Executive Director of the Alcohol, Tobacco, and Cannabis Commission~~ Maryland Cannabis
22 Commission Administration to oversee, the regulation of cannabis provided by this Act, are
23 hereby transferred to the ~~Cannabis Regulation and Enforcement Division of the Office of~~
24 ~~the Executive Director of the Alcohol, Tobacco, and Cannabis Commission~~ Maryland
25 Cannabis Commission Administration without any change or loss of rights, pay, working
26 conditions, benefits, rights, or status, and shall retain any merit system and retirement
27 status they may have on the date of transfer.

28 SECTION ~~8~~ 9. AND BE IT FURTHER ENACTED, That the balance of the Natalie
29 M. LaPrade Medical Cannabis Fund on the date immediately preceding the date this Act
30 takes effect shall be credited to the Cannabis Regulation and Enforcement Fund, and that
31 any funds credited to the Cannabis Regulation and Enforcement Fund may be used to cover
32 the costs of implementing this Act and regulating the cannabis industry in Maryland.

33 SECTION ~~9~~ 10. AND BE IT FURTHER ENACTED, That, notwithstanding any
34 other provision of law, from the date this Act takes effect to December 31, 2023, both
35 inclusive, the Commission is exempt from procurement requirements under the State
36 Finance and Procurement Article if the procurement is for:

37 (1) banking services for the ~~Division~~ Administration to collect fees and tax
38 revenue;

1 (2) banking services to help support cannabis businesses to transition from
2 an all cash system;

3 (3) a consultant to support the ~~Division~~ Administration in the process for
4 cannabis licensure, including services related to investigations and the financial or criminal
5 history review of applicants; ~~and~~

6 (4) a consultant to provide technical assistance to social equity applicants;
7 and

8 (5) establishing a State cannabis testing laboratory at a preexisting site.

9 ~~SECTION 10. AND BE IT FURTHER ENACTED, That:~~

10 (a) ~~To the extent practicable and authorized by the U.S. Constitution, a cannabis~~
11 ~~licensee shall comply with the State's Minority Business Enterprise Program.~~

12 (b) ~~On or before 6 months after the issuance of a cannabis license under § 36-401~~
13 ~~of the Alcoholic Beverages and Cannabis Article, the Governor's Office of Small, Minority,~~
14 ~~and Women Business Affairs, in consultation with the Office of the Attorney General and~~
15 ~~the Office of Social Equity within the Alcohol, Tobacco, and Cannabis Commission and the~~
16 ~~cannabis licensee, shall establish a clear plan for setting reasonable and appropriate~~
17 ~~minority business enterprise participation goals and procedures for the procurement of~~
18 ~~goods and services related to cannabis, including the cultivation, manufacturing, and~~
19 ~~dispensing of cannabis.~~

20 (c) ~~To the extent practicable, the goals and procedures specified in subsection (b)~~
21 ~~of this section shall be based on the requirements of Title 14, Subtitle 3 of the State Finance~~
22 ~~and Procurement Article and the regulations implementing that subtitle.~~

23 SECTION 11. AND BE IT FURTHER ENACTED, That:

24 (a) ~~(1)~~ As soon as practicable after the effective date of this Act, the ~~Cannabis~~
25 ~~Regulation and Enforcement Division~~ Maryland Cannabis Administration established
26 under § 36-201 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 4 5
27 of this Act, ~~shall issue a license to~~ shall, by regulation, establish a process for issuing up to
28 five grower licenses operate as a cannabis grower under Title 36, Subtitle 4 of the Alcoholic
29 Beverages and Cannabis Article, as enacted by Section 4 5 of this Act, to ~~one applicant that~~
30 five applicants that:

31 (1) ~~is a~~ are recognized class ~~member~~ members of Pigford v. Glickman, 185
32 F.R.D. 82 (D.D.C. 1999), or In Re Black Farmers Litig., 856 F. Supp. 2d 1 (D.D.C. 2011);

33 (2) were awarded damages pursuant to the claims processes established
34 for class members of Pigford v. Glickman or In Re Black Farmers Litig. and those damages
35 were related to farming operations in Maryland;

1 (3) have provided evidence, suitable to the Administration and consistent
2 with constitutional and federal requirements, that they have not been fully compensated
3 for the discrimination they have endured and that they have experienced ongoing
4 discrimination or the continued effects of past discrimination; and

5 (4) satisfy any other criteria established by the Administration.

6 ~~(2) An applicant awarded a license under paragraph (1) of this subsection~~
7 ~~may subsequently apply for and be awarded a license to operate as a cannabis processor~~
8 ~~under Title 36, Subtitle 4 of the Alcoholic Beverages and Cannabis Article, as enacted by~~
9 ~~Section 4 5 of this Act.~~

10 (b) Notwithstanding any other provision of law, a license issued under subsection
11 (a) of this section is in addition to and not subject to the limitations on the total number of
12 licenses that the ~~Division~~ Administration may issue under Title 36, Subtitle 4 of the
13 Alcoholic Beverages and Cannabis Article, as enacted by Section 4 5 of this Act.

14 (c) If an applicant for a license to operate as a cannabis grower that is a
15 recognized class member is not awarded a license under subsection (a) of this section:

16 (1) the applicant may apply for a license in accordance with the provisions
17 of Title 36 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 4 5 of
18 this Act;

19 (2) the ~~Division~~ Administration shall allow the applicant to amend, if
20 necessary, and resubmit the applicant's application or withdraw the application entirely;
21 and

22 (3) the ~~Division~~ Administration may waive the initial application fee for
23 the applicant but may charge the applicant a reasonable fee for the resubmission or an
24 unamended or amended application.

25 SECTION 12. AND BE IT FURTHER ENACTED, That:

26 (a) As soon as practicable after the effective date of this Act, the Maryland
27 Cannabis Administration shall contract with an independent consultant to complete a
28 study on wholesale cannabis licenses.

29 (b) The study shall include:

30 (1) the costs to regulate wholesale cannabis licenses;

31 (2) whether there is market necessity for wholesale cannabis licensing;

32 (3) whether there is a need for wholesale cannabis licensing to alleviate
33 supply demand and facilitate an equitable marketplace for suppliers and retailers; and

1 (4) the approximate number of wholesale cannabis licenses appropriate for
2 the size of the marketplace in the State.

3 (c) On or before June 1, 2024, the Maryland Cannabis Administration shall
4 submit the results of the study required under subsection (a) of this section to the Governor
5 and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

6 SECTION 13. AND BE IT FURTHER ENACTED, That:

7 (a) The Maryland Economic Development Corporation shall identify in each of
8 the following locations a site for proposed use as incubator space, to be established in
9 accordance with § 36–406 of the Alcoholic Beverages and Cannabis Article, as enacted by
10 Section 5 of this Act:

11 (1) Caroline County, Cecil County, Dorchester County, Kent County,
12 Queen Anne’s County, Somerset County, Talbot County, Wicomico County, or Worcester
13 County;

14 (2) Allegany County, Garrett County, or Washington County;

15 (3) Baltimore City or a beltway community located in Anne Arundel
16 County or Baltimore County; and

17 (4) a beltway community located in Montgomery County or Prince George’s
18 County.

19 (b) The site identifications shall include:

20 (1) the proposed locations for incubator spaces identified under subsection
21 (a) of this section;

22 (2) the square footage of the identified locations; and

23 (3) the estimated costs for construction or renovation of the proposed
24 location to prepare it for use as an incubator space.

25 (c) In evaluating sites for proposed use as incubator spaces, the Maryland
26 Economic Development Corporation shall consider, in addition to other appropriate
27 criteria, the suitability of converting to incubator space obsolete or underutilized
28 commercial and retail properties such as enclosed malls, big box stores, and warehouse
29 spaces.

30 (d) On or before January 1, 2024, the Maryland Economic Development
31 Corporation shall submit a report on the identified sites and the qualifying criteria required
32 by this section to the Governor and, in accordance with § 2–1257 of the State Government
33 Article, the General Assembly.

1 SECTION 14. AND BE IT FURTHER ENACTED, That:

2 (a) As soon as practicable after the effective date of this Act, the Maryland
3 Cannabis Administration shall conduct a study on on-site consumption of cannabis and
4 cannabis products at retail premises of cannabis licensees.

5 (b) The study shall include:

6 (1) a survey of regulations and trade practices for on-site consumption of
7 cannabis and cannabis products in other states and countries;

8 (2) authorizations and restrictions for the use of cannabis distributed at
9 cannabis premises and for the removal of unconsumed cannabis or cannabis products from
10 the premises;

11 (3) operational procedures and controls for on-site consumption premises
12 and the preparation, use, and consumption of cannabis and cannabis products;

13 (4) training requirements and safeguards for employees of premises with
14 on-site consumption of cannabis and cannabis products; and

15 (5) recommendations for policies to implement on-site consumption of
16 cannabis and cannabis products at suitable locations, including suggested legislative and
17 regulatory changes.

18 (c) The Administration may contract with an independent contractor to conduct
19 the study under this section.

20 (d) On or before June 1, 2024, the Maryland Cannabis Administration shall
21 submit the results of the study required under subsection (a) of this section to the Governor
22 and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

23 SECTION 15. AND BE IT FURTHER ENACTED, That:

24 (a) The Maryland Cannabis Administration shall study:

25 (1) types of cannabis products and cannabis-infused products that are not
26 meant to be smoked and that are available in neighboring states and other jurisdictions,
27 such as low-concentration edibles, cannabis-infused soft drinks and other beverages, and
28 related products;

29 (2) issues relating to processing, packaging, labeling, and use of these
30 cannabis products as they may be introduced into the Maryland adult-use cannabis
31 regulatory system; and

32 (3) regulatory and enforcement issues that may arise from the introduction
33 and availability of these cannabis products in Maryland.

1 (b) On or before July 1, 2024, the Administration shall submit a report, including
 2 any proposed legislative or regulatory changes, to the Governor and, in accordance with §
 3 2–1257 of the State Government Article, the Senate Finance Committee and the House
 4 Economic Matters Committee.

5 SECTION 16. AND BE IT FURTHER ENACTED, That:

6 (a) A grower awarded a stage one preapproval by the Natalie M. LaPrade Medical
 7 Cannabis Commission before October 1, 2022, and was not operational before October 1,
 8 2022, and that does not hold a cannabis dispensary license may apply and be awarded a
 9 license to operate as a cannabis dispensary established under § 36–401(c)(1)(iii) of the
 10 Alcoholic Beverages and Cannabis Article as enacted by Section 5 of this Act.

11 (b) A business that was awarded a stage one preapproval for a processor license
 12 by the Natalie M. LaPrade Medical Cannabis Commission before October 1, 2022, and was
 13 not operational before October 1, 2022, notwithstanding § 36–404(d)(2) of the Alcoholic
 14 Beverages and Cannabis Article, as enacted under Section 5 of this Act, shall be entered
 15 into the lottery under § 36–404(d)(1)(ii)1 of the Alcoholic Beverages and Cannabis Article
 16 as enacted by Section 5 of this Act.

17 ~~SECTION 12.~~ 17. AND BE IT FURTHER ENACTED, That the publisher of the
 18 Annotated Code of Maryland, in consultation with and subject to the approval of the
 19 Department of Legislative Services, shall correct, with no further action required by the
 20 General Assembly, cross–references and terminology rendered incorrect by this Act. The
 21 publisher shall adequately describe any correction that is made in an editor’s note following
 22 the section affected.

23 ~~SECTION 13.~~ 18. AND BE IT FURTHER ENACTED, That this Act is an emergency
 24 measure, is necessary for the immediate preservation of the public health or safety, has
 25 been passed by a yea and nay vote supported by three–fifths of all the members elected to
 26 each of the two Houses of the General Assembly, and shall take effect from the date it is
 27 enacted.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.