

Chapter 254

(House Bill 556)

AN ACT concerning

Cannabis Reform

FOR the purpose of renaming the Alcohol and Tobacco Commission to be the Alcohol, Tobacco, and Cannabis Commission; establishing the Maryland Cannabis Administration as an independent unit of State government; establishing a regulatory and licensing system for adult-use cannabis under the ~~Commission Administration~~; imposing the sales and use tax on the sale of adult-use cannabis at ~~certain rates in certain fiscal years~~ at a certain rate; establishing the Office of Social Equity, in the Maryland Cannabis Commission and the Advisory Board on Medical and Adult-Use Cannabis, and the Social Equity Partnership Grant Fund in the Commission; altering provisions of law relating to the Community Reinvestment and Repair Fund; ~~establishing the Cannabis Regulation and Enforcement Division as an independent unit in the Commission~~; requiring the ~~Division~~ Administration to establish and maintain a State cannabis testing laboratory; establishing the Cannabis Regulation and Enforcement Fund as a special, nonlapsing fund; requiring that the investment earnings of the Cannabis Regulation and Enforcement Fund be credited to the Fund; repealing certain provisions of law establishing and governing the Natalie M. LaPrade Medical Cannabis Commission; requiring the ~~Division~~ Administration, rather than the Natalie M. LaPrade Medical Cannabis Commission, to take certain actions related to medical cannabis; requiring the ~~Division~~ Administration, on or before a certain date and under certain circumstances, to convert medical cannabis licenses to licenses to operate a medical and adult-use cannabis business; regulating the actions that ~~local jurisdictions~~ political subdivisions may take regarding cannabis businesses; prohibiting certain individuals from taking certain actions related to cannabis licensees and registrants; establishing the Medical Cannabis Compassionate Use Fund as a special, nonlapsing fund; requiring that the interest earnings of the Medical Cannabis Compassionate Use Fund be credited to the Fund; authorizing certain entities to register with the ~~Division~~ Administration to purchase cannabis for research purposes; establishing prohibitions related to the advertising of cannabis and cannabis products; requiring a person to be approved by the ~~Division~~ Administration to offer a certain training program; establishing certain legal protections related to the use of cannabis; establishing a Capital Access Program in the Department of Commerce; establishing certain prohibitions related to banking by cannabis businesses; altering certain provisions of law relating to the Cannabis Business Assistance Fund; exempting the Commission from State procurement requirements under certain circumstances; requiring a cannabis licensee, under certain circumstances, to comply with the State's Minority Business Enterprise Program; ~~requiring the Commission to contract with an independent consultant to complete a study on wholesale cannabis licenses; requiring the study to be submitted to certain persons on or before a certain date; requiring the Maryland Economic Development Corporation to identify certain~~

~~locations and submit a certain report to the General Assembly; requiring the Commission to study and report on certain matters relating to on-site consumption and certain cannabis products; requiring the Administration to contract with an independent consultant to complete a study on wholesale cannabis licenses; requiring the study to be submitted to certain persons on or before a certain date; requiring the Maryland Economic Development Corporation to identify certain locations and submit a certain report to the General Assembly; requiring the Administration to study and report on certain matters relating to on-site consumption; requiring that certain growers be awarded certain dispensary licenses under certain circumstances;~~
and generally relating to medical and adult-use cannabis.

BY repealing

Article – Health – General

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

Annotated Code of Maryland

(2019 Replacement Volume and 2022 Supplement)

BY repealing

Article – Health – General

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

Annotated Code of Maryland

(2019 Replacement Volume and 2022 Supplement)

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

BY transferring

Article – Health – General

Section 13–4601

Annotated Code of Maryland

(2019 Replacement Volume and 2022 Supplement)

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

to be

Article – Alcoholic Beverages

Section 1–322

Annotated Code of Maryland

(2016 Volume and 2022 Supplement)

BY renumberingArticle – Alcoholic BeveragesSection 1–101(d) through (y) and (z) through (ii)to be Section 1–101(e) through (z) and (bb) through (kk), respectivelyAnnotated Code of Maryland(2016 Volume and 2022 Supplement)

BY repealing and reenacting, without amendments,

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

BY adding to

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

BY repealing and reenacting, with amendments,

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

BY repealing and reenacting, with amendments,

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

~~BY adding to~~

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

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages
 Section 1–322
 Annotated Code of Maryland
 (2016 Volume and 2022 Supplement)
 (As enacted by Section 3 of this Act)

BY adding to

Article – Tax – General
 Section 2–1302.2, 11–104(k), and 11–245
 Annotated Code of Maryland
 (2022 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Tax – General
Section 2–1303
Annotated Code of Maryland
(2022 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Economic Development
Section 5–1901
Annotated Code of Maryland
(2018 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2021 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement
Section ~~6–201(e)~~ and 6–226(a)(2)(ii)170. and 171.
Annotated Code of Maryland
(2021 Replacement Volume and 2022 Supplement)

BY adding to

Article – State Finance and Procurement
Section 6–226(a)(2)(ii)172. and 173.
Annotated Code of Maryland
(2021 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions
Section 23–201(a)(13) and (14) and 26–201(a)(22)
Annotated Code of Maryland
(2015 Replacement Volume and 2022 Supplement)

BY adding to

Article – State Personnel and Pensions
Section 23–201(a)(15)
Annotated Code of Maryland
(2015 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,

Article – Health – General
Section 13–4505

Annotated Code of Maryland
(2019 Replacement Volume and 2022 Supplement)

BY renaming

Article – Alcoholic Beverages
to be Article – Alcoholic Beverages and Cannabis
Annotated Code of Maryland
(2016 Volume and 2022 Supplement)

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

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

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

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

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

Article – Alcoholic Beverages

1–101.

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

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

(2) “CANNABIS” INCLUDES CANNABIS PRODUCTS.

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

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

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

(2) “License holder” includes:

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

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

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

1–202.

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

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

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

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

1–302.

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

1–303.

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

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

(3) Of the Commission members:

- (i) one shall be knowledgeable and experienced in public health matters;
- (ii) one shall be knowledgeable and experienced in law enforcement matters;
- (iii) one shall be knowledgeable and experienced in the alcoholic beverages industry; [and]

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

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

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

1. as an executive with fiduciary responsibilities in charge of a large organization or foundation;
2. in an academic field relating to finance or economics; or
3. as an accountant, an economist, or a financial analyst.

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

1-304.

(a) A member of the Commission may not:

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

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

(3) be an elected official;

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

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

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

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

1–307.

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

(b) The Commission shall:

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

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

(ii) the proper limits of drinking for adults;

(iii) the adverse consequences of surpassing those limits;

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

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

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

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

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

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

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

1–308.

The Commission shall develop best practices for:

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

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

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

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

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

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

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

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

(9) ensuring that:

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

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

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

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

1-309.

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

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

(c) The Executive Director shall:

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

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

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

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

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

1-309.1.

(A) (1) THERE IS AN OFFICE OF SOCIAL EQUITY WITHIN ~~IN THE~~ COMMISSION.

(2) THE OFFICE IS AN INDEPENDENT OFFICE THAT FUNCTIONS WITHIN THE MARYLAND CANNABIS ADMINISTRATION.

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

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

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

(D) THE OFFICE OF SOCIAL EQUITY SHALL:

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

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

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

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

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

(I) DIVERSITY; AND

(II) SOCIAL EQUITY APPLICATIONS;

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

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

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

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

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

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

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

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

1-309.2.

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

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

(C) THE ADVISORY BOARD SHALL:

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

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

(D) THE ADVISORY BOARD CONSISTS OF:

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

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

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

1. CANNABIS LAW, SCIENCE, OR POLICY;
2. PUBLIC HEALTH OR HEALTH CARE;
3. AGRICULTURE;
4. FINANCE; OR
5. ADDICTION TREATMENT;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) AT LEAST 25 YEARS OLD;

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

(3) A REGISTERED VOTER OF THE STATE.

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

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

1-310.

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

1-313.

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

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

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

(i) shall be sworn police officers;

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

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

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

3. the transportation and distribution throughout the State of alcoholic beverages [and], tobacco, **AND CANNABIS** that are manufactured illegally and on which any alcoholic beverages taxes [or], tobacco taxes, **OR CANNABIS TAXES** imposed by the State are due and unpaid; and

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

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

(c) The Field Enforcement Division:

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

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

1–322.

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

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

(3) The Comptroller shall administer the Fund.

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

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

(5) The Fund consists of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) (1) ~~The **BASED ON THE PERCENTAGE ALLOCABLE TO EACH COUNTY DETERMINED BY THE OFFICE OF SOCIAL EQUITY AND REPORTED BY THE OFFICE TO THE COMPTROLLER ON OR BEFORE JULY 31 EACH YEAR, THE**~~ Comptroller shall distribute funds from the Fund to each county in an amount that, for the period from July 1, 2002, to [June 30, 2022] **JANUARY 1, 2023**, both inclusive, is proportionate to the total number of ~~cannabis arrests~~ **POSSESSION CHARGES** in the county compared to the total number of ~~cannabis arrests~~ **POSSESSION CHARGES** in the State] ~~INDIVIDUALS RESIDING IN THE COUNTY WHO WERE CHARGED WITH A CANNABIS CRIME COMPARED TO THE TOTAL NUMBER OF INDIVIDUALS CHARGED WITH CANNABIS CRIMES IN THE STATE.~~

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

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

1–323.

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

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

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

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

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

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

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

1. SUPPORTS OR ADVISES THE SOCIAL EQUITY LICENSEE; AND

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

(II) “QUALIFYING PARTNERSHIP” INCLUDES A PARTNERSHIP THROUGH WHICH THE OPERATIONAL CANNABIS LICENSEE PROVIDES ANY OF THE FOLLOWING TO A SOCIAL EQUITY LICENSEE:

1. TRAINING;

2. MENTORSHIP; OR

3. SHARED COMMERCIAL SPACE OR EQUIPMENT.

~~(6)~~ (7) “SOCIAL EQUITY LICENSEE” ~~MEANS A SOCIAL EQUITY APPLICANT, AS DEFINED~~ HAS THE MEANING STATED IN § 36-101 OF THIS ARTICLE, ~~WHO HAS BEEN AWARDED A CANNABIS LICENSE OR CANNABIS REGISTRATION.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) IMPLEMENT THE PROVISIONS OF THIS SECTION;

(2) ADMINISTER THE GRANT PROGRAM;

(3) ESTABLISH ELIGIBILITY AND GRANT APPLICATION REQUIREMENTS;

(4) ESTABLISH A PROCESS FOR REVIEWING GRANT APPLICATIONS AND AWARDING GRANTS TO ~~SOCIAL-EQUITY~~ OPERATIONAL CANNABIS LICENSEES; AND

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

TITLE 34. RESERVED.

TITLE 35. RESERVED.

DIVISION III. CANNABIS.

TITLE 36. MEDICAL AND ADULT-USE CANNABIS.

SUBTITLE 1. DEFINITIONS.

36-101.

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

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

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

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

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

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

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

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

~~(D)~~ ~~(C)~~ (D) “CANNABIS AGENT” MEANS AN EMPLOYEE, A VOLUNTEER, OR ANY OTHER AUTHORIZED PERSON WHO ACTS FOR OR AT THE DIRECTION OF A CANNABIS LICENSEE OR CANNABIS REGISTRANT.

~~(E)~~ ~~(D)~~ (E) “CANNABIS BUSINESS” MEANS A BUSINESS LICENSED OR REGISTERED BY THE ~~DIVISION~~ ADMINISTRATION TO OPERATE IN THE CANNABIS INDUSTRY.

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

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

~~(H)~~ ~~(G)~~ (H) “CANNABIS LICENSEE” MEANS A BUSINESS LICENSED BY THE ~~DIVISION~~ ADMINISTRATION TO OPERATE IN THE CANNABIS INDUSTRY.

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

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

~~(K)~~ ~~(J)~~ (K) (1) “CANOPY” MEANS THE TOTAL SQUARE FOOTAGE OF SPACE USED BY A CANNABIS LICENSEE FOR THE PRODUCTION OF FLOWERING CANNABIS PLANTS.

(2) “CANOPY” INCLUDES EACH LAYER OF FLOWERING CANNABIS PLANTS GROWN ON ANY RACK OR SHELVING.

(3) “CANOPY” DOES NOT INCLUDE SQUARE FOOTAGE USED FOR:

- (I) MOTHER STOCK;**
- (II) PROPAGATION;**
- (III) IMMATURE OR NONFLOWERING PLANTS;**
- (IV) PROCESSING;**
- (V) DRYING;**
- (VI) CURING;**
- (VII) TRIMMING;**
- (VIII) STORAGE;**
- (IX) OFFICES;**
- (X) HALLWAYS;**
- (XI) PATHWAYS;**
- (XII) WORK AREAS; OR**
- (XIII) OTHER ADMINISTRATIVE AND NONPRODUCTION USES.**

~~(H)~~ ~~(K)~~ (L) **(1) “CAREGIVER” MEANS:**

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

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

1. A PARENT OR LEGAL GUARDIAN; AND

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

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

~~(M)~~ ~~(L)~~ (M) “CERTIFYING PROVIDER” MEANS AN INDIVIDUAL WHO:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(O)~~ ~~(M)~~ (N) "CONSUMER" MEANS AN INDIVIDUAL AT LEAST 21 YEARS OLD WHO PURCHASES CANNABIS OR CANNABIS PRODUCTS FOR PERSONAL USE BY INDIVIDUALS AT LEAST 21 YEARS OLD.

~~(P)~~ ~~(N)~~ (O) (1) "CONTROL" MEANS:

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

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

(2) "CONTROL" INCLUDES:

(I) HOLDING A ~~VOTING INTEREST OF 5% OR MORE IN A CANNABIS LICENSEE OR A RIGHT TO VETO SIGNIFICANT EVENTS;~~

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

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

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

~~(V) THE RIGHT OR AUTHORITY TO EXECUTE EXCLUSIVE CONTRACTS OR SIGNIFICANT CONTRACTS IN THE AGGREGATE OF \$10,000 OR GREATER ON BEHALF OF THE LICENSEE; AND~~

~~(VI) THE RIGHT OR AUTHORITY TO EARN 5% OR MORE OF THE PROFITS OR COLLECT 5% OR MORE OF THE DIVIDENDS.~~

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

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

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

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

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

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

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

(I) CANNABIS CONCENTRATE;

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

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

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

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

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

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

~~(X)~~ (V) “INDEPENDENT TESTING LABORATORY” MEANS A FACILITY, AN ENTITY, OR A SITE THAT IS REGISTERED WITH THE ~~DIVISION~~ ADMINISTRATION TO PERFORM TESTS RELATED TO THE INSPECTION AND TESTING OF CANNABIS AND PRODUCTS CONTAINING CANNABIS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(FF) “SOCIAL EQUITY APPLICANT” MEANS AN APPLICANT FOR A CANNABIS LICENSE OR CANNABIS REGISTRATION THAT:

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

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

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

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

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

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

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

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

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

~~(GG)~~ (HH) “STANDARD LICENSE” MEANS A LICENSE ISSUED IN ACCORDANCE WITH ~~§ 36-401~~ § 36-401(C)(1) OF THIS TITLE.

~~(HH)~~ (II) “TRANSPORTER” MEANS AN ENTITY REGISTERED UNDER THIS TITLE TO TRANSPORT CANNABIS BETWEEN CANNABIS LICENSEES AND REGISTERED INDEPENDENT TESTING LABORATORIES.

~~(H)~~ (JJ) (1) “USABLE CANNABIS” MEANS THE DRIED LEAVES AND FLOWERS OF THE CANNABIS PLANT.

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

~~(JJ)~~ (KK) “WRITTEN CERTIFICATION” MEANS A CERTIFICATION THAT:

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

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

(I) THAT MEETS THE INCLUSION CRITERIA AND DOES NOT MEET THE EXCLUSION CRITERIA OF THE CERTIFYING PROVIDER’S APPLICATION; AND

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

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

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

36-201.

~~(A) (1) THERE IS A CANNABIS REGULATION AND ENFORCEMENT DIVISION ESTABLISHED WITHIN THE OFFICE OF THE EXECUTIVE DIRECTOR OF IN THE COMMISSION.~~

~~(2) THE DIVISION IS AN INDEPENDENT UNIT THAT FUNCTIONS WITHIN, AND REPORTS DIRECTLY ONLY TO, THE COMMISSION.~~

(A) THERE IS A MARYLAND CANNABIS ADMINISTRATION ESTABLISHED AS AN INDEPENDENT UNIT OF STATE GOVERNMENT.

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

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

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

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

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

(E) THE DIVISION ADMINISTRATION:

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

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

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

36-202.

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

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

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

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

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

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

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

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

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

(II) REGISTRATION TO INDEPENDENT TESTING LABORATORIES, TRANSPORTERS, SECURITY GUARD COMPANIES, WASTE DISPOSAL COMPANIES, AND

ANY OTHER TYPE OF CANNABIS BUSINESS AUTHORIZED BY THE ~~DIVISION~~
ADMINISTRATION;

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

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

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

1. CONTESTED CANNABIS LICENSE OR REGISTRATION
DENIAL; OR

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

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

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

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

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

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

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

(I) ANY DISCIPLINARY ACTION UNDER THIS TITLE; OR

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

(2) DELEGATE THE HEARING AUTHORITY AUTHORIZED UNDER SUBSECTION ~~(A)(7)~~ (A)(8) OF THIS SECTION TO AN EMPLOYEE WITHIN THE ADMINISTRATION; AND

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

36-203.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) TO THE EXTENT PRACTICABLE, THE ~~DIVISION~~ ADMINISTRATION SHALL ADOPT REGULATIONS:

~~(I)~~ REQUIRING CANNABIS LICENSEES TO TRANSITION FROM A CASH SYSTEM AND TO USE TRADITIONAL BANKING SERVICES; AND

~~(II)~~ ESTABLISHING TRADE PRACTICE RESTRICTIONS.

(3) THE ADMINISTRATION SHALL ADOPT REGULATIONS:

(I) GOVERNING INTERNET SALES OF CANNABIS;

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

(III) ESTABLISHING PROCEDURES FOR THE USE OF POINT OF SALE TECHNOLOGIES BY DISPENSARIES FOR ALL TRANSACTIONS IN ORDER TO VERIFY A CONSUMER’S AGE USING A DRIVER’S LICENSE OR OTHER VALID IDENTIFICATION ISSUED BY A GOVERNMENTAL UNIT SPECIFIED BY THE ADMINISTRATION; AND

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

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

36-203.1.

(A) THE ADMINISTRATION SHALL ADOPT REGULATIONS ESTABLISHING LIMITS ON THE MAXIMUM POTENCY OF CANNABIS PRODUCTS SOLD IN THE STATE, INCLUDING LIMITS ON THE MAXIMUM AMOUNT OF THC IN INDIVIDUAL CANNABIS PRODUCTS AND LIMITS ON THE MAXIMUM AGGREGATE THC AMOUNT FOR MULTIPLE EDIBLE CANNABIS PRODUCTS PACKAGED TOGETHER.

(B) A PACKAGE OF CANNABIS FOR DISTRIBUTION TO A CONSUMER OR QUALIFYING PATIENT SHALL:

(1) CONFORM TO:

(I) CHILD-RESISTANT PACKAGING REQUIREMENTS ESTABLISHED UNDER 16 C.F.R. § 1700.15(B)(1); AND

(II) TAMPER-EVIDENT PACKAGING;

(2) PROVIDE THAT PACKAGING AND LABELING SHALL INCLUDE:

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

(II) A STATEMENT:

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

2. OF POTENTIAL RISKS ASSOCIATED WITH CANNABIS USE, ESPECIALLY DURING PREGNANCY OR BREAST FEEDING; AND

3. THAT THIS PACKAGE CONTAINS CANNABIS, KEEP OUT OF THE REACH OF CHILDREN AND ANIMALS;

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

(IV) ANY ALLERGEN WARNING REQUIRED BY LAW;

(V) A LISTING OF NONCANNABIS INGREDIENTS; AND

(VI) AN ITEMIZATION, INCLUDING WEIGHT:

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

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

(C) CANNABIS LABELING AND PACKAGING MAY NOT INCLUDE:

(1) SUBJECT TO SUBSECTION (D) OF THIS SECTION, ANY IMAGE THAT MAY APPEAL TO CHILDREN INCLUDING:

(I) IMAGES OF FOOD, CANDY, BAKED GOODS, CEREAL, FRUIT, AND BEVERAGES; AND

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

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

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

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

(D) THE ADMINISTRATION MAY ADOPT REGULATIONS TO ALLOW THE SALE, ON OR BEFORE JULY 1, 2024, OF CANNABIS OR CANNABIS PRODUCTS THAT ARE LABELED OR PACKAGED USING IMAGES DESCRIBED UNDER SUBSECTION (C)(1) OF THIS SECTION.

36-204.

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

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

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

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

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

(I) POTENCY;

(II) HOMOGENEITY;

(III) DETECTION AND QUANTITATION OF CONTAMINANTS; AND

(IV) SOLVENTS;

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

(3) CONDUCTING PROFICIENCY TESTING OF INDEPENDENT TESTING LABORATORIES;

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

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

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

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

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

36-205.

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

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

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

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

36-206.

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

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

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

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

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

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

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

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

(F) THE FUND CONSISTS OF:

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

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

(3) INTEREST EARNINGS OF THE FUND; AND

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

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

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

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

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

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

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

SUBTITLE 3. MEDICAL USE OF CANNABIS.

36-301.

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

(1) MEETS THE REQUIREMENTS OF THIS SUBTITLE; AND

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

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

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

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

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

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

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

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

- (I) CACHEXIA, ANOREXIA, OR WASTING SYNDROME;
 - (II) SEVERE OR CHRONIC PAIN;
 - (III) SEVERE NAUSEA;
 - (IV) SEIZURES; OR
 - (V) SEVERE OR PERSISTENT MUSCLE SPASMS;
- (3) GLAUCOMA; OR
 - (4) POST-TRAUMATIC STRESS DISORDER.

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

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

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

- (1) RECEIVE ANY GIFT FROM A CANNABIS LICENSEE;
- (2) HOLD AN OWNERSHIP INTEREST IN A CANNABIS LICENSEE OR A BUSINESS THAT CONTROLS A CANNABIS LICENSEE; OR
- (3) RECEIVE ANY COMPENSATION FROM A CANNABIS LICENSEE.

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

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

- (I) (1) A CERTIFYING PROVIDER REGISTRATION IS VALID FOR 2 YEARS.
- (2) THE ~~DIVISION~~ ADMINISTRATION SHALL GRANT OR DENY A RENEWAL OF A REGISTRATION BASED ON THE PROVIDER'S PERFORMANCE IN COMPLYING WITH REGULATIONS ADOPTED BY THE ~~DIVISION~~ ADMINISTRATION.

36-302.

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

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

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

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

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

(1) THE QUALIFYING PATIENT'S CAREGIVER; OR

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

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

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

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

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

(G) A QUALIFYING PATIENT MAY POSSESS UP TO:

(1) 120 GRAMS OF USABLE CANNABIS; OR

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

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

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

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

AND

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

(2) ARE NOT REQUIRED TO REGISTER WITH THE ~~COMMISSION~~ ADMINISTRATION UNDER THIS SUBTITLE.

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

SUBTITLE 4. CANNABIS LICENSING.

36-401.

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

(2) A CANNABIS LICENSE ISSUED UNDER THIS SUBTITLE:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(III) IMPOSE PENALTIES OR RESCIND THE LICENSE OF A CANNABIS LICENSEE THAT DOES NOT MEET THE STANDARDS FOR LICENSURE

ESTABLISHED UNDER THIS TITLE OR REGULATIONS ADOPTED UNDER THIS TITLE;
AND

(IV) CONDITIONALLY AWARD CANNABIS LICENSES.

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

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

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

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

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

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

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

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

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

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

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

(1) FOR STANDARD LICENSES:

(I) 75 GROWER LICENSES;

(II) 100 PROCESSOR LICENSES; AND

(III) 300 DISPENSARY LICENSES;

(2) FOR MICRO LICENSES:

(I) 100 GROWER LICENSES;

(II) 100 PROCESSOR LICENSES; AND

(III) ~~200~~ 10 DISPENSARY LICENSES;

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

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

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

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

(I) FOR STANDARD LICENSES AND MICRO LICENSES:

1. ONE GROWER LICENSEE;

2. ONE PROCESSOR LICENSEE; AND

3. NOT MORE THAN ~~TWO~~ FOUR DISPENSARY LICENSEES;

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

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

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

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

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

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

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

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

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

(III) PERSONS WITH COMMON INVESTMENTS; AND

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

~~(G) A LICENSE ISSUED UNDER THIS TITLE:~~

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

~~(2) IS SUBJECT TO:~~

~~(I) SUSPENSION, REVOCATION, AND RESTRICTIONS AUTHORIZED BY LAW; AND~~

~~(II) REGULATIONS AUTHORIZED UNDER THIS ARTICLE.~~

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

~~(I) MAY NOT:~~

~~1. OPERATE UNDER THE LICENSE; OR~~

~~2. RENEW THE LICENSE; BUT~~

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

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

(G) NOTWITHSTANDING ANY PROVISIONS OF THIS TITLE, THE HOLDER OF A DISPENSARY LICENSE ISSUED BY THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION WHO CONVERTS THE LICENSE OR A REGISTRANT WITH THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION MAY CONTINUE TO DELIVER MEDICAL CANNABIS UNTIL JULY 1, 2024.

(H) A LICENSE ISSUED UNDER THIS TITLE:

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

(2) IS SUBJECT TO:

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

(II) REGULATIONS AUTHORIZED UNDER THIS ARTICLE.

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

(I) MAY NOT:

1. OPERATE UNDER THE LICENSE; OR

2. RENEW THE LICENSE; BUT

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

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

36-402.

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

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

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

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

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

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

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

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

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

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

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

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

(IV) A GROWER LICENSEE MAY NOT OPERATE AN INDOOR CANOPY THAT EXCEEDS 300,000 SQUARE FEET OR ITS EQUIVALENT, AS CALCULATED BY THE ~~DIVISION~~ ADMINISTRATION IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION, IF THE GROWER LICENSEE:

1. HELD A STAGE ONE PREAPPROVAL FOR A LICENSE BEFORE OCTOBER 1, 2022; AND

2. WAS NOT OPERATIONAL BEFORE OCTOBER 1, 2022.

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

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

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

(III) THE CANOPY AREA IS MEASURED ~~USING THE OUTSIDE BOUNDARIES OF ANY AREA THAT INCLUDES FLOWERING CANNABIS PLANTS AND ALL~~

~~OF THE SPACE WITHIN THE BOUNDARIES~~ IN ACCORDANCE WITH THE DEFINITION OF “CANOPY” ESTABLISHED UNDER § 36-101 OF THIS TITLE.

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

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

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

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

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

(VII) THE ADMINISTRATION SHALL ANNUALLY REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE AMOUNT OF CANOPY AREA REPORTED TO THE ADMINISTRATION BY LICENSED GROWERS UNDER ITEM (II) OF THIS PARAGRAPH.

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

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

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

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

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

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

36-403.

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

~~(2) EACH SUBJECT TO SUBSECTION (F) OF THIS SECTION, EACH GROWER OR PROCESSOR SHALL PAY THE FOLLOWING ONE-TIME CONVERSION FEE BASED ON THE TOTAL GROSS REVENUE OF THE GROWER OR PROCESSOR IN 2022:~~

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

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

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

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

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

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

(2) (I) SUBJECT TO SUBSECTION (E) OF THIS SECTION AND EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH:

1. EACH GROWER AND PROCESSOR SHALL PAY A ONE-TIME CONVERSION FEE OF 10% OF THE TOTAL GROSS REVENUE OF THE GROWER OR PROCESSOR IN 2022, BUT NOT MORE THAN \$2,000,000; AND

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

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

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

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

~~(2) EACH SUBJECT TO SUBSECTION (F) OF THIS SECTION, EACH DISPENSARY SHALL PAY THE FOLLOWING ONE-TIME CONVERSION FEE BASED ON THE GROSS REVENUE OF THE DISPENSARY IN 2022:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(2) THE RENEWAL FEES ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT EXCEED 10% OF THE CANNABIS LICENSEE'S ANNUAL GROSS REVENUE.~~

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE LICENSING AND RENEWAL FEES ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR STANDARD CANNABIS LICENSEES MAY NOT EXCEED:

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

(II) FOR RENEWAL LICENSE FEES, THE LESSER OF 10% OF THE STANDARD CANNABIS LICENSEE'S ANNUAL GROSS REVENUE OR \$50,000.

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

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

(I) MAY BE PAID IN SEPARATE INSTALLMENTS; AND

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

(2) THE AMOUNT OF ANY LICENSING OR RENEWAL FEE PAID BY A BUSINESS FOR FISCAL YEAR 2023 TO THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION SHALL BE CREDITED AGAINST THE ONE-TIME CONVERSION FEE ASSESSED UNDER THIS SECTION.

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

36-404.

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

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

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

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

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

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

(III) ACCEPT AND PROCESS APPLICATIONS FOR LICENSES:

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

2. FOR A PERIOD OF 30 CALENDAR DAYS; AND

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(I) FOR STANDARD LICENSES:

- 1. 20 GROWER LICENSES;**
- 2. 40 PROCESSOR LICENSES; AND**
- 3. 80 DISPENSARY LICENSES;**

(II) FOR MICRO LICENSES:

- 1. 30 GROWER LICENSES;**
- 2. 30 PROCESSOR LICENSES; AND**
- 3. ~~75~~ 10 DISPENSARY LICENSES; AND**

(III) 10 INCUBATOR SPACE LICENSES.

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

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

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

(III) A DETAILED DIVERSITY PLAN.

(3) (1) IF AN APPLICANT SEEKING SOCIAL EQUITY STATUS IS FROM OUT-OF-STATE, THE APPLICANT MUST SUBMIT WITH THE APPLICATION EVIDENCE

THAT THE APPLICANT MEETS THE CRITERIA FOR A SOCIAL EQUITY APPLICANT ESTABLISHED UNDER THIS TITLE BEFORE THE ADMINISTRATION MAY CONSIDER THE APPLICATION.

(II) FIRST ROUND APPLICATION SUBMISSIONS FOR ALL LICENSE TYPES ARE LIMITED TO SOCIAL EQUITY APPLICANTS.

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

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

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

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

(I) FOR STANDARD LICENSES:

1. 25 GROWER LICENSES;

2. 25 PROCESSOR LICENSES; AND

3. 120 DISPENSARY LICENSES;

(II) FOR MICRO LICENSES:

1. 70 GROWER LICENSES; AND

2. 70 PROCESSOR LICENSES; ~~AND~~

~~3. 125 190 DISPENSARY LICENSES;~~

(III) 10 INCUBATOR SPACE LICENSES; AND

(IV) 15 ON-SITE CONSUMPTION LICENSES.

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

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

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

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

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

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

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

(I) FOR STANDARD LICENSES:

1. 25 GROWER LICENSES;
2. 25 PROCESSOR LICENSES; AND
3. 120 DISPENSARY LICENSES;

(II) FOR MICRO LICENSES:

1. 70 GROWER LICENSES; AND
2. 70 PROCESSOR LICENSES; ~~AND~~
- ~~3. 125-100 DISPENSARY LICENSES;~~

(III) 10 INCUBATOR SPACE LICENSES; AND

(IV) 15 ON-SITE CONSUMPTION LICENSES.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36-405.

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

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

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

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

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

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

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

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

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

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

(C) THE USE OF A FACILITY BY A CANNABIS LICENSEE IS NOT REQUIRED TO BE SUBMITTED TO, OR APPROVED BY, A COUNTY OR MUNICIPAL ZONING BOARD, AUTHORITY, OR UNIT IF ~~IF~~ THE FACILITY:

(1) WAS PROPERLY ZONED AND OPERATING ON OR BEFORE JANUARY 1, 2023; OR

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

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

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

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

36-406.

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

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

~~(C) THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION MAY ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH A NONPROFIT ORGANIZATION TO OPERATE A FACILITY UNDER SUBSECTION (B) OF THIS SECTION IF THE DIVISION AND THE CORPORATION PROVIDE OVERSIGHT OF THE FACILITY.~~

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

(D) THE DEPARTMENT OF GENERAL SERVICES SHALL CONTRACT WITH A NONPROFIT ORGANIZATION TO OPERATE A FACILITY UNDER SUBSECTION (B) OF THIS SECTION.

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

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

36-407.

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

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

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

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

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

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

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

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

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

(I) CULTIVATE CANNABIS;

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

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

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

~~**(E)** THE DIVISION SHALL:~~

(D) **A BUSINESS THAT HAS AVERAGE DAILY RECEIPTS FROM THE SALE OF BAKERY GOODS THAT ARE AT LEAST 50% OF THE AVERAGE DAILY RECEIPTS OF THE BUSINESS MAY APPLY FOR A LICENSE TO OPERATE AN ON-SITE CONSUMPTION ESTABLISHMENT.**

(E) **THE ADMINISTRATION SHALL:**

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

(2) MAKE THE LIST AVAILABLE ON ITS WEBSITE.

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

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

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

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

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

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

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

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

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

(G) AN ON-SITE CONSUMPTION ESTABLISHMENT SHALL:

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

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

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

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

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

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

36-408.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(I) (1) ANY REGISTRATION TO OPERATE AN INDEPENDENT TESTING LABORATORY ISSUED BY THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION ON OR BEFORE JULY 1, 2023, SHALL BE VALID UNDER THIS TITLE AND

SHALL AUTHORIZE AN INDEPENDENT TESTING LABORATORY TO PERFORM TESTING ON MEDICAL AND ADULT-USE CANNABIS AND CANNABIS PRODUCTS.

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

36-409.

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

- (1) A TRANSPORTER;
- (2) A SECURITY GUARD AGENCY;
- (3) A WASTE DISPOSAL COMPANY; AND

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

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

- (1) THE STANDARDS AND REQUIREMENTS TO BE MET BY AN ENTITY TO OBTAIN A REGISTRATION UNDER THIS SUBTITLE; AND
- (2) THE BASIS AND PROCESSES FOR APPROVAL, DENIAL, REVOCATION, AND SUSPENSION OF THE CANNABIS REGISTRATION.

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

36-410.

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

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

(2) SET ASIDE OPERATING HOURS OR DEDICATED SERVICE LINES TO SERVE ONLY QUALIFYING PATIENTS AND CAREGIVERS; AND

(3) ENSURE THAT ~~SHELF SPACE AT LEAST 25% OF CANNABIS AND CANNABIS PRODUCTS IN THE DISPENSARY IS AVAILABLE FOR CANNABIS AND CANNABIS PRODUCTS ARE FROM SOCIAL EQUITY LICENSEES AND GROWERS AND PROCESSORS THAT DO NOT SHARE COMMON OWNERSHIP WITH THE DISPENSARY.~~

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

(1) 500 FEET OF:

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

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

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

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

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

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

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

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

36-501.

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

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

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

(1) BE AT LEAST 21 YEARS OLD; AND

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

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

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

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

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

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

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

(1) BE VALID UNDER THIS TITLE; AND

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

36-502.

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

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

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

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

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

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

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

(1) THE APPLICANT:

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

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

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

36-503.

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

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

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

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

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

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

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

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

(3) THE LIMITATIONS UNDER THIS SUBSECTION DO NOT APPLY TO TRANSFERS AS A RESULT OF THE DISABILITY, INCAPACITY, OR DEATH OF THE OWNER OF A CANNABIS LICENSE, ~~THE~~ BANKRUPTCY OR RECEIVERSHIP IN ACCORDANCE WITH A LENDING AGREEMENT OF A CANNABIS LICENSEE, OR COURT ORDER.

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

36-504.

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

(2) “OWNER” DOES NOT INCLUDE A STOCKHOLDER.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (3) BE AN ELECTED OFFICIAL OF STATE OR LOCAL GOVERNMENT;
- (4) RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE RECEIPTS OR PROCEEDS OF A CANNABIS LICENSEE; OR
- (5) HAVE A BENEFICIAL INTEREST IN A CONTRACT FOR THE MANUFACTURE OR SALE OF CANNABIS OR THE PROVISION OF INDEPENDENT CONSULTING SERVICES IN CONNECTION WITH A CANNABIS LICENSE.

36-505.

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

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

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

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

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

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

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

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

(1) CONFIDENTIAL AND MAY NOT BE REDISSEMINATED; AND

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

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

SUBTITLE 6. MEDICAL CANNABIS COMPASSIONATE USE FUND AND PROGRAM.

36-601.

(A) IN THIS SECTION, “FUND” MEANS THE MEDICAL CANNABIS COMPASSIONATE USE FUND.

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

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

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

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

(2) THE ~~DIVISION~~ ADMINISTRATION MAY NOT IMPOSE THE FEES ESTABLISHED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION ON A LICENSED MEDICAL CANNABIS GROWER, PROCESSOR, OR DISPENSARY ~~DURING THE 2-YEAR PERIOD IMMEDIATELY FOLLOWING THE ISSUANCE OF A LICENSE~~ BEFORE THE GROWER, PROCESSOR, OR DISPENSARY IS AN OPERATIONAL CANNABIS LICENSEE UNDER THIS TITLE.

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

(1) AN ASSESSMENT OF THE PATIENT’S MEDICAL HISTORY AND CURRENT MEDICAL CONDITION; AND

(2) MEDICAL CANNABIS FROM A LICENSED DISPENSARY.

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

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

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

(F) THE FUND CONSISTS OF:

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

(2) FINES ASSESSED BY THE ~~DIVISION~~ ADMINISTRATION UNDER THIS TITLE;

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

(4) INTEREST EARNINGS; AND

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

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

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

~~(4)~~ (H) ~~THE COMPASSIONATE USE FUND SHALL BE SUBJECT TO AN AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.~~

~~(5)~~ (I) ~~THE COMPTROLLER SHALL PAY OUT MONEY FROM THE COMPASSIONATE USE FUND AS DIRECTED BY THE ~~DIVISION~~ ADMINISTRATION.~~

~~(E)~~ (J) ~~NO PART OF THE COMPASSIONATE USE FUND MAY REVERT OR BE CREDITED TO:~~

- (1) THE GENERAL FUND OF THE STATE; OR
- (2) ANY OTHER SPECIAL FUND OF THE STATE.

~~(F)~~ (K) EXPENDITURES FROM THE ~~COMPASSIONATE USE~~ FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

~~(G)~~ (L) THE ~~DIVISION~~ ADMINISTRATION SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

SUBTITLE 7. CANNABIS RESEARCH AND DEVELOPMENT.

36-701.

(A) (1) AN INSTITUTION OF HIGHER EDUCATION, A RELATED MEDICAL FACILITY, OR AN AFFILIATED BIOMEDICAL RESEARCH FIRM MAY REGISTER WITH THE ~~DIVISION~~ ADMINISTRATION TO PURCHASE CANNABIS FOR THE PURPOSE OF CONDUCTING A BONA FIDE RESEARCH PROJECT RELATING TO THE USES, PROPERTIES, OR COMPOSITION OF CANNABIS.

(2) A REGISTRATION FILED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE:

- (I) THE NAME OF THE PRIMARY RESEARCHER;
 - (II) THE EXPECTED DURATION OF THE RESEARCH PROJECT;
- AND
- (III) THE PRIMARY OBJECTIVES OF THE RESEARCH PROJECT.

(3) A REGISTRATION FILED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL REMAIN VALID UNTIL THERE IS A CHANGE IN THE RESEARCH PROJECT OR A WITHDRAWAL OF THE REGISTRATION.

(B) AN ACADEMIC RESEARCH REPRESENTATIVE MAY PURCHASE CANNABIS FROM A LICENSED DISPENSARY OR A SUPPLIER OF CANNABIS THAT IS LICENSED BY ANY FEDERAL AGENCY TO SUPPLY CANNABIS TO RESEARCHERS.

(C) AN ACADEMIC RESEARCH REPRESENTATIVE MAY NOT BE PENALIZED OR ARRESTED UNDER STATE LAW FOR ACQUIRING, POSSESSING, OR DISPENSING CANNABIS, PRODUCTS CONTAINING CANNABIS, RELATED SUPPLIES, OR EDUCATIONAL MATERIALS FOR USE IN A BONA FIDE RESEARCH PROJECT RELATING TO THE USES, PROPERTIES, OR COMPOSITION OF CANNABIS.

(D) ~~THE DIVISION~~ ADMINISTRATION MAY ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.

36-702.

(A) ~~THE DIVISION~~ ADMINISTRATION MAY REGISTER AN ENTITY TO GROW, PROCESS, TEST, AND TRANSFER CANNABIS FOR THE PURPOSES OF RESEARCH AND DEVELOPMENT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION.

(B) A REGISTRATION ISSUED UNDER SUBSECTION (A) OF THIS SECTION AUTHORIZES THE REGISTRANT ONLY TO:

- (1) TEST CHEMICAL POTENCY AND COMPOSITION LEVELS;
- (2) CONDUCT CLINICAL INVESTIGATIONS OF CANNABIS-DERIVED MEDICINAL PRODUCTS;
- (3) CONDUCT RESEARCH ON THE EFFICACY AND SAFETY OF ADMINISTERING CANNABIS AS PART OF MEDICAL TREATMENT;
- (4) CONDUCT GENOMIC, HORTICULTURAL, OR AGRICULTURAL RESEARCH; AND
- (5) CONDUCT RESEARCH ON CANNABIS-AFFILIATED PRODUCTS OR SYSTEMS.

(C) TO OBTAIN A RESEARCH AND DEVELOPMENT REGISTRATION, AN APPLICANT SHALL SUBMIT TO THE ~~DIVISION~~ ADMINISTRATION:

- (1) AN APPLICATION FEE IN AN AMOUNT TO BE DETERMINED BY THE ~~DIVISION~~ ADMINISTRATION; AND
- (2) AN APPLICATION DEVELOPED BY THE ~~DIVISION~~ ADMINISTRATION.

(D) AN APPLICANT FOR A RESEARCH AND DEVELOPMENT REGISTRATION MUST MEET THE REGISTRATION STANDARDS AND REQUIREMENTS ESTABLISHED BY THE ~~DIVISION~~ ADMINISTRATION.

(E) (1) A RESEARCH AND DEVELOPMENT REGISTRATION IS VALID FOR AN INITIAL TERM OF 2 YEARS.

(2) A RESEARCH AND DEVELOPMENT REGISTRATION IS VALID FOR 2 YEARS ON RENEWAL.

(F) A RESEARCH AND DEVELOPMENT REGISTRANT MAY TRANSFER, BY SALE OR DONATION, CANNABIS GROWN WITHIN ITS OPERATION ONLY TO OTHER RESEARCH AND DEVELOPMENT REGISTRANTS.

(G) A RESEARCH AND DEVELOPMENT REGISTRANT MAY CONTRACT TO PERFORM RESEARCH IN CONJUNCTION WITH A PUBLIC HIGHER EDUCATION RESEARCH INSTITUTION OR ANOTHER RESEARCH AND DEVELOPMENT REGISTRANT.

SUBTITLE 8. REPORTS.

36-801.

~~(A) ON OR BEFORE JUNE 30 EACH YEAR, EACH ENTITY LICENSED OR REGISTERED UNDER THIS TITLE CANNABIS LICENSEE AND CANNABIS REGISTRANT SHALL REPORT TO THE DIVISION ON:~~

(A) ON OR BEFORE AUGUST 1 EACH YEAR, EACH CANNABIS LICENSEE AND CANNABIS REGISTRANT SHALL REPORT TO THE ADMINISTRATION INFORMATION DETERMINED BY THE ADMINISTRATION TO BE NECESSARY TO CONTINUE TO ASSESS THE NEED FOR REMEDIAL MEASURES IN THE CANNABIS INDUSTRY AND MARKET, INCLUDING:

(1) THE NUMBER OF MINORITY AND WOMEN OWNERS OF THE CANNABIS LICENSEE OR CANNABIS REGISTRANT;

(2) THE OWNERSHIP INTEREST OF ANY MINORITY AND WOMEN OWNERS OF THE CANNABIS LICENSEE OR CANNABIS REGISTRANT; ~~AND~~

(3) THE NUMBER OF MINORITY AND WOMEN EMPLOYEES OF THE CANNABIS LICENSEE OR CANNABIS REGISTRANT;

(4) A LIST OF THE CANNABIS LICENSEE'S OR CANNABIS REGISTRANT'S EXPENDITURES FOR THE PRIOR STATE FISCAL YEAR; AND

(5) FOR EACH EXPENDITURE:

(I) A DESCRIPTION OF THE WORK PERFORMED;

(II) THE DOLLAR VALUE OF THE EXPENDITURE;

(III) WHETHER THE WORK WAS PERFORMED BY THE CANNABIS LICENSEE OR CANNABIS REGISTRANT OR A CONTRACTOR OR SUBCONTRACTOR; AND

(IV) IF THE WORK WAS PERFORMED BY A CONTRACTOR OR SUBCONTRACTOR, THE NAME OF THE ENTITY THAT PERFORMED THE WORK.

(B) ALL DATA PROVIDED BY A CANNABIS LICENSEE OR CANNABIS REGISTRANT UNDER SUBSECTION (A)(4) AND (5) OF THIS SECTION:

(1) SHALL CONSTITUTE CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION AND BE TREATED AS CONFIDENTIAL BY THE ADMINISTRATION AND THE STATE; AND

(2) MAY BE USED ONLY FOR THE PURPOSES AUTHORIZED UNDER THIS SECTION AND MAY ONLY BE DISCLOSED TO THE PUBLIC IN AN ANONYMIZED OR AGGREGATED FORMAT.

(C) ON OR BEFORE AUGUST 15 EACH YEAR, THE ADMINISTRATION SHALL PROVIDE THE DATA COLLECTED UNDER SUBSECTION (A) OF THIS SECTION TO THE CERTIFICATION AGENCY DESIGNATED BY THE BOARD OF PUBLIC WORKS UNDER § 14-303(B) OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

~~(B)~~ (D) ON OR BEFORE JANUARY 1 EACH YEAR, THE ~~DIVISION~~ ADMINISTRATION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE INFORMATION REPORTED UNDER SUBSECTION ~~(A)~~ (A)(1) THROUGH (3) OF THIS SECTION.

36-802.

ON OR BEFORE JANUARY 1 EACH ~~ODD-NUMBERED~~ YEAR, THE ~~DIVISION~~ ADMINISTRATION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON:

(1) THE AMOUNT OF CANNABIS CULTIVATED, PROCESSED, AND DISPENSED BY STANDARD AND MICRO LICENSEES; AND

(2) WHETHER THE SUPPLY OF CANNABIS IS ADEQUATE TO MEET THE DEMAND FOR CANNABIS AND CANNABIS PRODUCTS.

36-803.

THE ~~DIVISION~~ ADMINISTRATION SHALL PUBLISH THE FOLLOWING DATA, ORGANIZED BY MONTH, ON A ROLLING BASIS AND ON A PUBLICLY ACCESSIBLE PART OF THE ~~COMMISSION'S~~ ADMINISTRATION'S WEBSITE:

- (1) THE NUMBER OF PATIENTS, CAREGIVERS, AND PROVIDERS CERTIFIED UNDER THIS TITLE;
- (2) THE WHOLESALE AND RETAIL SALES OF MEDICAL AND ADULT-USE CANNABIS, MEASURED BY REVENUE AND VOLUME; AND
- (3) THE MEDIAN CONSUMER PRICE FOR CANNABIS AND CANNABIS PRODUCTS.

SUBTITLE 9. ADVERTISING.

36-901.

(A) IN THIS SUBTITLE, "ADVERTISEMENT" MEANS THE PUBLICATION, DISSEMINATION, OR CIRCULATION OF ANY AUDITORY, VISUAL, DIGITAL, ORAL, OR WRITTEN MATTER WHICH IS DIRECTLY OR INDIRECTLY CALCULATED TO INDUCE THE SALE OF CANNABIS OR ANY CANNABIS-RELATED PRODUCT OR SERVICE.

(B) "ADVERTISEMENT" DOES NOT INCLUDE PACKAGING OR LABELING.

36-902.

~~(A) ADVERTISEMENTS~~ AN ADVERTISEMENT FOR MEDICAL CANNABIS AND MEDICAL CANNABIS PRODUCTS OR MEDICAL CANNABIS-RELATED SERVICES THAT MAKE MAKES THERAPEUTIC OR MEDICAL CLAIMS SHALL:

(1) BE SUPPORTED BY ~~SUBSTANTIAL CLINICAL EVIDENCE OR SUBSTANTIAL CLINICAL DATA~~ COMPETENT AND RELIABLE SCIENTIFIC EVIDENCE; AND

(2) INCLUDE INFORMATION ON THE MOST ~~SIGNIFICANT~~ SERIOUS AND MOST COMMON SIDE EFFECTS OR RISKS ASSOCIATED WITH THE USE OF CANNABIS.

~~(B) ADVERTISEMENTS AN ADVERTISEMENT FOR MEDICAL CANNABIS OR MEDICAL CANNABIS PRODUCTS SHALL INCLUDE A STATEMENT THAT THE PRODUCT IS FOR USE ONLY BY A QUALIFYING PATIENT.~~

~~**36-902.**~~ **36-903.**

(A) (1) THIS SUBSECTION DOES NOT APPLY TO AN ADVERTISEMENT PLACED ON PROPERTY OWNED OR LEASED BY A DISPENSARY, GROWER, OR PROCESSOR.

(2) AN ADVERTISEMENT FOR A CANNABIS LICENSEE, CANNABIS PRODUCT, OR CANNABIS-RELATED SERVICE MAY NOT:

~~**(1) MAKE A STATEMENT THAT IS FALSE OR MISLEADING IN A MATERIAL WAY OR IS OTHERWISE A VIOLATION OF TITLE 13, SUBTITLE 3 OF THE COMMERCIAL LAW ARTICLE;**~~

(I) VIOLATE TITLE 13, SUBTITLE 3 OF THE COMMERCIAL LAW ARTICLE;

(II) DIRECTLY OR INDIRECTLY TARGET INDIVIDUALS UNDER THE AGE OF 21 YEARS;

~~**(2)**~~ **(III) CONTAIN A DESIGN, AN ILLUSTRATION, A PICTURE, OR A REPRESENTATION THAT:**

~~**(I)**~~ **1. TARGETS OR IS ATTRACTIVE TO MINORS, INCLUDING A CARTOON CHARACTER, A MASCOT, OR ANY OTHER DEPICTION THAT IS COMMONLY USED TO MARKET PRODUCTS TO MINORS;**

~~**(II)**~~ **2. DISPLAYS THE USE OF CANNABIS, INCLUDING THE CONSUMPTION, SMOKING, OR VAPING OF CANNABIS;**

~~**(III)**~~ **3. ENCOURAGES OR PROMOTES CANNABIS FOR USE AS AN INTOXICANT; OR**

~~**(IV)**~~ **4. IS OBSCENE;**

~~**(3)**~~ **(IV) ENGAGE IN ADVERTISING BY MEANS OF TELEVISION, RADIO, INTERNET, MOBILE APPLICATION, SOCIAL MEDIA, OR OTHER ELECTRONIC COMMUNICATION, OR PRINT PUBLICATION, UNLESS AT LEAST 85% OF THE AUDIENCE IS REASONABLY EXPECTED TO BE AT LEAST 21 YEARS OLD AS DETERMINED BY RELIABLE AND CURRENT AUDIENCE COMPOSITION DATA; OR**

~~**(4)**~~ **(V) ENGAGE IN ADVERTISING BY MEANS OF PLACING AN ADVERTISEMENT ON THE SIDE OF A BUILDING OR ANOTHER PUBLICLY VISIBLE LOCATION OF ANY FORM, INCLUDING A SIGN, A POSTER, A PLACARD, A DEVICE, A GRAPHIC DISPLAY, AN OUTDOOR BILLBOARD, OR A FREESTANDING SIGNBOARD.**

(B) (1) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, EACH CANNABIS-RELATED WEBSITE ~~OWNED, MANAGED, OR OPERATED BY A CANNABIS LICENSEE~~ SHALL EMPLOY A NEUTRAL AGE-SCREENING MECHANISM THAT VERIFIES THAT THE USER IS AT LEAST 21 YEARS OLD, INCLUDING BY USING AN AGE-GATE, AGE-SCREEN, OR AGE VERIFICATION MECHANISM BEFORE THE USER

MAY ACCESS OR VIEW ANY CONTENT AND BEFORE THE WEBSITE MAY COLLECT THE USER'S ADDRESS, E-MAIL ADDRESS, PHONE NUMBER, OR CONTACT INFORMATION TO DISSEMINATE ADVERTISEMENTS.

(II) IF A WEBSITE IS APPROPRIATE FOR A QUALIFYING PATIENT WHO IS UNDER THE AGE OF 21 YEARS, THE WEBSITE SHALL PROVIDE AN ALTERNATIVE SCREENING MECHANISM FOR THE QUALIFYING PATIENT.

(2) AN ADVERTISEMENT PLACED ON SOCIAL MEDIA OR A MOBILE APPLICATION SHALL INCLUDE A NOTIFICATION THAT AN INDIVIDUAL MUST BE AT LEAST 21 YEARS OLD TO VIEW THE CONTENT.

(3) THE PROVISIONS OF THIS SUBTITLE APPLICABLE TO CANNABIS LICENSEES MAY NOT BE AVOIDED BY HIRING OR CONTRACTING WITH A THIRD-PARTY, OR OUTSOURCING ADVERTISEMENTS THAT DO NOT COMPLY WITH THIS SUBTITLE.

(4) A CANNABIS LICENSEE MAY NOT ALLOW THE USE OF THE LICENSEE'S TRADEMARKS, BRANDS, NAMES, LOCATIONS, OR OTHER DISTINGUISHING CHARACTERISTICS FOR THIRD-PARTY USE FOR ADVERTISEMENTS THAT DO NOT COMPLY WITH THIS SUBTITLE.

(C) ~~THE DIVISION~~ ADMINISTRATION SHALL ADOPT REGULATIONS TO ESTABLISH:

~~(1) PROCEDURES FOR THE ENFORCEMENT OF THIS SECTION; AND~~

~~(2) A PROCESS FOR AN INDIVIDUAL TO VOLUNTARILY SUBMIT AN ADVERTISEMENT TO THE DIVISION FOR AN ADVISORY OPINION ON WHETHER THE ADVERTISEMENT COMPLIES WITH THE RESTRICTIONS ON ADVERTISEMENTS FOR CANNABIS, CANNABIS PRODUCTS, EDIBLE CANNABIS PRODUCTS, AND CANNABIS-RELATED SERVICES.~~

SUBTITLE 10. RESPONSIBLE VENDOR TRAINING PROGRAM.

36-1001.

(A) ~~IF A PERSON WOULD LIKE TO~~ TO OFFER A RESPONSIBLE MEDICAL OR ADULT-USE CANNABIS VENDOR, SERVER, AND SELLER TRAINING PROGRAM, ~~THE A~~ A PERSON ~~MUST~~ SHALL SUBMIT AN APPLICATION TO THE ~~DIVISION~~ ADMINISTRATION.

(B) THE ~~DIVISION~~ ADMINISTRATION SHALL APPROVE THE APPLICATION IF THE PROPOSED TRAINING PROGRAM MEETS THE MINIMUM EDUCATIONAL STANDARDS ESTABLISHED UNDER SUBSECTION (C) OF THIS SECTION.

(C) AT A MINIMUM, A TRAINING PROGRAM MUST:

(1) BE TAUGHT IN A CLASSROOM OR VIRTUAL SETTING FOR AT LEAST A 2-HOUR PERIOD;

(2) ESTABLISH PROGRAM STANDARDS, INCLUDING CERTIFICATION AND RECERTIFICATION REQUIREMENTS, RECORD KEEPING, TESTING AND ASSESSMENT PROTOCOLS, AND EFFECTIVENESS EVALUATIONS; AND

(3) PROVIDE A CORE CURRICULUM OF RELEVANT STATUTORY AND REGULATORY PROVISIONS, WHICH SHALL INCLUDE:

(I) INFORMATION ON REQUIRED LICENSES, AGE REQUIREMENTS, PATIENT REGISTRY CARDS ISSUED BY THE ~~DIVISION~~ ADMINISTRATION, MAINTENANCE OF RECORDS, PRIVACY ISSUES, AND UNLAWFUL ACTS;

(II) ADMINISTRATIVE AND CRIMINAL LIABILITY AND LICENSE AND COURT SANCTIONS;

(III) STATUTORY AND REGULATORY REQUIREMENTS FOR EMPLOYEES AND OWNERS;

(IV) STATUTORY AND REGULATORY REQUIREMENTS RELATED TO CANNABIS SALE, TRANSFER, AND DELIVERY;

(V) ACCEPTABLE FORMS OF IDENTIFICATION, INCLUDING PATIENT AND CAREGIVER IDENTIFICATION CARDS;

(VI) STATE AND LOCAL LICENSING AND ENFORCEMENT; AND

(VII) INFORMATION ON SERVING SIZE, THC AND CANNABINOID POTENCY, AND IMPAIRMENT.

36-1002.

THE ~~DIVISION~~ ADMINISTRATION SHALL ADOPT REGULATIONS ESTABLISHING THE RESPONSIBLE VENDOR TRAINING PROGRAM AND THE MINIMUM STANDARDS FOR THE PROGRAM.

36-1003.**A PROVIDER OF AN APPROVED TRAINING PROGRAM SHALL:**

- (1) MAINTAIN ITS TRAINING RECORDS AT ITS PRINCIPAL PLACE OF BUSINESS FOR AT LEAST 4 YEARS; AND
- (2) MAKE THE RECORDS AVAILABLE FOR INSPECTION BY THE ~~DIVISION~~ ADMINISTRATION.

SUBTITLE 11. PROHIBITED ACTS.**36-1101.**

(A) A CANNABIS LICENSEE MAY NOT SELL, TRANSFER, OR DELIVER CANNABIS OR CANNABIS PRODUCTS UNLESS THE LICENSEE VERIFIES BY MEANS OF A VALID DRIVER'S LICENSE OR OTHER GOVERNMENT-ISSUED PHOTO IDENTIFICATION CONTAINING THE BEARER'S DATE OF BIRTH THAT:

- (1) FOR ADULT-USE CANNABIS, THE CONSUMER IS AT LEAST 21 YEARS OLD; OR
- (2) FOR MEDICAL CANNABIS, THE PATIENT OR CAREGIVER IS:
- (I) REGISTERED WITH THE ~~DIVISION~~ ADMINISTRATION; AND
- (II) AT LEAST 18 YEARS OLD.

(B) (1) ~~(I)~~ A EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, A LICENSEE THAT SELLS, TRANSFERS, OR DELIVERS CANNABIS OR CANNABIS PRODUCTS IN VIOLATION OF SUBSECTION (A) OF THIS SECTION IS SUBJECT TO A CIVIL PENALTY OF:

- ~~(I)~~ 1. \$500 FOR A FIRST VIOLATION;
- ~~(II)~~ 2. \$1,000 FOR A SECOND VIOLATION OCCURRING WITHIN 24 MONTHS AFTER THE FIRST VIOLATION; AND
- ~~(III)~~ 3. \$5,000 FOR EACH SUBSEQUENT VIOLATION OCCURRING WITHIN 24 MONTHS AFTER THE IMMEDIATELY PRECEDING VIOLATION.

(II) A VIOLATION OF SUBSECTION (A) OF THIS SECTION THAT OCCURS MORE THAN 24 MONTHS AFTER THE IMMEDIATELY PRECEDING VIOLATION SHALL BE TREATED AS A FIRST VIOLATION.

(2) ~~THE DIVISION~~ ADMINISTRATION MAY DENY A CANNABIS LICENSE TO AN APPLICANT, REPRIMAND A CANNABIS LICENSEE, OR SUSPEND OR REVOKE A CANNABIS LICENSE IF THE APPLICANT OR LICENSEE VIOLATES SUBSECTION (A) OF THIS SECTION TWO OR MORE TIMES IN A 24-MONTH PERIOD.

(3) IN A HEARING FOR AN ALLEGED VIOLATION OF THIS SECTION, IT IS A DEFENSE THAT AN AGENT OF THE DEFENDANT EXAMINED THE CONSUMER’S, PATIENT’S, OR CAREGIVER’S DRIVER’S LICENSE OR OTHER VALID IDENTIFICATION ISSUED BY A GOVERNMENTAL UNIT THAT POSITIVELY IDENTIFIED THE CONSUMER, PATIENT, OR CAREGIVER AS MEETING THE MINIMUM AGE SPECIFIED IN SUBSECTION (A) OF THIS SECTION.

(C) (1) A CANNABIS LICENSEE MAY NOT:

(I) SELL, TRANSFER, OR DELIVER CANNABIS TO AN INDIVIDUAL WHO IS VISIBLY INTOXICATED; ~~OR~~

(II) OFFER CANNABIS OR CANNABIS PRODUCTS AS A PRIZE, PREMIUM, OR CONSIDERATION FOR A LOTTERY, CONTEST, GAME OF CHANCE, GAME OF SKILL, OR COMPETITION OF ANY KIND; OR

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

(2) A CANNABIS LICENSEE THAT VIOLATES PARAGRAPH (1) OF THIS SUBSECTION IS SUBJECT TO A FINE NOT EXCEEDING \$1,000, SUSPENSION OR REVOCATION OF A LICENSE, OR BOTH.

~~(D) (1) A DISPENSARY MAY NOT:~~

~~(I) PACKAGE OR REPACKAGE CANNABIS OR CANNABIS PRODUCTS;~~

~~(II) TRANSFORM CANNABIS OR CANNABIS PRODUCTS INTO ANOTHER PRODUCT OR AN EXTRACT; OR~~

~~(III) WRAP, ROLL, OR OTHERWISE ENCASE CANNABIS FOR THE PURPOSE OF SMOKING THE CANNABIS.~~

~~(2) A DISPENSARY THAT VIOLATES PARAGRAPH (1) OF THIS SUBSECTION IS SUBJECT TO A FINE NOT EXCEEDING \$1,000, SUSPENSION OR REVOCATION OF A LICENSE, OR BOTH.~~

~~36-1102.~~

~~(A) THIS TITLE MAY NOT BE CONSTRUED TO AUTHORIZE AN INDIVIDUAL TO:~~

~~(1) OPERATE, NAVIGATE, OR BE IN ACTUAL PHYSICAL CONTROL OF A MOTOR VEHICLE, AIRCRAFT, OR BOAT WHILE UNDER THE INFLUENCE OF CANNABIS;~~

~~(2) USE CANNABIS IN A PUBLIC PLACE;~~

~~(3) USE CANNABIS IN A MOTOR VEHICLE;~~

~~(4) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, SMOKE CANNABIS ON A PRIVATE PROPERTY THAT:~~

~~(i) 1. IS RENTED FROM A LANDLORD; AND~~

~~2. IS SUBJECT TO A POLICY THAT PROHIBITS THE SMOKING OF CANNABIS ON THE PROPERTY; OR~~

~~(ii) IS SUBJECT TO A POLICY THAT PROHIBITS THE SMOKING OF CANNABIS ON THE PROPERTY OF AN ATTACHED DWELLING ADOPTED BY ONE OF THE 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 0.5 MILLIGRAMS OF TETRAHYDROCANNABINOL PER SERVING OR 2.5 MILLIGRAMS OF TETRAHYDROCANNABINOL PER PACKAGE UNLESS THE PERSON IS LICENSED UNDER § 36-401 OF THIS TITLE AND THE PRODUCT COMPLIES WITH THE:

(I) MANUFACTURING STANDARDS ESTABLISHED UNDER § 36-203 OF THIS TITLE;

(II) LABORATORY TESTING STANDARDS ESTABLISHED UNDER § 36-203 OF THIS TITLE; AND

(III) PACKAGING AND LABELING STANDARDS ESTABLISHED UNDER § 36-203 OF THIS TITLE.

(2) A PERSON MAY NOT SELL OR DISTRIBUTE A PRODUCT DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO AN INDIVIDUAL UNDER THE AGE OF 21 YEARS.

~~(B)~~ **(C)** A PERSON MAY NOT SELL OR DISTRIBUTE A CANNABINOID PRODUCT THAT IS NOT DERIVED FROM NATURALLY OCCURRING BIOLOGICALLY ACTIVE CHEMICAL CONSTITUENTS.

(D) (1) NOTWITHSTANDING SUBSECTION (B) OF THIS SECTION AND SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IT IS NOT A VIOLATION OF THIS SECTION FOR A PERSON TO SELL OR DISTRIBUTE A HEMP-DERIVED TINCTURE INTENDED FOR HUMAN CONSUMPTION THAT CONTAINS:

(I) A RATIO OF CANNABIDIOL TO TETRAHYDROCANNABINOL OF AT LEAST 15 TO 1; AND

(II) 2.5 MILLIGRAMS OR LESS OF TETRAHYDROCANNABINOL PER SERVING AND 100 MILLIGRAMS OR LESS OF TETRAHYDROCANNABINOL PER PACKAGE.

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

~~(C)~~ (E) A PERSON WHO VIOLATES SUBSECTION ~~(A)~~ (B) OF THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$5,000.

~~(D)~~ (F) A PERSON WHO VIOLATES SUBSECTION ~~(B)~~ (C) OF THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$10,000.

SUBTITLE 12. LEGAL PROTECTIONS.

36-1201.

THE FOLLOWING PERSONS ACTING IN ACCORDANCE WITH THE PROVISIONS OF THIS TITLE MAY NOT BE SUBJECT TO ARREST, PROSECUTION, REVOCATION OF MANDATORY SUPERVISION, PAROLE, OR PROBATION, OR ANY CIVIL OR ADMINISTRATIVE PENALTY, INCLUDING A CIVIL PENALTY OR DISCIPLINARY ACTION BY A PROFESSIONAL LICENSING BOARD, OR BE DENIED ANY RIGHT OR PRIVILEGE, FOR THE USE OF OR POSSESSION OF CANNABIS THAT IS AUTHORIZED UNDER THIS TITLE:

(1) A QUALIFYING PATIENT;

(2) A CANNABIS LICENSEE OR CANNABIS REGISTRANT THAT IS LICENSED OR REGISTERED UNDER THIS TITLE;

(3) A CERTIFYING PROVIDER;

(4) A CAREGIVER;

(5) AN ACADEMIC RESEARCH REPRESENTATIVE PURCHASING MEDICAL CANNABIS UNDER ~~§ 36-701~~ SUBTITLE 7 OF THIS TITLE;

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

(7) DESIGNATED SCHOOL PERSONNEL AUTHORIZED TO ADMINISTER MEDICAL CANNABIS TO A STUDENT IN ACCORDANCE WITH THE GUIDELINES ESTABLISHED UNDER § 7-446 OF THE EDUCATION ARTICLE UNLESS THE ACT OR OMISSION CONSTITUTES GROSS NEGLIGENCE OR WANTON OR WILLFUL MISCONDUCT.

SUBTITLE 13. CIVIL IMMUNITIES AND LIABILITIES RESERVED.

~~36-1301.~~

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

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

~~(C) EXCEPT AS PROVIDED IN THIS SECTION, NEITHER THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS MAY DENY EMPLOYMENT OR A CONTRACT TO AN INDIVIDUAL FOR A PRIOR CONVICTION FOR A NONVIOLENT CANNABIS OFFENSE THAT DOES NOT INVOLVE DISTRIBUTION TO MINORS.~~

~~(D) FOR THE PURPOSES OF MEDICAL CARE, INCLUDING ORGAN AND TISSUE TRANSPLANTS:~~

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

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

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

~~(I) INGESTING CANNABIS IN THE WORKPLACE; OR~~

~~(H) WORKING WHILE IMPAIRED BY CANNABIS.~~

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

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

~~(F) NOTHING IN THIS SECTION MAY BE CONSTRUED TO PREVENT OR PROHIBIT ANY EMPLOYER FROM DENYING EMPLOYMENT OR A CONTRACT TO AN INDIVIDUAL OR DISCIPLINING AN EMPLOYEE OR A CONTRACTOR FOR TESTING POSITIVE FOR THE PRESENCE OF CANNABINOID METABOLITES IN THE URINE, BLOOD, SALIVA, BREATH, HAIR, OR OTHER TISSUE OR FLUID OF THE EMPLOYEE'S OR CONTRACTOR'S BODY, IF THE TEST WAS CONDUCTED IN ACCORDANCE WITH THE EMPLOYER'S ESTABLISHED DRUG TESTING POLICY.~~

~~36-1302.~~

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

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

~~36-1303.~~

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

~~36-1304.~~

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

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

SUBTITLE 14. CAPITAL ACCESS PROGRAM.

36-1401.

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

(B) “BORROWER” MEANS A BUSINESS THAT:

(1) QUALIFIES AS A SMALL BUSINESS UNDER THE U.S. SMALL BUSINESS ADMINISTRATION SIZE STANDARDS;

(2) APPLIES TO A LENDER FOR BUSINESS FINANCING; AND

(3) HAS FEWER THAN 50 EMPLOYEES.

(C) “DEPARTMENT” MEANS THE DEPARTMENT OF COMMERCE.

~~(C)~~ (D) “LENDER” MEANS:

(1) A CREDIT UNION, AS DEFINED IN § 1-101 OF THE FINANCIAL INSTITUTIONS ARTICLE;

(2) A FINANCIAL INSTITUTION, AS DEFINED IN § 1-101 OF THE FINANCIAL INSTITUTIONS ARTICLE; OR

(3) A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION, AS DEFINED IN 12 U.S.C. § 4702(5).

~~(D)~~ (E) “PROGRAM” MEANS THE CAPITAL ACCESS PROGRAM ESTABLISHED UNDER THIS SUBTITLE.

36-1402.

THERE IS A CAPITAL ACCESS PROGRAM IN THE DEPARTMENT OF COMMERCE.

36-1403.

THE PURPOSE OF THE PROGRAM IS TO STIMULATE OPPORTUNITIES FOR SOCIAL EQUITY LICENSEES THAT HAVE DIFFICULTY OBTAINING FINANCING AND TO ESTABLISH A LOAN LOSS RESERVE ACCOUNT.

36-1404.

(A) A LOAN TO A SOCIAL EQUITY LICENSEE QUALIFIES UNDER THE PROGRAM IF THE LOAN:

(1) SATISFIES THE LENDING CRITERIA OF THE ~~FINANCIAL INSTITUTION~~ LENDER; AND

(2) ~~HAS A TERM NOT EXCEEDING 10 YEARS; AND~~

~~(3)~~ DOES NOT EXCEED:

(I) FOR A DISPENSARY, \$500,000; OR

(II) FOR A GROWER OR PROCESSOR, \$1,000,000.

(B) A LOAN THAT QUALIFIES UNDER SUBSECTION (A) OF THIS SECTION MAY BE SHORT OR LONG TERM, HAVE FIXED OR VARIABLE RATES, AND BE SECURED OR UNSECURED.

36-1405.

(A) ~~IF A LENDER WOULD LIKE TO~~ TO PARTICIPATE IN THE PROGRAM, THE LENDER MUST A LENDER SHALL ENROLL THE QUALIFYING LOAN IN THE PROGRAM NOT MORE THAN 30 DAYS AFTER THE DATE OF THE FIRST DISBURSEMENT OF THE LOAN.

(B) A LENDER MAY ENROLL ALL OR A PORTION OF A QUALIFYING LOAN IN AN AMOUNT OF NOT MORE THAN:

- (1) FOR A DISPENSARY, \$500,000; OR
- (2) FOR A GROWER OR PROCESSOR, \$1,000,000.

36-1406.

(A) THE DEPARTMENT SHALL ESTABLISH A LOAN LOSS RESERVE ACCOUNT FOR A LENDER WHEN THE LENDER ENROLLS ITS FIRST LOAN UNDER THE PROGRAM.

(B) AT THE TIME OF ENROLLMENT:

(1) THE BORROWER SHALL MAKE A PAYMENT TO THE ACCOUNT OF BETWEEN 0% AND 7% OF THE ENROLLED LOAN AMOUNT;

(2) THE LENDER SHALL MAKE A PAYMENT TO THE ACCOUNT OF AT LEAST 2% OF THE ENROLLED AMOUNT; AND

(3) THE ~~DIVISION~~ ADMINISTRATION SHALL MAKE A MATCHING PAYMENT TO THE ACCOUNT IN AN AMOUNT EQUAL TO THE BORROWER AND LENDER'S AGGREGATE PAYMENT UNDER ITEMS (1) AND (2) OF THIS SUBSECTION.

(C) THE LOAN LOSS RESERVE ACCOUNT OF A LENDER SHALL BE AVAILABLE FOR THE LENDER TO WITHDRAW IF A BORROWER DEFAULTS ON A QUALIFYING LOAN.

(D) THE DEPARTMENT SHALL COLLABORATE WITH THE OFFICE OF SOCIAL EQUITY ESTABLISHED UNDER § 1-309.1 OF THIS ARTICLE TO IDENTIFY AND ASSIST BUSINESSES WITH OBTAINING FINANCING FROM THE PROGRAM.

(E) THE DEPARTMENT SHALL ESTABLISH PROCEDURES FOR A LENDER TO WITHDRAW FROM THE PROGRAM.

SUBTITLE 15. BANKING AND INSURANCE.**36-1501.**

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

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

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

(1) PARTICIPATES IN ANY BUSINESS OR ORGANIZED ACTIVITY THAT INVOLVES HANDLING CANNABIS OR CANNABIS PRODUCTS, INCLUDING CULTIVATING, PRODUCING, MANUFACTURING, SELLING, TRANSPORTING, DISPLAYING, DISPENSING, DISTRIBUTING, OR PURCHASING CANNABIS OR CANNABIS PRODUCTS; AND

(2) ENGAGES IN AN ACTIVITY DESCRIBED IN ITEM (1) OF THIS SUBSECTION IN ACCORDANCE WITH STATE LAW.

(C) “DEPOSITORY INSTITUTION” MEANS A STATE-CHARTERED OR FEDERALLY CHARTERED FINANCIAL INSTITUTION, OTHER-STATE BANK, OR FOREIGN BRANCH THAT:

(1) IS LOCATED IN THE STATE OR MAINTAINS BRANCHES IN THE STATE; AND

(2) IS AUTHORIZED TO MAINTAIN ACCOUNTS.

~~(D)~~ (D) (1) “SERVICE PROVIDER” MEANS A BUSINESS, AN ORGANIZATION, OR ANY OTHER PERSON THAT:

(I) SELLS GOODS OR SERVICES TO A ~~CANNABIS RELATED CANNABIS LEGITIMATE~~ BUSINESS; OR

(II) PROVIDES ANY BUSINESS SERVICES, INCLUDING THE SALE OR LEASE OF REAL OR ANY OTHER PROPERTY, LEGAL OR OTHER LICENSED SERVICES, OR ANY OTHER ANCILLARY SERVICE, RELATING TO CANNABIS.

(2) “SERVICE PROVIDER” DOES NOT INCLUDE A BUSINESS, AN ORGANIZATION, OR ANY OTHER PERSON THAT PARTICIPATES IN ANY BUSINESS OR ORGANIZED ACTIVITY THAT INVOLVES HANDLING CANNABIS OR CANNABIS PRODUCTS, INCLUDING CULTIVATING, PRODUCING, MANUFACTURING, SELLING,

TRANSPORTING, DISPLAYING, DISPENSING, DISTRIBUTING, OR PURCHASING CANNABIS OR CANNABIS PRODUCTS.

36-1502.

THE PROVISIONS IN THIS SUBTITLE APPLY TO:

(1) ALL BANKS, CREDIT UNIONS, AND OTHER ENTITIES OPERATING AS DEPOSITORY INSTITUTIONS IN THE STATE; AND

(2) INSURANCE COMPANIES AND INSURANCE PRODUCERS OPERATING IN THE STATE.

36-1503.

(A) THE STATE BANKING REGULATOR OFFICE COMMISSIONER OF FINANCIAL REGULATION MAY NOT:

(1) TERMINATE OR LIMIT THE DEPOSIT INSURANCE OR SHARE INSURANCE OF A DEPOSITORY INSTITUTION UNDER THE FEDERAL DEPOSIT INSURANCE ACT OR THE FEDERAL CREDIT UNION ACT, A DEPOSITORY INSTITUTION OPERATING IN THE STATE UNDER THE FINANCIAL INSTITUTIONS ARTICLE, OR TAKE ANY OTHER ADVERSE ACTION AGAINST A DEPOSITORY INSTITUTION UNDER 12 U.S.C. § 1818 SOLELY BECAUSE THE DEPOSITORY INSTITUTION PROVIDES OR HAS PROVIDED FINANCIAL SERVICES TO A ~~CANNABIS-RELATED~~ CANNABIS LEGITIMATE BUSINESS OR SERVICE PROVIDER;

(2) PROHIBIT, PENALIZE, OR OTHERWISE DISCOURAGE A DEPOSITORY INSTITUTION FROM PROVIDING FINANCIAL SERVICES TO A ~~CANNABIS-RELATED~~ CANNABIS LEGITIMATE BUSINESS IN THE STATE;

(3) RECOMMEND, INCENTIVIZE, OR ENCOURAGE A DEPOSITORY INSTITUTION ~~NOT TO~~ TO NOT OFFER FINANCIAL SERVICES TO AN ACCOUNT HOLDER, OR TO DOWNGRADE OR CANCEL THE FINANCIAL SERVICES OFFERED TO AN ACCOUNT HOLDER SOLELY BECAUSE:

(I) THE ACCOUNT HOLDER IS A ~~CANNABIS-RELATED~~ CANNABIS LEGITIMATE BUSINESS OR SERVICE PROVIDER, OR IS AN EMPLOYEE, OWNER, OR OPERATOR OF A ~~CANNABIS-RELATED~~ CANNABIS LEGITIMATE BUSINESS OR SERVICE PROVIDER;

(II) THE ACCOUNT HOLDER LATER BECOMES AN EMPLOYEE, OWNER, OR OPERATOR OF A ~~CANNABIS-RELATED~~ CANNABIS LEGITIMATE BUSINESS OR SERVICE PROVIDER; OR

(III) THE DEPOSITORY INSTITUTION WAS NOT AWARE THAT THE ACCOUNT HOLDER IS AN EMPLOYEE, OWNER, OR OPERATOR OF A ~~CANNABIS-RELATED~~ CANNABIS LEGITIMATE BUSINESS OR SERVICE PROVIDER;

(4) TAKE ANY ADVERSE OR CORRECTIVE SUPERVISORY ACTION ON A LOAN MADE TO:

(I) A ~~CANNABIS-RELATED~~ LEGITIMATE BUSINESS OR SERVICE PROVIDER SOLELY BECAUSE THE BUSINESS IS A ~~CANNABIS-RELATED~~ CANNABIS LEGITIMATE BUSINESS OR SERVICE PROVIDER;

(II) AN EMPLOYEE, OWNER, OR OPERATOR OF A ~~CANNABIS-RELATED~~ CANNABIS LEGITIMATE BUSINESS OR SERVICE PROVIDER SOLELY BECAUSE THE EMPLOYEE, OWNER, OR OPERATOR IS EMPLOYED BY, OWNS, OR OPERATES A ~~CANNABIS-RELATED~~ CANNABIS LEGITIMATE BUSINESS OR SERVICE PROVIDER, AS APPLICABLE; OR

(III) AN OWNER OR OPERATOR OF REAL ESTATE OR EQUIPMENT THAT IS LEASED TO A ~~CANNABIS-RELATED~~ CANNABIS LEGITIMATE BUSINESS OR SERVICE PROVIDER SOLELY BECAUSE THE OWNER OR OPERATOR OF THE REAL ESTATE OR EQUIPMENT LEASED THE EQUIPMENT OR REAL ESTATE TO A ~~CANNABIS-RELATED~~ CANNABIS LEGITIMATE BUSINESS OR SERVICE PROVIDER, AS APPLICABLE; OR

(5) PROHIBIT OR PENALIZE A DEPOSITORY INSTITUTION, OR AN ENTITY PERFORMING A FINANCIAL SERVICE FOR OR IN ASSOCIATION WITH A DEPOSITORY INSTITUTION, OR OTHERWISE DISCOURAGE A DEPOSITORY INSTITUTION, OR AN ENTITY PERFORMING A FINANCIAL SERVICE FOR OR IN ASSOCIATION WITH A DEPOSITORY INSTITUTION, FROM ENGAGING IN A FINANCIAL SERVICE FOR A ~~CANNABIS-RELATED~~ CANNABIS LEGITIMATE BUSINESS OR SERVICE PROVIDER.

(B) SUBSECTION (A) OF THIS SECTION SHALL APPLY TO AN INSTITUTION APPLYING FOR A DEPOSITORY INSTITUTION CHARTER TO THE SAME EXTENT AS IT APPLIES TO A DEPOSITORY INSTITUTION.

36-1504.

FOR THE PURPOSES OF ~~TITLE~~ 18 U.S.C. §§ 1956 AND 1957 AND ALL OTHER PROVISIONS OF FEDERAL LAW, THE PROCEEDS FROM A TRANSACTION INVOLVING ACTIVITIES OF A ~~CANNABIS-RELATED~~ CANNABIS LEGITIMATE BUSINESS OR

SERVICE PROVIDER MAY NOT BE CONSIDERED PROCEEDS FROM AN UNLAWFUL ACTIVITY SOLELY BECAUSE:

(1) THE TRANSACTION INVOLVES PROCEEDS FROM A ~~CANNABIS-RELATED CANNABIS LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER; OR

(2) THE TRANSACTION INVOLVES PROCEEDS FROM:

(I) ~~CANNABIS-RELATED CANNABIS~~ ACTIVITIES CONDUCTED BY A ~~CANNABIS-RELATED CANNABIS LEGITIMATE~~ BUSINESS; OR

(II) ACTIVITIES CONDUCTED BY A SERVICE PROVIDER.

36-1505.

(A) WITH RESPECT TO PROVIDING A FINANCIAL SERVICE TO A ~~CANNABIS-RELATED CANNABIS LEGITIMATE~~ BUSINESS OR A SERVICE PROVIDER, A DEPOSITORY INSTITUTION, ENTITY PERFORMING A FINANCIAL SERVICE FOR OR IN ASSOCIATION WITH A DEPOSITORY INSTITUTION, OR INSURER THAT PROVIDES A FINANCIAL SERVICE TO A ~~CANNABIS-RELATED CANNABIS LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER, AND THE OFFICERS, DIRECTORS, AND EMPLOYEES OF THAT DEPOSITORY INSTITUTION, ENTITY, OR INSURER MAY NOT BE HELD LIABLE UNDER ANY STATE LAW OR REGULATION:

(1) SOLELY FOR PROVIDING THE FINANCIAL SERVICE; OR

(2) FOR FURTHER INVESTING ANY INCOME DERIVED FROM THE FINANCIAL SERVICE.

(B) AN INSURER THAT ENGAGES IN THE BUSINESS OF INSURANCE WITH A ~~CANNABIS-RELATED CANNABIS LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER OR THAT OTHERWISE ENGAGES WITH A PERSON IN A TRANSACTION ALLOWED UNDER STATE LAW RELATED TO CANNABIS, AND THE OFFICERS, DIRECTORS, AND EMPLOYEES OF THAT INSURER MAY NOT BE HELD LIABLE UNDER STATE LAW OR REGULATION:

(1) SOLELY FOR ENGAGING IN THE BUSINESS OF INSURANCE; OR

(2) FOR FURTHER INVESTING ANY INCOME DERIVED FROM THE BUSINESS OF INSURANCE.

(C) A DEPOSITORY INSTITUTION THAT HAS A LEGAL INTEREST IN THE COLLATERAL FOR A LOAN OR ANOTHER FINANCIAL SERVICE PROVIDED TO AN OWNER, EMPLOYEE, OR OPERATOR OF A ~~CANNABIS-RELATED CANNABIS~~

~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER, OR TO AN OWNER OR OPERATOR OF REAL ESTATE OR EQUIPMENT THAT IS LEASED OR SOLD TO A ~~CANNABIS-RELATED CANNABIS LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER, MAY NOT BE SUBJECT TO CRIMINAL, CIVIL, OR ADMINISTRATIVE FORFEITURE OF THAT LEGAL INTEREST UNDER STATE LAW FOR PROVIDING THE LOAN OR OTHER FINANCIAL SERVICE.

36-1506.

(A) THIS SUBTITLE DOES NOT REQUIRE A DEPOSITORY INSTITUTION, ENTITY PERFORMING A FINANCIAL SERVICE FOR OR IN ASSOCIATION WITH A DEPOSITORY INSTITUTION, OR INSURER TO PROVIDE FINANCIAL SERVICES TO A ~~CANNABIS-RELATED CANNABIS LEGITIMATE~~ BUSINESS, SERVICE PROVIDER, OR ANY OTHER BUSINESS.

(B) THIS SUBTITLE MAY NOT BE CONSTRUED TO LIMIT OR OTHERWISE RESTRICT THE GENERAL EXAMINATION, SUPERVISORY, AND ENFORCEMENT AUTHORITY OF THE ~~STATE BANKING REGULATOR~~ COMMISSIONER OF FINANCIAL REGULATION, PROVIDED THAT THE BASIS FOR ANY SUPERVISORY OR ENFORCEMENT ACTION IS NOT THE PROVISION OF FINANCIAL SERVICES TO A ~~CANNABIS-RELATED CANNABIS LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER.

(C) THIS SUBTITLE MAY NOT BE CONSTRUED TO INTERFERE WITH THE REGULATION OF THE BUSINESS OF INSURANCE.

36-1507.

THE STATE MAY NOT COOPERATE OR AID FEDERAL LAW ENFORCEMENT AUTHORITIES ATTEMPTING TO PROSECUTE FINANCIAL INSTITUTIONS THAT ARE LAWFULLY OPERATING WITHIN THE CONFINES OF THIS SUBTITLE.

Article – Tax – General

2-1302.2.

AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-1301 THROUGH 2-1302.1 OF THIS SUBTITLE, OF THE SALES AND USE TAX COLLECTED UNDER § 11-104(K) OF THIS ARTICLE FROM THE SALE OF CANNABIS ~~FROM A DISPENSARY TO A CONSUMER UNDER TITLE 36~~, AS DEFINED IN § 1-101 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE, THE COMPTROLLER QUARTERLY SHALL DISTRIBUTE:

(1) TO THE CANNABIS REGULATION AND ENFORCEMENT FUND, ESTABLISHED UNDER § 36-206 OF THE ALCOHOLIC BEVERAGES AND CANNABIS

ARTICLE, AN AMOUNT NECESSARY TO DEFRAY THE ENTIRE COST OF THE ~~OPERATION OF THE CANNABIS REGULATION AND ENFORCEMENT DIVISION OPERATIONS AND ADMINISTRATIVE EXPENSES OF THE MARYLAND CANNABIS ADMINISTRATION~~ ESTABLISHED UNDER TITLE 36 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE;

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

~~(2)~~ (1) 30% 35% TO THE COMMUNITY REINVESTMENT AND REPAIR FUND UNDER § 1-322 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE FOR FISCAL YEARS 2024 THROUGH 2033;

~~(3) 1.5% TO COUNTIES AND MUNICIPALITIES, WHICH SHALL BE ALLOCATED TO EACH JURISDICTION BASED ON THE PERCENTAGE OF REVENUE COLLECTED FROM THAT JURISDICTION;~~

~~(3) 1.5% OF THE REVENUE COLLECTED IN EACH COUNTY OUTSIDE THE BOUNDARIES OF A MUNICIPALITY TO THE COUNTY, TO BE USED FOR BEHAVIORAL HEALTH AND DRUG TREATMENT;~~

~~(4) 1.5% OF THE REVENUE COLLECTED IN EACH MUNICIPALITY TO THE MUNICIPALITY, TO BE USED FOR BEHAVIORAL HEALTH AND DRUG TREATMENT;~~

(II) 5% TO COUNTIES, WHICH SHALL BE ALLOCATED TO EACH COUNTY BASED ON THE PERCENTAGE OF REVENUE COLLECTED FROM THAT COUNTY, EXCEPT THAT A COUNTY SHALL DISTRIBUTE TO A MUNICIPALITY LOCATED IN THE COUNTY 50% OF THE ALLOCATION RECEIVED UNDER THIS ITEM THAT IS ATTRIBUTABLE TO THE SALES AND USE TAX REVENUE GENERATED BY A DISPENSARY LOCATED IN THAT MUNICIPALITY;

~~(4) (5)~~ (III) 1.5% 5% TO THE CANNABIS PUBLIC HEALTH FUND ESTABLISHED UNDER § 13-4505 OF THE HEALTH – GENERAL ARTICLE;

~~(5) (6)~~ (IV) FOR FISCAL YEARS 2024 THROUGH 2028, ~~1.5%~~ 5% TO THE CANNABIS BUSINESS ASSISTANCE FUND ESTABLISHED UNDER § 5-1901 OF THE ECONOMIC DEVELOPMENT ARTICLE; AND

~~(6) (7) (3)~~ ANY BALANCE REMAINING AFTER THE DISTRIBUTIONS REQUIRED UNDER ~~PARAGRAPHS (1) THROUGH (5) (6)~~ ITEMS (1) AND (2) OF THIS SECTION TO THE GENERAL FUND OF THE STATE.

After making the distributions required under §§ 2–1301 through [2–1302.1] **2–1302.2** of this subtitle, the Comptroller shall pay:

(1) revenues from the hotel surcharge into the Dorchester County Economic Development Fund established under § 10–130 of the Economic Development Article;

(2) to the Blueprint for Maryland’s Future Fund established under § 5–206 of the Education Article, the following percentage of the remaining sales and use tax revenues:

- (i) for fiscal year 2023, 9.2%;
- (ii) for fiscal year 2024, 11.0%;
- (iii) for fiscal year 2025, 11.3%;
- (iv) for fiscal year 2026, 11.7%; and
- (v) for fiscal year 2027 and each fiscal year thereafter, 12.1%; and

(3) the remaining sales and use tax revenue into the General Fund of the State.

11–104.

(K) THE SALES AND USE TAX RATE FOR ~~THE SALE OF CANNABIS FROM A DISPENSARY TO A CONSUMER UNDER TITLE 36, AS DEFINED IN § 1–101~~ OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE IS AS FOLLOWS: FOR FISCAL YEAR 2024 AND EACH FISCAL YEAR THEREAFTER, 9%.

~~(1) FOR FISCAL YEAR 2024, 6%;~~

~~(2) FOR FISCAL YEAR 2025, 7%;~~

~~(3) FOR FISCAL YEAR 2026, 8%;~~

~~(4) FOR FISCAL YEAR 2027, 9%; AND~~

~~(5) FOR FISCAL YEAR 2028 AND EACH FISCAL YEAR THEREAFTER, 10%.~~

11–245.

THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF:

(1) MEDICAL CANNABIS UNDER TITLE 36 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE; OR

(2) CANNABIS BETWEEN CANNABIS ~~ESTABLISHMENTS~~ BUSINESSES THAT ARE LICENSED UNDER TITLE 36 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE.

Article – Economic Development

5–1901.

(a) **(1) In this section[,] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

(2) “Fund” means the Cannabis Business Assistance Fund.

(3) (I) “PERSONAL NET WORTH” MEANS THE NET VALUE OF THE ASSETS OF AN INDIVIDUAL REMAINING AFTER TOTAL LIABILITIES ARE DEDUCTED, INCLUDING THE INDIVIDUAL’S SHARE OF ASSETS HELD JOINTLY OR AS COMMUNITY PROPERTY WITH THE INDIVIDUAL’S SPOUSE.

(II) “PERSONAL NET WORTH” DOES NOT INCLUDE:

1. THE INDIVIDUAL’S OWNERSHIP INTEREST IN THE APPLICANT;

2. THE INDIVIDUAL’S EQUITY IN THE INDIVIDUAL’S PRIMARY PLACE OF RESIDENCE; OR

3. THE CASH VALUE OF ANY QUALIFIED RETIREMENT SAVINGS PLANS OR INDIVIDUAL RETIREMENT ACCOUNTS.

(b) There is a Cannabis Business Assistance Fund.

(c) The purpose of the Fund is to assist small, minority–owned, and women–owned businesses entering the adult–use cannabis industry.

(d) The Department shall administer the Fund.

(e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

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

(f) The Fund consists of:

(1) money appropriated in the State budget to the Fund; [and]

(2) **REVENUE DISTRIBUTED TO THE FUND IN ACCORDANCE WITH § 2-1302.2 OF THE TAX – GENERAL ARTICLE; AND**

(3) any other money from any other source accepted for the benefit of the Fund.

(g) (1) Subject to paragraph (2) of this subsection, the Fund may be used only for:

(i) grants or loans to small, minority-owned, or women-owned businesses for:

1. license application assistance for participation in the adult-use cannabis industry;

2. assistance with the operating or capital expenses of a business participating in the adult-use cannabis industry; or

3. targeted training to support participation in the adult-use cannabis industry; and

(ii) grants to historically black colleges and universities for cannabis-related programs and business development organizations, including incubators, to train and assist small, minority, and women business owners and entrepreneurs seeking to become licensed to participate in the adult-use cannabis industry.

(2) The Department:

(i) shall prioritize awarding grants and loans in accordance with paragraph (1) of this subsection to:

1. populations that have been historically disproportionately impacted by the enforcement of laws criminalizing the use of cannabis; ~~and~~

2. individuals who have been convicted of a violation of a law criminalizing the use of cannabis; and

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

(ii) may not award grants or loans to small, minority, and women business owners and entrepreneurs with a personal net worth exceeding \$1,700,000.

(3) In order to award grants and loans in accordance with paragraph (1) of this subsection, the Department shall develop partnerships with:

(i) traditional minority-serving institutions in the State and surrounding jurisdictions, including historically black colleges and universities;

(ii) trade associations representing minority and women-owned businesses; and

(iii) the Governor's Office of Small, Minority, and Women Business Affairs.

(h) (1) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(2) Any interest earnings of the Fund shall be credited to the Fund.

(i) Expenditures from the Fund may be made only in accordance with the State 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:

(13) an individual who, on and before the effective date of participation as defined under § 31–101(c) of this article, is:

(i) a supportive service employee of the Board of Education of Kent County;

(ii) an employee of the Town of Oakland;

(iii) an employee of the City of Frostburg;

(iv) an employee of the Town of Sykesville; or

(v) an employee of the Town of University Park; [and]

(14) an employee of the Maryland Automobile Insurance Fund on or after the date that the Maryland Automobile Insurance Fund begins participation in the Employees' Pension System; AND

(15) THE EXECUTIVE DIRECTOR OF THE ALCOHOL, TOBACCO, AND CANNABIS COMMISSION, IF THE EXECUTIVE DIRECTOR IS NOT A SWORN POLICE OFFICER WITH THE POWERS GRANTED TO AN OFFICER OF THE FIELD

ENFORCEMENT DIVISION UNDER § 1-313 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE.

26-201.

(a) Except as provided in subsection (b) of this section, this subtitle applies only to:

(22) the Executive Director of the Alcohol [and], Tobacco, AND CANNABIS Commission, ONLY IF THE EXECUTIVE DIRECTOR IS A SWORN POLICE OFFICER WITH THE POWERS GRANTED TO AN OFFICER OR EMPLOYEE OF THE FIELD ENFORCEMENT DIVISION UNDER § 1-313 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE.

Article – Health – General

13-4505.

(a) There is a Cannabis Public Health Fund.

(b) The purpose of the Fund is to provide funding to address the health effects associated with the legalization of adult-use cannabis.

(c) The Department shall administer the Fund.

(d) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

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

(e) The Fund consists of:

(1) Revenue distributed to the Fund based on revenues from adult-use cannabis;

(2) Money appropriated in the State budget to the Fund; [and]

(3) REVENUE DISTRIBUTED TO THE FUND IN ACCORDANCE WITH § 2-1302.2 OF THE TAX – GENERAL ARTICLE; AND

[(3)] (4) Any other money from any other source accepted for the benefit of the Fund.

(f) The Fund may be used only for:

- (1) Supporting the Advisory Council in performing its duties;
 - (2) Supporting data collection and research on the effects of cannabis legalization in the State;
 - (3) Providing funding for education and public awareness campaigns related to cannabis use, including funding for educational programs to be used in schools;
 - (4) Supporting substance use disorder counseling and treatment for individuals;
 - (5) Training and equipment for law enforcement to recognize impairments due to cannabis; and
 - (6) Purchasing technology proven to be effective at measuring cannabis levels in drivers.
- (g) (1) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.
- (2) Any interest earnings of the Fund shall be credited to the Fund.
- (h) Expenditures from the Fund may be made only in accordance with the State budget.

SECTION ~~5~~ 6. AND BE IT FURTHER ENACTED, That Article – Alcoholic Beverages of the Annotated Code of Maryland be renamed to be Article – Alcoholic Beverages and Cannabis.

SECTION ~~6~~ 7. AND BE IT FURTHER ENACTED, That:

(a) The transfer of the Maryland Medical Cannabis Commission personnel to the ~~Alcohol, Tobacco, and Cannabis Commission~~ Maryland Cannabis Administration to oversee the regulation of cannabis under this Act shall be conducted in a manner that will minimize the costs of the transfer and will result in a more cost-efficient operation for the regulation of cannabis for the protection of the public health, safety, and welfare of the State.

~~(b) The Cannabis Regulation and Enforcement Division of the Office of the Executive Director of the Alcohol, Tobacco, and Cannabis Commission is the successor of the Maryland Medical Cannabis Commission in matters concerning the regulation of medical cannabis.~~

(b) The Maryland Cannabis Administration is the successor of the Maryland Medical Cannabis Commission in matters concerning the regulation of medical cannabis.

(c) In every law, executive order, rule, regulation, policy, or document created by an official, an employee, or a unit of this State, the names and titles of those agencies and officials mean the names and titles of the successor agency or official.

SECTION ~~7~~ 8. AND BE IT FURTHER ENACTED, That all persons who, as of ~~June 30, 2023~~ the effective date of this Act, are merit employees or contract staff in budgeted positions of the Maryland Medical Cannabis Commission and whose positions are transferred to the ~~Cannabis Regulation and Enforcement Division of the Office of the Executive Director of the Alcohol, Tobacco, and Cannabis Commission to oversee, the regulation of cannabis provided by this Act, are hereby transferred to the Cannabis Regulation and Enforcement Division of the Office of the Executive Director of the Alcohol, Tobacco, and Cannabis Commission~~ Maryland Cannabis Administration to oversee, the regulation of cannabis provided by this Act, are hereby transferred to the Maryland Cannabis Administration without any change or loss of rights, pay, working conditions, benefits, rights, or status, and shall retain any merit system and retirement status they may have on the date of transfer.

SECTION ~~8~~ 9. AND BE IT FURTHER ENACTED, That the balance of the Natalie M. LaPrade Medical Cannabis Fund on the date immediately preceding the date this Act takes effect shall be credited to the Cannabis Regulation and Enforcement Fund, and that any funds credited to the Cannabis Regulation and Enforcement Fund may be used to cover the costs of implementing this Act and regulating the cannabis industry in Maryland.

SECTION ~~9~~ 10. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, from the date this Act takes effect to December 31, 2023, both inclusive, the ~~Commission~~ Maryland Cannabis Administration is exempt from procurement requirements under the State Finance and Procurement Article if the procurement is for:

- (1) banking services for the ~~Cannabis Regulation and Enforcement Division~~ Administration to collect fees and tax revenue;
- (2) banking services to help support cannabis businesses to transition from an all cash system;
- (3) a consultant to support the ~~Cannabis Regulation and Enforcement Division~~ Administration in the process for cannabis licensure, including services related to investigations and the financial or criminal history review of applicants; ~~and~~
- (4) a consultant to provide technical assistance to social equity applicants; ~~and~~
- (5) communication services for public and consumer education campaigns on cannabis laws and regulations and potential health and safety risks associated with cannabis use; and

~~(5)~~ (6) establishing a State cannabis testing laboratory at a preexisting site.

SECTION ~~10.~~ 11. AND BE IT FURTHER ENACTED, That:

(a) ~~To the extent practicable and authorized by the U.S. Constitution, a cannabis licensee shall comply with the State's Minority Business Enterprise Program.~~

(b) ~~On or before 6 months after the issuance of a cannabis license under § 36-401 of the Alcoholic Beverages and Cannabis Article, the Governor's Office of Small, Minority, and Women Business Affairs, in consultation with the Office of the Attorney General and the Office of Social Equity within the Alcohol, Tobacco, and Cannabis Commission and the cannabis licensee, shall establish a clear plan for setting reasonable and appropriate minority business enterprise participation goals and procedures for the procurement of goods and services related to cannabis, including the cultivation, manufacturing, and dispensing of cannabis.~~

(c) ~~To the extent practicable, the goals and procedures specified in subsection (b) of this section shall be based on the requirements of Title 14, Subtitle 3 of the State Finance and Procurement Article and the regulations implementing that subtitle.~~

SECTION ~~11.~~ 12. AND BE IT FURTHER ENACTED, That:

(a) ~~(1)~~ As soon as practicable after the effective date of this Act, the ~~Cannabis Regulation and Enforcement Division~~ Maryland Cannabis Administration established under § 36-201 of the Alcoholic Beverages and Cannabis Article, as enacted by Section ~~4 5~~ of this Act, ~~shall issue a license to~~ shall, by regulation, establish a process for issuing up to five grower licenses to operate as a cannabis grower under Title 36, Subtitle 4 of the Alcoholic Beverages and Cannabis Article, as enacted by Section ~~4 5~~ of this Act, to ~~one applicant~~ five applicants that:

(1) ~~is a~~ are recognized class ~~member~~ members of Pigford v. Glickman, 185 F.R.D. 82 (D.D.C. 1999), or In Re Black Farmers Litig., 856 F. Supp. 2d 1 (D.D.C. 2011);

(2) were awarded damages pursuant to the claims processes established for class members of Pigford v. Glickman or In Re Black Farmers Litig. and those damages were related to farming operations in Maryland;

(3) have provided evidence, suitable to the Administration and consistent with constitutional and federal requirements, that they have not been fully compensated for the discrimination they have endured and that they have experienced ongoing discrimination or the continued effects of past discrimination; and

(4) satisfy any other criteria established by the Administration.

~~(2) An applicant awarded a license under paragraph (1) of this subsection may subsequently apply for and be awarded a license to operate as a cannabis processor~~

~~under Title 36, Subtitle 4 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 4 5 of this Act.~~

(b) Notwithstanding any other provision of law, a license issued under subsection (a) of this section is in addition to and not subject to the limitations on the total number of licenses that the ~~Division~~ *Administration* may issue under Title 36, Subtitle 4 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 4 5 of this Act.

(c) If an applicant for a license to operate as a cannabis grower that is a recognized class member is not awarded a license under subsection (a) of this section:

(1) the applicant may apply for a license in accordance with the provisions of Title 36 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 4 5 of this Act;

(2) the ~~Division~~ *Administration* shall allow the applicant to amend, if necessary, and resubmit the applicant's application or withdraw the application entirely; and

(3) the ~~Division~~ *Administration* may waive the initial application fee for the applicant but may charge the applicant a reasonable fee for the resubmission or an unamended or amended application.

SECTION ~~13~~ 12. AND BE IT FURTHER ENACTED, That:

(a) As soon as practicable after the effective date of this Act, the ~~Alcohol, Tobacco, and Cannabis Commission~~ *Maryland Cannabis Administration* shall contract with an independent consultant to complete a study on wholesale cannabis licenses.

(b) The study shall include:

(1) the costs to regulate wholesale cannabis licenses;

(2) whether there is market necessity for wholesale cannabis licensing;

(3) whether there is a need for wholesale cannabis licensing to alleviate supply demand and facilitate an equitable marketplace for suppliers and retailers; and

(4) the approximate number of wholesale cannabis licenses appropriate for the size of the marketplace in the State.

(c) On or before June 1, 2024, the ~~Alcohol, Tobacco, and Cannabis Commission~~ *Maryland Cannabis Administration* shall submit the results of the study required under subsection (a) of this section to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

SECTION ~~14~~ 13. AND BE IT FURTHER ENACTED, That:

(a) The Maryland Economic Development Corporation shall identify in each of the following locations a site for proposed use as incubator space, to be established in accordance with § 36–406 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 5 of this Act:

(1) Caroline County, Cecil County, Dorchester County, Kent County, Queen Anne’s County, Somerset County, Talbot County, Wicomico County, or Worcester County;

(2) Allegany County, Garrett County, or Washington County;

(3) Baltimore City or a beltway community located in Anne Arundel County or Baltimore County; and

(4) a beltway community located in Montgomery County or Prince George’s County.

(b) The site identifications shall include:

(1) the proposed locations for incubator spaces identified under subsection (a) of this section;

(2) the square footage of the identified locations; and

(3) the estimated costs for construction or renovation of the proposed location to prepare it for use as an incubator space.

(c) In evaluating sites for proposed use as incubator spaces, the Maryland Economic Development Corporation shall consider, in addition to other appropriate criteria, the suitability of converting to incubator space obsolete or underutilized commercial and retail properties such as enclosed malls, big box stores, and warehouse spaces.

(d) On or before January 1, 2024, the Maryland Economic Development Corporation shall submit a report on the identified sites and the qualifying criteria required by this section to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

SECTION ~~15~~ 14. AND BE IT FURTHER ENACTED, That:

(a) As soon as practicable after the effective date of this Act, the ~~Alcohol, Tobacco, and Cannabis Commission~~ *Maryland Cannabis Administration* shall conduct a study on on-site consumption of cannabis and cannabis products at retail premises of cannabis licensees.

(b) The study shall include:

(1) a survey of regulations and trade practices for on-site consumption of cannabis and cannabis products in other states and countries;

(2) authorizations and restrictions for the use of cannabis distributed at cannabis premises and for the removal of unconsumed cannabis or cannabis products from the premises;

(3) operational procedures and controls for on-site consumption premises and the preparation, use, and consumption of cannabis and cannabis products;

(4) training requirements and safeguards for employees of premises with on-site consumption of cannabis and cannabis products; and

(5) recommendations for policies to implement on-site consumption of cannabis and cannabis products at suitable locations, including suggested legislative and regulatory changes.

(c) The ~~Commission~~ Administration may contract with an independent contractor to conduct the study under this section.

(d) On or before June 1, 2024, the ~~Alcohol, Tobacco, and Cannabis Commission~~ Maryland Cannabis Administration shall submit the results of the study required under subsection (a) of this section to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

~~SECTION 16. AND BE IT FURTHER ENACTED, That:~~

~~(a) The Alcohol, Tobacco, and Cannabis Commission shall study:~~

~~(1) types of cannabis products and cannabis-infused products that are not meant to be smoked and that are available in neighboring states and other jurisdictions, such as low-concentration edibles, cannabis-infused soft drinks and other beverages, and related products;~~

~~(2) issues relating to processing, packaging, labeling, and use of these cannabis products as they may be introduced into the Maryland adult-use cannabis regulatory system; and~~

~~(3) regulatory and enforcement issues that may arise from the introduction and availability of these cannabis products in Maryland.~~

~~(b) On or before July 1, 2024, the Commission shall submit a report, including any proposed legislative or regulatory changes, to the Governor and, in accordance with §~~

~~2-1257 of the State Government Article, the Senate Finance Committee and the House Economic Matters Committee.~~

SECTION 15. AND BE IT FURTHER ENACTED, That:

(a) This section applies only to a business awarded a grower license under § 9 of Chapter 598 of the Acts of the General Assembly of 2018 that does not hold a cannabis dispensary license.

(b) (1) A licensed grower subject to this section may apply to the Maryland Cannabis Administration for and be awarded a standard dispensary license established under § 36-401(c)(1)(iii) of the Alcoholic Beverages and Cannabis Article as enacted by Section 5 of this Act.

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

SECTION 16. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or before June 30, 2024, the Governor may transfer to the Maryland Cannabis Administration established under § 36-201 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 5 of this Act, any positions and the associated funds, and any amount of the unexpended appropriation under the Alcohol and Tobacco Commission – Administration and Enforcement (E17A01.01), Alcohol and Tobacco Commission – Shared Services (E17A01.02), and Alcohol and Tobacco Commission – Cannabis Regulatory and Enforcement Division (E17A01.03) that was included in the fiscal year 2024 operating budget (House Bill 200 of the Acts of 2023).

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

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

SECTION ~~12, 17,~~ 19. AND BE IT FURTHER ENACTED, That the publisher of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, shall correct, with no further action required by the General Assembly, cross-references and terminology rendered incorrect by this Act. The publisher shall adequately describe any correction that is made in an editor's note following the section affected.

SECTION ~~13.~~ ~~18.~~ 20. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, May 3, 2023.