

Chapter 120

(Senate Bill 215)

AN ACT concerning

Cannabis – On-Site Consumption Establishments and Cannabis Events Reform
– Revisions

FOR the purpose of extending the time period during which a holder of a certain cannabis dispensary license may continue to deliver medical cannabis; repealing a certain authorization to issue on-site consumption licenses during a certain round of cannabis licensing; limiting application submissions for on-site consumption licenses to social equity applicants under certain circumstances; authorizing a political subdivision to establish hours of operation for on-site consumption establishments; authorizing the holder of an on-site consumption license to repackage and process ~~cannabis and cannabis products~~ certain single-serving products under certain circumstances; establishing certain prohibitions for on-site consumption establishments related to the sale, distribution, and consumption of cannabis; ~~altering a certain inventory requirement for dispensary licensees; altering the circumstances under which a certain waiting period applies; providing that a certain food sales exemption from the sales and use tax does not apply to the sale of certain cannabinoid beverages; authorizing the holder of a certain cannabis event registration established under this Act to hold certain cannabis events under certain circumstances; establishing certain vendor permits for the sale or distribution of cannabis products at cannabis events; authorizing political subdivisions to prohibit or restrict the authorization of cannabis events, subject to certain limitations; and generally relating to cannabis, on-site consumption establishments, and cannabis events.~~

BY repealing and reenacting, without amendments,
 Article – Alcoholic Beverages and Cannabis
 Section 36-101(a), (c), (h), and (y) and 36-404(e)
 Annotated Code of Maryland
 (2024 Replacement Volume)

BY adding to
 Article – Alcoholic Beverages and Cannabis
 Section 36-101(c-1) and (ee-1) ~~and 36-407.1~~
 Annotated Code of Maryland
 (2024 Replacement Volume)

BY repealing and reenacting, with amendments,
 Article – Alcoholic Beverages and Cannabis
 Section 36-101(i), 36-401(g), 36-404(g)(3), and 36-407 ~~36-404(f) and (g), 36-407,~~
36-410, and 36-503
 Annotated Code of Maryland

(2024 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 11–206(a)(3)

Annotated Code of Maryland

(2022 Replacement Volume and 2024 Supplement)

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

Article – Alcoholic Beverages and Cannabis

36–101.

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

(c) “Administration” means the Maryland Cannabis Administration established under this title.

(C–1) “CANNABINOID BEVERAGE” MEANS A BEVERAGE INTENDED FOR HUMAN CONSUMPTION BY ORAL INGESTION THAT:

(1) IS SUITABLE FOR BEVERAGE PURPOSES;

(2) CONTAINS 5 MILLIGRAMS OR LESS OF TETRAHYDROCANNABINOL, AS DEFINED IN § 36–1102 OF THIS TITLE, PER SERVING;

(3) IS CONTAINED AS A SINGLE–SERVING PRODUCT;

(4) IS LAWFULLY PRODUCED BY A CANNABIS LICENSEE; AND

(5) COMPLIES WITH:

(I) THE LABORATORY TESTING STANDARDS ESTABLISHED UNDER § 36–203 OF THIS TITLE; AND

(II) THE PACKAGING AND LABELING STANDARDS ESTABLISHED UNDER §§ 36–203 AND 36–203.1 OF THIS TITLE.

(h) “Cannabis licensee” means a business licensed by the Administration to operate in the cannabis industry.

(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 **CANNABINOID BEVERAGES**, edible products, oils, and tinctures.

(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.

(EE-1) (1) “SINGLE-SERVING PRODUCT” MEANS AN EDIBLE CANNABIS PRODUCT THAT:

(I) IS INDIVIDUALLY PACKAGED FOR RETAIL SALE;

(II) DOES NOT EXCEED THE SERVING LIMITS ESTABLISHED BY THE REGULATIONS OF THE ADMINISTRATION; AND

(III) IS INTENDED FOR IMMEDIATE CONSUMPTION.

(2) “SINGLE-SERVING PRODUCT” INCLUDES A CANNABINOID BEVERAGE.

36-401.

(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, [2025] 2026.

36-404.

(e) For the second round of licensing, the Administration shall issue licenses in accordance with subsection (f) or (g) of this section.

(f) (1) Subject to paragraph (2) of this subsection, if 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, 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, the Administration shall issue 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
- (iii) 10 incubator space licenses[; and
- (iv) 15 on-site consumption licenses].

(2) If 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, determines that a lottery system employing remedial measures established in accordance with a disparity study can be conducted consistent with constitutional requirements, the Administration shall award licenses under paragraph (1) of this subsection through a lottery process that employs remedial measures.

(g) (1) Subject to paragraphs (2) and (3) of this subsection, if 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, determines that 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 Administration shall enter each applicant that meets the minimum qualifications established by the 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

(iii) 10 incubator space licenses[; and

(iv) 15 on-site consumption licenses].

(2) The Administration shall determine whether an application meets the minimum qualifications for a lottery based on a pass-fail basis, as determined by the 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.

~~(e)~~ (3) Application submissions for micro licenses **AND ON-SITE CONSUMPTION LICENSES** under this subsection are limited to social equity applicants.

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 Administration may issue on-site consumption licenses authorizing an entity to operate a licensed premises in which cannabis **OR CANNABIS PRODUCTS** may be consumed, but not smoked indoors, in accordance with this title and any regulations adopted under this title.

(3) An on-site consumption establishment may operate only if the political subdivision where the business is located has 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 political subdivision 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; **OR**

(4) ESTABLISH HOURS OF OPERATION FOR ON-SITE CONSUMPTION ESTABLISHMENTS.

(c) (1) An on-site consumption license authorizes an entity, **FOR THE PURPOSES OF ON-SITE CONSUMPTION**, to:

(I) distribute cannabis or cannabis products [for on-site consumption];

(II) **ACQUIRE CANNABIS OR CANNABIS PRODUCTS FROM A CANNABIS LICENSEE IN ACCORDANCE WITH THIS TITLE;**

(III) **REPACKAGE CANNABIS OR CANNABIS PRODUCTS FOR THE PURPOSE OF CREATING SINGLE-SERVING PRODUCTS; AND**

(IV) **PROCESS ~~CANNABIS OR CANNABIS INFUSED PRODUCTS~~ SINGLE-SERVING PRODUCTS.**

(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 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].

(D) (1) ~~AN~~ SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN ON-SITE CONSUMPTION ESTABLISHMENT MAY ALSO OPERATE AS A FOOD SERVICE FACILITY, AS DEFINED IN § 21-301 OF THE HEALTH – GENERAL ARTICLE.

(2) BEFORE OPERATING AS A FOOD SERVICE FACILITY, THE ON-SITE CONSUMPTION ESTABLISHMENT SHALL OBTAIN FROM THE POLITICAL SUBDIVISION IN WHICH THE ON-SITE CONSUMPTION ESTABLISHMENT IS LOCATED ALL NECESSARY APPROVALS FOR OPERATING A FOOD SERVICE FACILITY, INCLUDING:

(I) BUILDING CODE PERMITS;

(II) MECHANICAL CODE PERMITS;

(III) A USE AND OCCUPANCY CERTIFICATE; AND

(IV) ANY OTHER APPLICABLE PERMITS OR LICENSES.

(E) AN ON-SITE CONSUMPTION ESTABLISHMENT SHALL COMPLY WITH THE FOLLOWING STANDARDS WHEN ~~PROCESSING, PREPARING, REPACKAGING, OR INFUSING ANY CANNABIS OR CANNABIS PRODUCTS~~ ACTING IN ACCORDANCE WITH SUBSECTION (C)(1) OF THIS SECTION:

(1) MANUFACTURING STANDARDS ESTABLISHED UNDER § 36-203 OF THIS TITLE;

(2) LABORATORY TESTING STANDARDS ESTABLISHED UNDER § 36-203 OF THIS TITLE; AND

(3) PACKAGING AND LABELING STANDARDS ESTABLISHED UNDER §§ 36-203 AND 36-203.1 OF THIS TITLE.

[(e)] (F) The Administration shall:

- and
- (1) maintain a list of all on-site consumption establishments in the State;
 - (2) make the list available on its website.

[(f)] (G) 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]

(8) admit onto the licensed premises an individual who is under the age of 21 years;

(9) ALLOW AN INDIVIDUAL TO CONSUME CANNABIS OR CANNABIS PRODUCTS ON THE PREMISES IF THE CANNABIS OR CANNABIS PRODUCT WAS NOT OBTAINED FROM THE ON-SITE CONSUMPTION ESTABLISHMENT;

(10) ALLOW AN INDIVIDUAL TO REMOVE CANNABIS OR CANNABIS PRODUCTS FROM THE PREMISES OF THE ESTABLISHMENT; OR

(11) SELL OR DISTRIBUTE CANNABIS OR CANNABIS PRODUCTS TO AN INDIVIDUAL THAT ARE INTENDED AS MORE THAN A SINGLE-SERVING PRODUCT.

[(g)] (H) 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)] (I) (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)] (J) 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)] (K) 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.

36-410.

(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;

(2) set aside operating hours or dedicated service lines to serve only qualifying patients and caregivers; and

(3) AS SUPPLY BECOMES AVAILABLE AS DETERMINED BY THE ADMINISTRATION, ensure that at least 25% of cannabis and cannabis products in the dispensary 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 pre-existing playground, recreation center, library, public park, or place of worship; or

(2) 1,000 feet of another dispensary under this title.

(c) (1) Except as provided in paragraph (2) of this subsection, a political subdivision may adopt an ordinance reducing, but not increasing, the distance requirements under subsection (b) of this section.

(2) A political subdivision may by ordinance increase the distance limitation for dispensaries under subsection (b)(2) of this section to not more than one-half mile.

(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.

(e) A political subdivision may not adopt an ordinance establishing zoning requirements for licensed dispensaries that are more restrictive than zoning requirements for a retail dealer licensed under this article.

(f) A political subdivision may not adopt an ordinance:

(1) establishing a zoning requirement for a licensed grower cultivating cannabis exclusively outdoors in an area zoned only for agricultural use that is more restrictive than any zoning requirements that existed on June 30, 2023, governing a hemp farm registered under Title 14 of the Agriculture Article in the political subdivision; or

(2) prohibiting outdoor cannabis cultivation on a premises that was properly zoned for outdoor cannabis cultivation on or before June 30, 2023.

(g) A political subdivision may:

(1) by ordinance, establish a distance limitation for dispensaries of up to 100 feet from an area zoned for residential use; or

(2) apply to dispensaries the distance limitation for licensed alcoholic beverage retailers from an area zoned for residential use.

(h) A political subdivision shall grant a waiver to an ordinance that provides a distance requirement for dispensaries under this section for a licensed dispensary that was in operation before April 1, 2024.

(I) A POLITICAL SUBDIVISION THAT HAS NOT ADOPTED AN ORDINANCE UNDER SUBSECTION (C) OF THIS SECTION BEFORE ~~JANUARY~~ JULY 1, 2025, IS SUBJECT TO THE DISTANCE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION.

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 Administration:

(i) an application fee in an amount to be determined by the Administration in accordance with this subtitle; and

(ii) an application developed by the Administration; and

(2) must meet the requirements for transfer of ownership or control established by the 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 Administration to be in a preapproved licensure status.

(3) The limitations under this subsection do not apply to:

(I) transfers as a result of the disability, incapacity, or death of the owner of a cannabis license, bankruptcy or receivership in accordance with a lending agreement of a cannabis licensee, or court order; OR

(II) THE SALE OF A CANNABIS LICENSEE TO THE LICENSEE’S EMPLOYEES THROUGH AN EMPLOYEE STOCK OWNERSHIP PLAN AS DEFINED IN § 407(D)(6)(A) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(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.

~~36-407.1.~~

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

~~(2) “CANNABIS EVENT” MEANS AN EVENT THAT:~~

~~(I) INVOLVES THE CONSUMPTION OF CANNABIS PRODUCTS BY INDIVIDUALS ON THE PREMISES OF THE EVENT; AND~~

~~(II) WAS AUTHORIZED BY THE ADMINISTRATION THROUGH A CANNABIS EVENT REGISTRATION.~~

~~(3) “CANNABIS EVENT REGISTRATION” MEANS A TEMPORARY REGISTRATION ISSUED BY THE ADMINISTRATION THAT AUTHORIZES A PERSON TO HOLD A CANNABIS EVENT.~~

~~(4) “VENDOR PERMIT” MEANS A PERMIT ISSUED BY THE ADMINISTRATION TO A CANNABIS LICENSEE THAT AUTHORIZES THE SALE OR DISTRIBUTION OF CANNABIS PRODUCTS TO INDIVIDUALS AT A CANNABIS EVENT.~~

~~(B) (1) A PERSON SHALL OBTAIN A CANNABIS EVENT REGISTRATION FROM THE ADMINISTRATION BEFORE HOLDING A CANNABIS EVENT.~~

~~(2) THE ADMINISTRATION SHALL:~~

~~(I) MAINTAIN A LIST OF ALL CANNABIS EVENTS IN THE STATE;~~
~~AND~~

~~(II) MAKE THE LIST AVAILABLE ON THE ADMINISTRATION'S WEBSITE.~~

~~(C) (1) A PERSON WHO HAS OBTAINED A CANNABIS EVENT REGISTRATION AND LEGAL CONTROL OF REAL PROPERTY THAT IS THE LOCATION OF THE CANNABIS EVENT MAY:~~

~~(I) ALLOW THE CONSUMPTION OF EDIBLE CANNABIS PRODUCTS BY INDIVIDUALS AT THE CANNABIS EVENT;~~

~~(II) ACQUIRE CANNABINOID BEVERAGES FOR RETAIL SALE OR DISTRIBUTION TO INDIVIDUALS FOR CONSUMPTION AT THE CANNABIS EVENT; AND~~

~~(III) ALLOW A HOLDER OF A VENDOR PERMIT TO SELL OR DISTRIBUTE SINGLE-SERVING PRODUCTS AT THE CANNABIS EVENT.~~

~~(2) A CANNABIS EVENT REGISTRATION DOES NOT AUTHORIZE THE HOLDER OF THE REGISTRATION TO CONDUCT AN ACTIVITY THAT WOULD REQUIRE AN ADDITIONAL LICENSE UNDER THIS TITLE.~~

~~(D) (1) IN ORDER TO OBTAIN A CANNABIS EVENT REGISTRATION UNDER SUBSECTION (B) OF THIS SECTION, A PERSON SHALL PROVIDE THE ADMINISTRATION WITH THE FOLLOWING:~~

~~(I) GENERAL INFORMATION ABOUT THE CANNABIS EVENT;~~

~~(II) THE TIME, DATE, LOCATION, AND DURATION OF THE CANNABIS EVENT;~~

~~(III) NOTICE OF AT LEAST 60 CALENDAR DAYS BEFORE THE EVENT; AND~~

~~(IV) ANY OTHER INFORMATION THAT THE ADMINISTRATION REQUIRES.~~

~~(2) A CANNABIS EVENT AUTHORIZED BY THE ADMINISTRATION UNDER THIS SECTION SHALL BE LIMITED:~~

~~(I) TO A PERIOD OF 48 HOURS; AND~~

~~(H) TO 4 CONSECUTIVE DAYS FOR THE SAME OR SIMILAR EVENT AT THE SAME OR APPROXIMATE LOCATION.~~

~~(3) (I) A CANNABIS EVENT MAY NOT BE HELD IN VIOLATION OF THIS SUBSECTION.~~

~~(H) A CANNABIS EVENT REGISTRATION SHALL BE VOID IF THE HOLDER OF THE REGISTRATION VIOLATES SUBPARAGRAPH (I) OF THIS PARAGRAPH.~~

~~(E) (1) THE HOLDER OF A CANNABIS EVENT REGISTRATION MAY NOT:~~

~~(I) ALLOW THE SMOKING OR VAPING OF CANNABIS OR CANNABIS PRODUCTS AT THE CANNABIS EVENT;~~

~~(II) ALLOW THE USE OR CONSUMPTION OF CANNABIS BY AN INDIVIDUAL WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION; OR~~

~~(III) HOLD, OWN, OR CONTROL A CANNABIS LICENSE.~~

~~(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE HOLDER OF A CANNABIS EVENT REGISTRATION FOR THE PURPOSE SPECIFIED UNDER SUBSECTION (C)(1)(III) OF THIS SECTION MAY NOT:~~

~~1. ADMIT ONTO THE CANNABIS EVENT PREMISES AN INDIVIDUAL WHO IS UNDER THE AGE OF 21 YEARS; OR~~

~~2. ALLOW THE CONSUMPTION OF ALCOHOL ON THE PREMISES OF THE CANNABIS EVENT.~~

~~(II) THE PROHIBITIONS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH DO NOT APPLY IF THE SALE, DISTRIBUTION, AND CONSUMPTION OF CANNABIS PRODUCTS ARE RESTRICTED TO AN AREA WITHIN THE EVENT THAT:~~

~~1. PROHIBITS ACCESS TO INDIVIDUALS UNDER THE AGE OF 21 YEARS;~~

~~2. DOES NOT AUTHORIZE THE SALE, DISTRIBUTION, OR CONSUMPTION OF ALCOHOL; AND~~

~~3. IS NOT VISIBLE FROM ANY PUBLIC PLACE OR UNRESTRICTED AREA OF THE CANNABIS EVENT.~~

~~(F) (1) THE HOLDER OF A VENDOR PERMIT MAY SELL OR DISTRIBUTE SINGLE-SERVING PRODUCTS TO INDIVIDUALS AT A CANNABIS EVENT.~~

~~(2) A CANNABIS LICENSEE SHALL SUBMIT A REQUEST FOR A VENDOR PERMIT TO THE ADMINISTRATION AT LEAST 30 CALENDAR DAYS BEFORE THE CANNABIS EVENT.~~

~~(3) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE ADMINISTRATION SHALL ISSUE VENDOR PERMITS TO:~~

~~(I) SOCIAL EQUITY LICENSEES ON OR BEFORE JUNE 30, 2028;~~
AND

~~(II) SOCIAL EQUITY, DISPENSARY, ON-SITE CONSUMPTION, OR PROCESSOR LICENSEES ON OR AFTER JULY 1, 2028.~~

~~(4) THE HOLDER OF A VENDOR PERMIT SHALL COMPLY WITH:~~

~~(I) THE MANUFACTURING STANDARDS ESTABLISHED UNDER § 36-203 OF THIS TITLE;~~

~~(II) THE LABORATORY TESTING STANDARDS ESTABLISHED UNDER § 36-203 OF THIS TITLE;~~

~~(III) PACKAGING AND LABELING STANDARDS ESTABLISHED UNDER §§ 36-203 AND 36-203.1 OF THIS TITLE; AND~~

~~(IV) APPLICABLE REGULATIONS ADOPTED UNDER THIS TITLE.~~

~~(G) (1) THE SALE OF CANNABIS AND CANNABIS PRODUCTS UNDER THIS SECTION IS SUBJECT TO THE SALES AND USE TAX AT THE RATE APPLICABLE TO CANNABIS SALES UNDER § 11-104(K) OF THE TAX GENERAL ARTICLE.~~

~~(2) THE LOCATION OF A CANNABIS EVENT SHALL BE THE BASIS FOR CALCULATING ANY AMOUNT OF THE SALES AND USE TAX DISTRIBUTED UNDER § 2-1302.2 OF THE TAX GENERAL ARTICLE.~~

~~(H) (1) THE ADMINISTRATION SHALL CHARGE A \$500 FEE FOR EACH DAY THAT A CANNABIS EVENT IS HELD.~~

~~(2) FOR A VENDOR PERMIT AT A CANNABIS EVENT, THE ADMINISTRATION MAY NOT CHARGE A FEE OF MORE THAN \$5,000 FOR EVERY 2,000 CANNABIS EVENT ATTENDEES.~~

~~(I) SUBJECT TO THE LIMITATIONS IN § 36-405 OF THIS SUBTITLE, A POLITICAL SUBDIVISION MAY:~~

~~(1) PROHIBIT OR RESTRICT THE AUTHORIZATION OF CANNABIS EVENT REGISTRATIONS; OR~~

~~(2) ASSESS AN ADDITIONAL FEE ON CANNABIS EVENT REGISTRATIONS THAT AUTHORIZE A CANNABIS EVENT WITHIN THE POLITICAL SUBDIVISION.~~

~~(J) THE ADMINISTRATION, A POLITICAL SUBDIVISION, OR A LAW ENFORCEMENT AGENCY, AS DEFINED IN § 3-201 OF THE PUBLIC SAFETY ARTICLE, MAY ORDER THE IMMEDIATE CESSATION OF A CANNABIS EVENT IF:~~

~~(1) THE HOLDER OF A CANNABIS EVENT REGISTRATION OR VENDOR PERMIT SELLS OR DISTRIBUTES CANNABIS OR CANNABIS PRODUCTS IN VIOLATION OF THIS TITLE; OR~~

~~(2) IT IS OTHERWISE NECESSARY TO PROTECT THE IMMEDIATE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE CANNABIS EVENT ATTENDEES AND SURROUNDING COMMUNITY.~~

~~(K) A PERSON WHO HOLDS AN UNAUTHORIZED CANNABIS EVENT IN VIOLATION OF THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$5,000.~~

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

Article – Tax – General

11-206.

(a) (3) (i) “Food” means food for human consumption.

(ii) “Food” includes the following foods and their products:

1. beverages, including coffee, coffee substitutes, cocoa, fruit juices, and tea;
2. condiments;
3. eggs;
4. fish, meat, and poultry;
5. fruit, grain, and vegetables;

6. milk, including ice cream; and

7. sugar.

(iii) “Food” does not include:

1. an alcoholic beverage as defined in § 5–101 of this article;

2. a soft drink or carbonated beverage; [or]

3. **A CANNABINOID BEVERAGE AS DEFINED IN § 36–101 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE; OR**

4. candy or confectionery.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2025.

Approved by the Governor, April 22, 2025.