A3 5lr0081 (PRE-FILED) CF HB 12

By: Chair, Finance Committee (By Request – Departmental – Alcohol, Tobacco, and Cannabis Commission)

Requested: September 19, 2024 Introduced and read first time: January 8, 2025 Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 Cannabis – Sale and Distribution – Tetrahydrocannabinol Offenses

- 3 FOR the purpose of authorizing the officers and employees of the Field Enforcement 4 Division of the Alcohol, Tobacco, and Cannabis Commission to issue a citation for a $\mathbf{5}$ certain violation; providing that the display or offering of tetrahydrocannabinol for 6 sale is prima facie evidence of selling tetrahydrocannabinol; prohibiting the sale or 7 distribution of certain products that contain tetrahydrocannabinol or are advertised 8 as containing tetrahydrocannabinol; authorizing the Executive Director of the 9 Commission to seize, destroy, or confiscate a certain unlawful product; and generally 10relating to the sale and distribution of tetrahydrocannabinol and related offenses.
- 11 BY repealing and reenacting, with amendments,
- 12 Article Alcoholic Beverages and Cannabis
- 13 Section 1–313 and 6–207
- 14 Annotated Code of Maryland
- 15 (2024 Replacement Volume)
- 16 BY repealing and reenacting, without amendments,
- 17 Article Alcoholic Beverages and Cannabis
- 18 Section 36–1102(a) through (d)
- 19 Annotated Code of Maryland
- 20 (2024 Replacement Volume)
- 21 BY adding to
- 22 Article Alcoholic Beverages and Cannabis
- 23 Section 36–1104
- 24 Annotated Code of Maryland
- 25 (2024 Replacement Volume)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



BY repealing and reenacting, without amendments, 1 $\mathbf{2}$ Article – Criminal Law 3 Section 10–108 4 Annotated Code of Maryland (2021 Replacement Volume and 2024 Supplement) $\mathbf{5}$ 6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, $\overline{7}$ That the Laws of Maryland read as follows: 8 Article - Alcoholic Beverages and Cannabis 9 1 - 313.10 There is a Field Enforcement Division in the Office of the Executive Director. (a) The Field Enforcement Division may employ officers and employees as 11 (b) (1)provided in the State budget. 1213(2)The officers and employees of the Field Enforcement Division: 14(i) shall be sworn police officers; 15(ii) shall have the powers, duties, and responsibilities of peace officers to enforce the provisions of this article relating to: 16 17the unlawful importation of alcoholic beverages, tobacco, 1. 18 and cannabis into the State: 19 2. the unlawful manufacture of alcoholic beverages, tobacco, 20and cannabis in the State; the transportation and distribution throughout the State 213. 22of alcoholic beverages, tobacco, and cannabis that are manufactured illegally and on which any alcoholic beverages taxes, tobacco taxes, or cannabis taxes imposed by the State are 2324due and unpaid; and 254. the manufacture. sale. barter. transportation, 26distribution, or other form of owning, handling, or dispersing alcoholic beverages, tobacco, 27or cannabis by any person not licensed or authorized under this article, provisions of the 28Tax – General Article relating to alcoholic beverages, tobacco, or cannabis, or provisions of 29the Business Regulation Article relating to alcoholic beverages, tobacco, or cannabis; [and] 30 MAY ISSUE A CITATION OR OTHER CHARGING DOCUMENT TO (iii) A PERSON WHO HAS COMMITTED A VIOLATION OF § 10–108 OF THE CRIMINAL LAW 3132 **ARTICLE; AND**

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 $\mathbf{2}$

1 (IV) may make cooperative arrangements for and work and cooperate 2 with the Office of the Comptroller, local State's Attorneys, sheriffs, bailiffs, police, and other 3 prosecuting and peace officers to enforce this article.

4 (c) The Field Enforcement Division:

5 (1) shall consult with and advise the local State's Attorneys and other law 6 enforcement officials and police officers regarding enforcement problems in their respective 7 jurisdictions; and

8 (2) may recommend changes to improve the administration of this article, 9 provisions of the Tax – General Article relating to alcoholic beverages, tobacco, and 10 cannabis, and provisions of the Business Regulation Article relating to tobacco.

11 6-207.

12 (A) IN THIS SECTION, "TETRAHYDROCANNABINOL" HAS THE MEANING 13 STATED IN § 36–1102 OF THIS ARTICLE.

14**(B)** In a prosecution for selling alcoholic beverages OR 15TETRAHYDROCANNABINOL without an appropriate license, proof that the defendant 16 displayed or offered alcoholic beverages OR TETRAHYDROCANNABINOL for sale, or kept a place of business where alcoholic beverages OR TETRAHYDROCANNABINOL were 17displayed or offered for sale, is prima facie evidence that the defendant sold alcoholic 18beverages OR TETRAHYDROCANNABINOL. 19

20 36-1102.

- 21 (a) (1) In this section the following words have the meanings indicated.
- 22 (2) "Hemp" has the meaning stated in § 14–401 of the Agriculture Article.
- 23
- (3) "Tetrahydrocannabinol" means:

24(i) anytetrahydrocannabinol,including25delta-8-tetrahydrocannabinol,delta-9-tetrahydrocannabinol,and26delta-10-tetrahydrocannabinol, regardless of how derived;and

- 27 (ii) any other cannabinoid, except cannabidiol that the 28 Administration determines to cause intoxication; and
- (iii) any other chemically similar compound, substance, derivative, or
 isomer of tetrahydrocannabinol, as identified by the Administration.
- 31 (4) "Tincture" means a solution that is:

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1		(i)	dissolved in alcohol, glycerin, or vegetable oil; and
2		(ii)	distributed in a dropper bottle of 4 ounces or less.
$egin{array}{c} 3 \\ 4 \\ 5 \\ 6 \end{array}$	(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:		
7 8	title;	(i)	manufacturing standards established under § $36-203$ of this
9 10	title; and	(ii)	laboratory testing standards established under § 36–203 of this
$\begin{array}{c} 11 \\ 12 \end{array}$	this title.	(iii)	packaging and labeling standards established under § 36–203 of
$\begin{array}{c} 13\\14 \end{array}$	(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.		
$\begin{array}{c} 15\\ 16 \end{array}$	(c) A person may not sell or distribute a cannabinoid product that is not derived from naturally occurring biologically active chemical constituents.		
$17 \\ 18 \\ 19$	(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:		
$\begin{array}{c} 20\\ 21 \end{array}$	and	(i)	a ratio of cannabidiol to tetrahydrocannabinol of at least 15 to 1;
$\begin{array}{c} 22\\ 23 \end{array}$	100 milligrams or	(ii) less of	2.5 milligrams or less of tetrahydrocannabinol per serving and tetrahydrocannabinol per package.
$24 \\ 25 \\ 26 \\ 27$	(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.		
28	36–1104.		
29 30	(A) IN THIS SECTION, "TETRAHYDROCANNABINOL" HAS THE MEANING STATED IN § 36–1102 OF THIS SUBTITLE.		
$\frac{31}{32}$	(B) A PI TETRAHYDROCA		MAY NOT SELL OR DISTRIBUTE A PRODUCT CONTAINING NOL THAT VIOLATES THE POTENCY, PACKAGING, OR

LABELING REQUIREMENTS UNDER § 36–203 OR § 36–203.1 OF THIS TITLE OR ANY
 REGULATIONS ADOPTED UNDER THOSE SECTIONS.

3 (C) (1) A PERSON MAY NOT SELL OR DISTRIBUTE A PRODUCT THAT IS 4 ADVERTISED AS CONTAINING AN AMOUNT OF TETRAHYDROCANNABINOL THAT 5 VIOLATES § 36–1102 OF THIS SUBTITLE.

6 (2) ADVERTISING UNDER PARAGRAPH (1) OF THIS SUBSECTION 7 INCLUDES PACKAGING, LABELING, OR ELECTRONIC COMMUNICATION.

8 (D) THE EXECUTIVE DIRECTOR MAY SEIZE, DESTROY, OR CONFISCATE A 9 PRODUCT THAT IS:

10 (1) OFFERED OR DISPLAYED FOR SALE TO A CONSUMER IN A 11 LOCATION THAT IS NOT APPROPRIATELY LICENSED UNDER SUBTITLE 4 OF THIS 12 TITLE; AND

13(2)THE SUBJECT OF A VIOLATION UNDER SUBSECTION (B) OR (C) OF14THIS SECTION.

15 (E) (1) IF A PERSON WHO IS NOT A CANNABIS LICENSEE VIOLATES 16 SUBSECTION (B) OR (C) OF THIS SECTION, THE PERSON:

- 17
- (I) MAY BE CHARGED BY A CITATION; AND

18 (II) IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS 19 SUBJECT TO A FINE NOT EXCEEDING \$5,000.

20 (2) IF A CANNABIS LICENSEE VIOLATES SUBSECTION (B) OR (C) OF 21 THIS SECTION, THE LICENSEE IS SUBJECT TO DISCIPLINARY ACTION BY THE 22 ADMINISTRATION IN ACCORDANCE WITH § 36–202 OF THIS TITLE.

23

Article – Criminal Law

24 10–108.

25(a)А person who distributes products containing delta-8or delta–10–tetrahydrocannabinol, including a person licensed under Title 16, Title 16.5, Title 2616.7, Title 16.9, or Title 17 of the Business Regulation Article, may not distribute, purchase 27for sale, or sell a product containing delta-8- or delta-10-tetrahydrocannabinol to an 2829individual under the age of 21 years.

30 (b) In a prosecution for a violation of this section, it is a defense that the defendant 31 examined the purchaser's or recipient's driver's license, or other valid identification issued

1 by a governmental unit, that positively identified the purchaser or recipient as being at2 least 21 years old.

3 (c) Any website owned, managed, or operated by a person who distributes or sells 4 a product containing delta-8- or delta-10-tetrahydrocannabinol shall employ a neutral 5 age-screening mechanism that verifies that the user is at least 21 years old, including by 6 using an age-gate, age-screen, or age-verification mechanism.

7 (d) A person who violates this section is guilty of a misdemeanor and on conviction 8 is subject to a fine not exceeding:

9 (1) \$300 for a first violation;

10 (2) \$1,000 for a second violation occurring within 2 years after the first 11 violation; and

12 (3) \$3,000 for each subsequent violation occurring within 2 years after the 13 preceding violation.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July1, 2025.