

**Department of Legislative Services**  
Maryland General Assembly  
2025 Session

**FISCAL AND POLICY NOTE**

**Third Reader - Revised**

Senate Bill 215

(Chair, Finance Committee)(By Request - Maryland  
Cannabis Administration)

Finance

Economic Matters

**Cannabis Reform - Revisions**

This departmental bill makes various changes to provisions that govern the cannabis industry. Among other things, the bill (1) repeals the authorization for the Maryland Cannabis Administration (MCA) to issue on-site consumption licenses during the second round of licensing; (2) authorizes an on-site consumption licensee to engage in specified activities; (3) extends the authorization for a licensed dispensary to deliver medical cannabis and alters dispensary supply requirements; (4) clarifies the applicability of certain zoning provisions that relate to the location of licensed dispensaries; (5) authorizes the sale of a cannabis license through an employee stock ownership plan; and (6) explicitly specifies that a “cannabinoid beverage” is not a “food” for purposes of the sales and use tax provisions in the Tax – General Article. **The bill takes effect July 1, 2025.**

**Fiscal Summary**

**State Effect:** The repeal of the authorization to issue on-site consumption licenses during the second round of licensing may result in a delay in special fund revenues from application and licensing fees, but it is unclear if MCA would have issued any such licenses in the absence of the bill, as discussed below; accordingly, this analysis does not quantify any possible revenue loss. The bill is not otherwise anticipated to materially affect State operations or finances.

**Local Effect:** The bill is not anticipated to materially affect local government operations or finances.

**Small Business Effect:** MCA has determined that this bill has a meaningful impact on small business (attached). The Department of Legislative Services (DLS) concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

## Analysis

**Bill Summary/Current Law:** Chapters 254 and 255 of 2023 established the adult-use cannabis industry in the State by, among other things, (1) establishing MCA as an independent unit of State government that is responsible for the regulation of adult-use and medical cannabis; (2) creating a licensing framework for the regulated sale of cannabis, including licenses for growers, processors, dispensaries, incubator spaces, and on-site consumption; (3) requiring all medical cannabis licensees to either convert to adult-use cannabis businesses or cease operating by July 1, 2023; and (4) establishing a 9% sales and use tax on the sale of adult-use cannabis.

### *On-site Consumption Establishments*

*On-site Consumption Licenses – Issuance and Fees:* Under current law and the bill, MCA is authorized to issue up to 50 (total) on-site consumption licenses. MCA must establish licensing and renewal fees for on-site consumption licenses, which, for on-site consumption licenses, must be reduced by at least 50% relative to the fees that apply to standard licensees. Standard license fees for initial licenses may not exceed \$50,000, and fees for renewal may not exceed the lesser of 10% of the licensee's annual gross revenue or \$50,000. The application fee for an on-site consumption license is \$5,000.

MCA was not authorized to issue any on-site consumption licenses during its initial round of cannabis licensing. Under current law, beginning May 1, 2024, MCA must begin issuing second round licenses in an amount that does not exceed the specified maximum number of licenses allowed for each license type. MCA must consult with the State's designated Minority and Business Enterprise certification agency (the Maryland Department of Transportation), the Governor's Office of Small, Minority, and Women Businesses Affairs, the General Assembly, and the Office of the Attorney General to determine whether or not a disparity study demonstrates a strong basis in evidence of business discrimination against firms owned by minorities and women in the cannabis market. Under current law, if the specified discrimination is present, MCA, in issuing second round licenses, must (1) apply minimum licensing qualifications and employ remedial measures consistent with constitutional requirements and (2) award licenses through a lottery process that employs remedial measures (if a lottery system employing remedial measures established in accordance with the disparity study can be conducted consistent with constitutional requirements). Under current law, if the specified discrimination is *not* present, MCA must enter each applicant that meets the minimum established qualifications into a lottery. Under the bill, if specified discrimination is *not* present, application submissions for on-site consumption licenses are limited to social equity applicants, as is the case under current law for micro licenses.

*The bill* repeals MCA’s authorization to issue up to 15 on-site consumption licenses during the second round of licensing. *Under current law and the bill*, MCA may issue additional cannabis licenses up to the maximum limit authorized per statute based on the results of a market demand study. Future applications for licenses may be limited to social equity applicants and employ remedial measures based on the results of the disparity study.

*On-site Consumption Licenses – Authorizations and Restrictions:* *Under current law*, MCA may issue on-site consumption licenses that authorize an entity to operate a licensed premises in which cannabis may be consumed, but not smoked indoors, in accordance with relevant statute and regulations. Additionally, *under current law*, an on-site consumption license authorizes an entity to distribute cannabis or cannabis products for on-site consumption. *The bill* clarifies that on-site consumption establishments are able to offer *cannabis products* to be consumed on premises.

*Under the bill*, an on-site consumption license authorizes an entity, for the purposes of on-site consumption, to (1) distribute cannabis or cannabis products; (2) acquire cannabis or cannabis products from a cannabis licensee, as specified; (3) repackage cannabis or cannabis products to create single-serving products; and (4) process single-serving products. *The bill* defines a “single-serving product” to mean an edible cannabis product that (1) is individually packaged for retail sale; (2) does not exceed the serving limits established by MCA regulations; and (3) is intended for immediate consumption. The term includes a cannabinoid beverage.

*Current law* specifies that an on-site consumption license does *not* authorize the holder to cultivate cannabis, process cannabis or cannabis-infused products, or add cannabis to food prepared or served on the premises. However, 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. *Under the bill*, only the restriction against cultivating cannabis is retained. The remainder of these restrictions are repealed.

*Under current law*, an on-site consumption establishment is also prohibited from allowing an activity on the premises that would require an additional license under provisions of State law governing medical and adult-use cannabis, including growing, processing, or dispensing. *Under the bill*, the prohibition against processing is repealed.

*Under the bill*, additional prohibitions are established preventing an on-site consumption establishment from (1) allowing the consumption of cannabis or cannabis products on the premises that were not obtained from the on-site consumption establishment; (2) allowing the removal of cannabis or cannabis products from the premises; and (3) selling or distributing cannabis or cannabis products to an individual that are intended as more than a single-serving product.

*Under the bill*, an on-site consumption establishment is authorized to also operate as a food service facility, as defined under the Health – General Article, as specified. Before operating as a food service facility, the on-site consumption establishment must obtain all necessary approvals for operating a food service facility from the political subdivision in which the establishment is located, as specified. The relevant current law relating to food service facilities is discussed below.

*Under current law*, statute establishes laboratory testing, packaging, and labeling standards for cannabis products. *The bill* explicitly states that an on-site consumption establishment must comply with those standards.

*Under current law and the bill*, an on-site cannabis establishment must educate consumers by providing informational materials regarding the safe consumption of cannabis. The educational materials must be based on requirements established by the Cannabis Public Health Advisory Council.

*Local Authority to Regulate On-site Cannabis Establishments: Under current law and the bill*, an on-site consumption establishment may not operate in a location unless the political subdivision affirmatively authorizes the operation by issuing a permit or license. Subject to specified zoning provisions, 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. *Under the bill*, a political subdivision may also establish hours of operation for on-site consumption establishments.

*Other Relevant Definitions: Under current law and the bill*, “cannabis products” means products that are composed of cannabis, cannabis concentrate, cannabis extract, or other ingredients, and are intended for use or consumption. *Under current law*, “cannabis products” include edible products, oils, and tinctures. *Under the bill*, “cannabis products” also includes “cannabinoid beverages.” “Cannabinoid beverage” is defined by the bill as a beverage intended for human consumption by oral ingestion that (1) is suitable for beverage purposes; (2) contains five milligrams (mg) or less of tetrahydrocannabinol (THC); (3) is contained as a single-serving product; (4) is lawfully produced by a cannabis licensee; and (5) complies with specified existing laboratory testing, packaging, and labeling standards.

### *Licensed Dispensaries*

*Deliveries: Under current law*, while it is generally prohibited for a cannabis licensee to deliver cannabis, the holder of a dispensary license that was issued by the Natalie M. LaPrade Medical Cannabis Commission and was converted to a cannabis

business license issued by MCA may continue to deliver medical cannabis to qualifying patients until July 1, 2025. *The bill* extends this authorization by one year – to July 1, 2026.

*Supply Requirements: Under current law and the bill*, a cannabis licensee that is operating a dispensary must (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. Additionally, *under current law*, a licensee operating a dispensary must 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. This requirement still applies *under the bill*, but only as supply becomes available (as determined by MCA).

*Zoning Restrictions Applicable to Dispensaries: Under current law and the bill*, under § 36-410 of the Alcoholic Beverages and Cannabis Article, in general, a licensed dispensary may not be located within 500 feet of (1) a pre-existing primary or secondary school in the State or a licensed child care center or registered family child care home or (2) a pre-existing playground, recreation center, library, public park, or place of worship. A dispensary also may not be located within 1,000 feet of another licensed dispensary. These distance requirements do not apply to a medical dispensary licensee that converted to a cannabis business licensee and was properly zoned and operating before July 1, 2023.

*Under current law and the bill*, in general, a political subdivision may adopt an ordinance reducing (but not increasing) these distance requirements. However, a political subdivision may by ordinance increase the statutory distance limitation between dispensaries to no more than one-half mile. *Under the bill*, if a political subdivision does not adopt an ordinance as authorized under this provision by July 1, 2025, the political subdivision is subject to the standard distance requirements described above.

*Under current law and the bill*, 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 the Alcoholic Beverages and Cannabis Article.

*Under current law and the bill*, 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.

*Under current law and the bill*, a political subdivision must grant a waiver to an ordinance that provides a distance requirement for dispensaries under these provisions for a licensed dispensary that was in operation before April 1, 2024.

### *Cannabis License Transfers*

*Under current law and the bill*, to transfer ownership or control of a cannabis license, a licensee must first submit to MCA an application and fee, as specified by MCA. However, a cannabis licensee (including a converted licensee) may not transfer ownership or control of the license for at least five years following licensure, with limited exceptions and not including the time period that a business is considered to be in a preapproved licensure status. In addition, a cannabis licensee may not surrender a license and apply for a new license in the same or similar category. The specified limitations do not apply to (1) 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 (2) a transfer of ownership that is the subject of a legally binding settlement agreement from litigation commenced on or before January 1, 2023. *Under the bill*, the specified limitations also do not apply to the sale of a cannabis licensee to the licensee’s employees through an employee stock ownership plan, as specified.

### *Sales and Use Tax Provisions under the Tax – General Article*

*Under current law and the bill*, the State sales and use tax rate is 6%, except for the sale of alcoholic beverages and cannabis/cannabis products, which are taxed at a rate of 9%. The sales and use tax is generally not imposed on food and beverages sold by a substantial grocery or market business unless it falls within the definition of food for immediate consumption or consumption on the premises of the buyer or a third party. Sales of food and beverages made by other entities are subject to the sales and use tax. Under provisions that relate to the applicability of the sales and use tax on food, “food” means food for human consumption, and includes specified foods (including beverages) and their products. “Food” does not include an alcoholic beverage, a soft drink or beverage, or candy or confectionary.

*Under the bill*, “food” also does not include a cannabinoid beverage as defined in the bill. (This clarifies that cannabinoid beverages are subject to the sales and use tax on cannabis.)

### *Relevant Food Service Facility Provisions under the Health – General Article*

*Under current law and the bill*, generally speaking, a food service facility is a place where food or drink is prepared for sale or service on the premises or elsewhere or any operation where food is served or provided to the public, regardless of whether there is a charge. A food service facility is a type of food establishment regulated under the Health – General Article. A person may not operate a food establishment unless licensed (by the Maryland Department of Health (MDH) or a local health department (LHD)) or exempt from the licensure requirements. Each food establishment must be separately licensed.

*Under current law and the bill*, “food” – under these provisions in the Health – General Article – means (1) any substance that is used as food or drink for human beings or as a component of food or drink for human beings or (2) chewing gum or any substance that is used as a component of chewing gum.

The federal Food, Drug, and Cosmetics Act prohibits the manufacture or sale of any food that is adulterated or misbranded. The Food Additives Amendment to the act authorizes the U.S. Food and Drug Administration (FDA) to regulate food ingredients. MDH implements the Maryland Food, Drug, and Cosmetic Act, which conforms to the federal act.

FDA manages a Generally Recognized As Safe (GRAS) database and [Food Additive List](#) to approve intentionally added food ingredients that have been adequately tested and deemed safe. According to MDH, cannabis and cannabinoids are not GRAS.

*Under current law and the bill*, a food establishment licensee that violates any law or regulation relating to food establishments is guilty of a misdemeanor and on conviction is subject to a fine of up to \$1,000 and/or up to 90 days imprisonment for a first violation. For a second violation, the maximum penalty is a \$2,500 fine and/or one year imprisonment. In addition, a violator is subject to a civil penalty of up to \$5,000, to be collected by the District Court for any county and may be enjoined from continuing the violation. Each day is a separate violation.

In practice, the licensing, inspection, and enforcement of statutory provisions related to food service facilities are delegated to LHDs. Each food establishment must be separately licensed. A representative of MDH (including an appropriate LHD) may enter any food establishment at a reasonable time to conduct inspections.

### *Edible Cannabis Products*

*Under current regulations*, “edible cannabis product” means a cannabis product intended for human consumption by oral ingestion, in whole or in part, and includes a cannabis product that dissolves or disintegrates in the mouth. A “liquid edible product” is a type of edible cannabis product that is a liquid beverage or liquid food-based product for which the intended use is oral consumption. A “liquid edible product” excludes a tincture.

*Under current law*, statute establishes laboratory testing, packaging, and labeling standards for cannabis products as well as maximum potency limits for cannabis products sold in the State. *Current regulations* establish the regulatory framework for the oversight of the processing, distribution, and sale of edible cannabis products. Among other things, before processing an edible cannabis product, a processor must obtain a permit from MCA. Permittees must comply with all applicable food safety regulations. There is a

\$1,000 application fee and a \$500 annual permit fee for an edible cannabis product permit. Additionally, unless expressly authorized by MCA, an edible cannabis product may not contain more than 10 mg of THC per serving and 100 mg of THC per package.

For additional information and current law and information on the State’s cannabis industry, see the **Appendix – Medical and Adult-Use Cannabis**.

**Background:** Pursuant to Chapters 254 and 255, MCA was required to conduct a study on the on-site consumption of cannabis and cannabis products at retail premises. According to that required [report](#), a “cannabis café” model for on-site consumption sites is likely the only viable model of on-site cannabis consumption establishment that would maintain the General Assembly’s intent to prohibit indoor smoking. The “cannabis café” model was originally popularized by the Netherlands and is characterized by establishments where consumers may consume cannabis and purchase freshly made food and non-alcoholic drinks, such as coffee.

MCA notes that, while the “cannabis café” model is broadly consistent with current law standards for on-site consumption establishments, there are certain statutory provisions that hinder licensees from establishing a “cannabis café” type establishment. The primary limitation is that businesses are prohibited from preparing and selling food products that contain cannabis and from conducting any activity on the licensed premises that requires an additional license (such as a processor license). According to MCA, the intent of the bill is to establish options to help on-site consumption establishments be more viable and to allow Maryland licensees to follow this café model.

**State Fiscal Effect:** Under current law, MCA is required to hold a second round of cannabis licensing and is *authorized* to issue *up to* 15 on-site consumption licenses during that round. However, MCA is not *required* to issue any on-site consumption licenses during the second round of licensing. According to MCA, the current law business model for on-site consumption licenses is not viable and, for that reason, it is unclear whether MCA, in the absence of the bill’s changes that create a café model, would issue any on-site consumption licenses during the second round of licensing. Accordingly, DLS acknowledges that the bill may result in a decrease in special fund revenues for MCA from foregone application and licensing fees (which otherwise could have been realized in fiscal 2026, 2027, and 2028 under current law), but this analysis does not quantify any possible revenue loss.

The bill is not otherwise anticipated to materially affect State finances or operations. MCA and the Alcohol, Tobacco, and Cannabis Commission can implement and enforce the bill’s changes with existing resources, and the bill is not anticipated to materially affect the amount of cannabis sales and use tax revenue collected.



## **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 132 (Chair, Economic Matters Committee)(By Request - Maryland Cannabis Administration) - Economic Matters.

**Information Source(s):** Baltimore City; Harford and Montgomery counties; Maryland Association of Counties; City of Frostburg; Maryland Municipal League; Alcohol, Tobacco, and Cannabis Commission; Maryland Cannabis Administration; Comptroller's Office; Maryland State Commission on Criminal Sentencing Policy; Judiciary (Administrative Office of the Courts); Office of the Public Defender; Maryland State's Attorneys' Association; Maryland Department of Health; Department of State Police; Department of Legislative Services

**Fiscal Note History:** First Reader - January 30, 2025  
km/lgc Third Reader - March 27, 2025  
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## Appendix – Medical and Adult-use Cannabis

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Chapters 254 and 255 of 2023 established the adult-use cannabis industry in the State by, among other things, (1) attributing cannabis-related duties to the Alcohol and Tobacco Commission and renaming it the Alcohol, Tobacco, and Cannabis Commission (ATCC); (2) establishing the Maryland Cannabis Administration (MCA) as an independent unit of State government that is responsible for the regulation of adult-use and medical cannabis; (3) creating a licensing framework for the regulated sale of cannabis; (4) requiring all medical cannabis licensees to either convert to adult-use cannabis businesses or cease operating by July 1, 2023; and (5) establishing a 9% sales and use tax on the sale of adult-use cannabis. As required under Chapters 254 and 255, in June 2023, ATCC and MCA entered into a memorandum of understanding providing that both parties agree to collaborate on enforcing provisions regarding unlicensed cannabis operations in the State.

### *Maryland Cannabis Administration*

MCA's responsibilities generally include promulgating cannabis industry regulations, licensing and registering cannabis businesses in the State, and enforcing the statutes and regulations related to the cannabis industry. MCA adopted permanent regulations governing the cannabis industry in the State that went into effect July 22, 2024. (See DLS Control No. 24-019P).

### *Adult-use Cannabis*

The sale of adult-use cannabis began on July 1, 2023. A person at least age 21 may use and possess the personal use amount of cannabis, while the possession of the personal use amount of cannabis by a person younger than age 21, as well as the possession of the civil use amount of cannabis, are subject to civil penalties. Possession of more than the civil use amount of cannabis by anyone is subject to a criminal penalty.

### *Medical Cannabis*

MCA is responsible for the State's medical cannabis program, which is intended to make medical cannabis available to qualifying patients in a safe and effective manner. There is a framework to certify health care providers, qualifying patients, and their caregivers to provide qualifying patients with medical cannabis legally under State law via written certification.

## *Social Equity in the Cannabis Industry*

The Office of Social Equity (OSE) is an independent office functioning within MCA, established to promote and encourage full participation in the regulated cannabis industry by people from communities that have been disproportionately impacted by the war on drugs in order to positively impact those communities. OSE has several responsibilities in furtherance of its purpose, including consulting with other agencies, providing recommendations to and working with MCA, assisting businesses to obtain financing through the Capital Access Program, and managing the Social Equity Partnership Grant Program (established to promote qualifying partnerships between operational licensees and social equity licensees).

## *Cannabis Licensing*

To operate a cannabis business in the State, a person must obtain a cannabis license from MCA. A license is valid for five years on initial licensure and five years upon renewal. MCA must issue licenses for growers, processors, dispensaries, incubator spaces, and on-site consumption. Additional licenses include micro licenses for growers, processors, and dispensaries. Licensing and renewal fees are established by MCA and range from \$5,000 for social equity applicants for certain licenses to \$50,000 for standard grower licenses. Pursuant to Chapters 254 and 255, medical licensees (growers, processors, and dispensaries) were required to pay a conversion fee based on the licensee's gross revenues for calendar 2022 to convert to medical and adult-use cannabis business licensees of the same type. Essentially all medical licensees (18 grower, 23 processor, and 96 dispensary licensees) converted to cannabis business licensees.

*First- and Second-round Social Equity Licenses:* Social equity applicants are those with at least 65% ownership and control held by one or more individuals who meet certain criteria, such as living in or attending a public school in a disproportionately impacted area (*i.e.*, determined to have had above 150% of the State's 10-year average for cannabis possession charges). MCA conducted its first-round lottery on March 14, 2024, and a second-round lottery on June 28, 2024, awarding a total of 205 (174 in round one and 31 in round two) social equity cannabis business licenses across the micro and standard grower, processor, and dispensary categories.

*Subsequent Licenses:* MCA may issue additional cannabis licenses up to the maximum limit authorized per statute based on the results of a market demand study. Future applications for licenses may be limited to social equity applicants and employ remedial measures based on the results of the disparity study.

### *Advisory Board on Medical and Adult-Use Cannabis*

Chapters 254 and 255 also established the Advisory Board on Medical and Adult-Use Cannabis. The advisory board must (1) consider all matters submitted to it by OSE, the Governor, MCA, or the General Assembly and (2) study and make recommendations on a number of issues related to the medical and adult-use cannabis industry in the State. The advisory board began meeting in May 2024, and has established three subcommittees: Federal, Medical Cannabis, and Adult-use Cannabis.

### *Cannabis Sales and Tax Revenues*

In the first year of adult-use cannabis sales (July 1, 2023, through June 30, 2024), total cannabis sales topped \$1.0 billion, with adult-use sales making up \$709 million of the total. Retail sales of adult-use cannabis are subject to a 9% sales and use tax rate and generated approximately \$63.8 million in sales and use tax revenues during the first year of sales. Adult-use cannabis sales and use tax collections for the first quarter of fiscal 2025 totaled \$18.3 million.

### *Local Authority to Regulate Cannabis*

A “political subdivision,” defined as a county or municipality, is authorized to establish zoning requirements for cannabis businesses, allocate cannabis tax revenues, and adopt ordinances that reduce statutory requirements related to specified location restrictions for cannabis businesses. However, a political subdivision is prohibited from taking certain actions specific to cannabis businesses, including imposing a tax on cannabis and establishing restrictions related to transporting cannabis within the political subdivision or fees or requirements on cannabis businesses that are more burdensome than for other businesses.

Additionally, an on-site consumption establishment may not operate in a location unless the political subdivision affirmatively authorizes the operation by issuing a permit or license. The political subdivision may also place restrictions on or prohibit the operation of on-site consumption establishments.

### *Public Health Actions Related to Adult-use Cannabis*

The Cannabis Public Health Advisory Council was established to study and report its findings and recommendations by December 1 each year on specified public health impacts of cannabis legalization. CPHF was also established to generally support the council’s work. The fund receives 5% of the tax revenues from the sale of adult-use cannabis.

### *Cannabis-related Special Funds*

CREF is administered by MCA to cover its operating costs and the costs to administer and enforce the Medical and Adult-use Cannabis Title of the Alcoholic Beverages and Cannabis Article. The fund generally consists of fees collected by MCA (including application and registration fees) and tax revenues from the sale of adult-use cannabis sufficient to defray the entire cost of operating the administration.

CRRF is administered by the Comptroller to provide funds to community-based organizations that serve communities determined by OSE (in consultation with Office of the Attorney General to have been the most impacted by disproportionate enforcement of the cannabis prohibition before July 1, 2022). The fund receives 35% of the tax revenues from the sale of adult-use cannabis, distributed on a quarterly basis.

CBAF is administered by the Department of Commerce (in consultation with OSE) to assist small, minority-owned, and women-owned businesses entering the adult-use cannabis industry through the award of grants and loans. The fund receives 5% of the tax revenues from the sale of adult-use cannabis, distributed on a quarterly basis.

## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Cannabis - On-Site Consumption Establishments and Cannabis Events

BILL NUMBER: SB 215

PREPARED BY: Andrew Garrison, Chief of the Office of Policy and Government Affairs –  
Maryland Cannabis Administration

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

☐ WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESS

**OR**

☒ WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESSES

### PART B. ECONOMIC IMPACT ANALYSIS

Many, if not all, of the newly licensed on-site consumption establishments would meet the definition of a small business in the State. This proposal will provide an opportunity for these licensees to operate in a manner that would be more likely to succeed than the business model currently in State. Additionally, many of the event registrants authorized under this bill would also likely be considered small businesses, who may be able to expand and diversify their event offerings under this proposal. Lastly, many of the other cannabis businesses in the State are also considered to be small businesses, and through the authorization of on-site consumption and event registrations, have expanded market access to further increase their revenue options.