

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 925

(Senator Smith)

Judicial Proceedings

Rules and Executive Nominations

Criminal Law - Controlled Dangerous Substances and Firearms

This bill (1) establishes reduced penalties for cannabis-related violations of the prohibitions on being a volume dealer under § 5-612 of the Criminal Law Article and a drug kingpin under § 5-613 of the Criminal Law Article; (2) authorizes specified individuals incarcerated for violations of §§ 5-612 and 5-613 to file an application for a modification or reduction of a mandatory minimum sentence; (3) modifies penalties and crime classifications for specified firearms offenses; and (4) authorizes a person at least age 21 to manufacture a personal use amount of cannabis products or concentrated cannabis, as specified. The bill also specifies in statute that with the exception of a violation involving cannabis, a violation of the volume dealer statute is a felony.

Fiscal Summary

State Effect: General fund expenditures for the Office of the Public Defender (OPD) increase by *as much as* \$95,700 in FY 2026; future years reflect annualization, inflation, and elimination of one-time costs. State finances are otherwise not materially affected.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	95,700	114,700	119,800	125,100	130,500
Net Effect	(\$95,700)	(\$114,700)	(\$119,800)	(\$125,100)	(\$130,500)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill may have a fiscal and/or operational impact on State's Attorneys' offices, as discussed below. Otherwise, the bill is not anticipated to materially affect local government revenues or expenditures, as discussed below.

Small Business Effect: None.

Analysis

Bill Summary:

Manufacturing Cannabis Products and Concentrated Cannabis

The bill authorizes a person who is at least age 21 to manufacture a personal use amount of cannabis products or concentrated cannabis for personal use or adult sharing at a private residence if the manufacturing process does not involve the use of a “volatile solvent.” A “volatile solvent” is defined as a solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

Alteration of Classification and Penalties – Volume Dealer and Drug Kingpin Offenses

Volume Dealer: The bill establishes that a person who violates the volume dealer statute (§ 5-612 of the Criminal Law Article) by manufacturing, distributing, dispensing, or possessing 50 pounds or more of cannabis (the quantity of cannabis specified under existing statute) is guilty of a misdemeanor and on conviction is subject to a maximum sentence of 10 years imprisonment and/or a \$50,000 fine.

The remaining violations of the volume dealer statute, which apply to other types of controlled dangerous substances (CDS), are subject to the existing penalty of imprisonment for up to 20 years (with a mandatory minimum of sentence of 5 years) and a fine of up to \$100,000. The bill also specifies in statute that a violation of the volume dealer statute for a substance other than cannabis is a felony. (While not specified in statute, the Maryland Sentencing Guidelines Offense Table currently specifies that any violation of § 5-612 is a felony.)

Drug Kingpin: The bill establishes that a person who violates the drug kingpin statute (§ 5-613 of the Criminal Law Article) by conspiring to manufacture, distribute, dispense, transport, or bring into the State 50 pounds or more of cannabis (the quantity of cannabis specified under existing statute) is guilty of a felony and on conviction is subject to a maximum sentence of 20 years imprisonment and/or a \$100,000 fine. The remaining violations of the drug kingpin statute, which apply to other types of CDS, are subject to the existing penalty (felony punishable by imprisonment for up to 40 years (with a mandatory minimum sentence of 20 years) and/or a fine of up to \$1.0 million).

Authorization to Request Sentence Modification or Reduction

A person who is serving a term of confinement that includes a mandatory minimum sentence for a violation of § 5-612 (volume dealer statute) or § 5-613 (drug kingpin statute) of the Criminal Law Article may file an application with the court or sentence review panel

by September 30, 2026, for a modification or reduction of the mandatory minimum sentence, as provided in Maryland Rule 4-345, regardless of whether the defendant filed a timely motion for reconsideration or such a motion was denied by the court if:

- the sentence was imposed on or before September 30, 2017, and involved less than 448 grams of cocaine base (under this scenario, only one application may be filed); or
- the sentence was imposed on or before September 30, 2025, and involved cannabis (under this scenario, if the first motion is denied, a second application may be filed no earlier than three years after the denial).

The court must notify the State's Attorney and hold a hearing if such an application is filed. The court may modify the sentence and depart from the mandatory minimum sentence unless the State shows that, giving due regard to the nature of the crime, the history and character of the defendant, and the defendant's chances of successful rehabilitation, retention of the mandatory minimum sentence would not result in substantial injustice to the defendant *and* the mandatory minimum sentence is necessary for the protection of the public. The court may consider an application filed after the September 30, 2026 deadline for good cause shown.

Alterations of Classification and Penalties – Firearm Offenses

The bill modifies the classifications and penalty provisions for various firearm offenses under the Public Safety Article. **Exhibit 1** details the classifications and penalties under current law and under the bill.

Exhibit 1
Firearm Offense Penalties under Current Law and under the Bill

<u>Offense (Public Safety Article)</u>	<u>Penalty under Current Law</u>	<u>Penalty under the Bill</u>
<i>Section 5-138 – Sale, transfer, or disposal of stolen regulated firearm</i>	<ul style="list-style-type: none">• Misdemeanor• Imprisonment up to 5 years and/or \$10,000 maximum fine• Each violation is considered a separate crime	<ul style="list-style-type: none">• Felony• Same penalty as current law• Each violation is considered a separate crime
<i>Section 5-140 – Transporting a regulated firearm for unlawful sale or trafficking</i>	<ul style="list-style-type: none">• Misdemeanor• Imprisonment up to 10 years and/or \$25,000• Each violation is considered a separate crime	<ul style="list-style-type: none">• Felony• Same penalty as current law• Each violation is considered a separate crime
<i>Section 5-406 – Manufacture or Sale of Handguns: Illegally manufacturing a handgun for distribution or sale</i>	<ul style="list-style-type: none">• Misdemeanor• Fine up to \$10,000• Each handgun is a separate violation	<ul style="list-style-type: none">• Felony• Imprisonment up to 5 years and/or \$10,000 maximum fine• Each handgun is a separate violation
<i>Section 5-406 – Manufacture or Sale of Handguns: Illegally selling or offering to sell a handgun</i>	<ul style="list-style-type: none">• Misdemeanor• Fine up to \$2,500• Each handgun is a separate violation	<ul style="list-style-type: none">• Felony• Imprisonment up to 5 years and/or \$2,500 maximum fine• Each handgun is a separate violation
<i>Section 5-703 – Serial Number Requirement for Firearms: Purchasing, receiving, selling, offering to sell, or transferring an unfinished frame or receiver without a serial number pursuant to federal law or selling, offering to sell, or transferring a firearm without a serial number</i>	<ul style="list-style-type: none">• Misdemeanor• Imprisonment up to five years and/or \$10,000 maximum fine• Each violation is a separate crime	<ul style="list-style-type: none">• Felony• Same penalty as current law• Each violation is a separate crime

Source: Department of Legislative Services

Current Law:

Volume Dealer (§ 5-612 of the Criminal Law Article)

A person may not manufacture, distribute, dispense, or possess:

- 50 pounds or more of cannabis;
- 448 grams or more of cocaine;
- 448 grams or more of any mixture containing a detectable amount of cocaine, as scientifically measured using representative sampling methodology;
- 448 grams or more of any cocaine base (commonly known as “crack”) (prior to October 1, 2017, 50 grams or more of “crack” was subject to the specified prohibitions);
- 28 grams or more of morphine or opium or any of their derivatives, salts, isomers, or salts of an isomer;
- 28 grams or more of any mixture containing a detectable amount, as scientifically measured using representative sampling methodology, of morphine or opium or any of their derivatives, salts, isomers, or salts of an isomer;
- 5 grams or more of fentanyl or any structural variation of fentanyl that is scheduled by the U.S. Drug Enforcement Administration (DEA);
- 28 grams or more of any mixture containing a detectable amount, as scientifically measured using representative sampling methodology, of fentanyl or any structural variation of fentanyl that is scheduled by DEA;
- 1,000 dosage units or more of lysergic acid diethylamide (LSD);
- any mixture containing the equivalent of 1,000 dosage units of LSD;
- 16 ounces or more of phencyclidine (PCP) in liquid form;
- 448 grams or more of any mixture containing a detectable amount, as scientifically measured using representative sampling methodology, of PCP;
- 448 grams or more of methamphetamine; or
- 448 grams or more any mixture containing a detectable amount, as scientifically measured using representative sampling methodology, of methamphetamine.

To determine the quantity of a CDS involved in individual acts of manufacturing, distributing, dispensing, or possessing a CDS under this provision, the acts may be aggregated if each act occurred within a 90-day period.

Violators are subject to a nonsuspendable and nonparolable minimum sentence of 5 years, a maximum incarceration penalty of 20 years, and a fine of up to \$100,000.

Drug Kingpin (§ 5-613 of the Criminal Law Article)

“Drug kingpin” means an organizer, supervisor, financier, or manager who acts as a coconspirator in a conspiracy to manufacture, distribute, dispense, transport in, or bring into the State a CDS.

A drug kingpin who conspires to manufacture, distribute, dispense, transport in, or bring into the State a CDS in an amount specified under the volume dealer statute (see above) is guilty of a felony. A violator is subject to a nonsuspendable and nonparolable minimum sentence of imprisonment for 20 years, a maximum sentence of 40 years imprisonment without the possibility of parole, and/or a fine of up to \$1 million.

Cannabis Reform

Chapters 254 and 255 of 2023 established the adult-use cannabis industry in the State following the enactment of Chapter 26 of 2022 and the passage of the associated constitutional amendment by (1) creating the Maryland Cannabis Administration (MCA) as an independent unit of State government that is responsible for the regulation of medical and adult-use cannabis; (2) attributing cannabis-related duties to the Alcohol and Tobacco Commission and renaming it the Alcohol, Tobacco, and Cannabis Commission; (3) developing a licensing framework for the regulated sale of cannabis; (4) requiring all existing medical cannabis licensees to convert to adult-use cannabis businesses; (5) establishing a 9% sales and use tax on the sale of adult-use cannabis; and (6) creating the Office of Social Equity (OSE) in MCA and the Social Equity Partnership Grant Program in OSE. The sale of adult-use cannabis began on July 1, 2023.

Adult-use Cannabis: Pursuant to Chapter 26 and the passage of the associated constitutional amendment, a person at least age 21 may use and possess the personal use amount of cannabis. Possession of the personal use amount of cannabis by a person younger than age 21 and possession of the civil use amount of cannabis by anyone are subject to civil penalties. Possession of more than the civil use amount of cannabis by anyone is subject to a criminal penalty.

“Personal use amount” means (1) up to 1.5 ounces of usable cannabis; (2) up to 12 grams of concentrated cannabis; (3) cannabis products containing up to 750 milligrams of delta-9-tetrahydrocannabinol (THC); or (4) up to two cannabis plants. “Civil use amount” means (1) more than 1.5 ounces but not more than 2.5 ounces of usable cannabis; (2) more than 12 grams but not more than 20 grams of concentrated cannabis; or (3) cannabis products containing more than 750 milligrams but not more than 1,250 milligrams of delta-9-THC.

Possession with the Intent to Distribute and Adult Sharing of Cannabis: As of January 1, 2023, a person may not possess cannabis in sufficient quantity to reasonably indicate under all circumstances an intent to distribute or dispense cannabis. However, possession of the personal use amount of cannabis or the civil use amount of cannabis without other evidence of an intent to distribute or dispense does not constitute a violation of this prohibition. A police officer must charge a violation of this provision by citation, as specified. A person who violates this provision is guilty of a misdemeanor and subject to imprisonment for up to three years and/or a \$5,000 maximum fine.

As of July 1, 2023, the prohibition against distributing, dispensing, or possessing with the intent to distribute a CDS does not prohibit adult sharing of the personal use amount of cannabis. A civil or criminal penalty may not be imposed for “adult sharing” (generally defined as the transfer of cannabis between persons who are at least age 21 without remuneration) of the personal use amount of cannabis. “Adult sharing” does not include instances in which (1) cannabis is given away contemporaneously with another reciprocal transaction between the same parties; (2) a gift of cannabis is offered or advertised in conjunction with an offer for the sale of goods or services; or (3) a gift of cannabis is contingent on a separate reciprocal transaction for goods or services.

Cultivating Cannabis: As of July 1, 2023, a person at least age 21 may cultivate up to two cannabis plants. However, no more than two cannabis plants may be cultivated at a single residence where two or more people at least age 21 reside. A person who cultivates cannabis must (1) cultivate cannabis in a location outside of public view; (2) take reasonable precautions, as specified, to ensure the plants are secure from unauthorized access and access by an underage person; and (3) only cultivate cannabis on property the cultivator lawfully possesses or with the consent of the property’s lawful possessor. An underage person may not cultivate cannabis. A person who violates these provisions is guilty of a misdemeanor and subject to imprisonment for up to three years and/or a \$5,000 maximum fine.

Manufacturing Cannabis Products: A person may not manufacture a cannabis product, or manufacture, distribute, or possess a machine, equipment, an instrument, an implement, a device, or a combination of them that is adapted to produce cannabis or a cannabis product under circumstances that reasonably indicate an intent to use it to produce, sell, or dispense cannabis or a cannabis product in violation of Title 5 of the Criminal Law Article. A police officer must charge a violation of this provision by citation. A person who violates this provision is guilty of a misdemeanor and subject to a maximum imprisonment for up to three years and/or a \$5,000 maximum fine.

State Revenues: While the bill is not expected to have a material effect on general fund revenues overall, (1) general fund revenues may *increase* minimally from fines imposed in cases that shift from the circuit court to the District Court because of the bill’s

reclassification of a volume dealer offense involving cannabis as a misdemeanor and (2) general fund revenues may *decrease* minimally from fines imposed in cases that shift from the District Court to the circuit court because of the bill's reclassification of specified firearm offenses as felonies.

State Expenditures: General fund expenditures increase by *as much as* \$95,726 in fiscal 2026 for OPD to hire one additional attorney; future year expenditures are annualized, adjusted for inflation, and reflect ongoing costs. Overall, the bill is not anticipated to materially affect the expenditures of the Department of Public Safety and Correctional Services (DPSCS), as discussed below.

Relevant Offense Data

Exhibit 2 displays the number of violations and guilty dispositions for offenses that may be eligible to file for an application for a modification of sentence under the bill. Exhibit 2 does not include violations and dispositions in Baltimore City for the cocaine base offenses that occurred during fiscal 2015 and 2016.

Exhibit 3 displays the number of violations and guilty dispositions for the firearms offenses affected by the bill in fiscal 2023 and 2024.

Office of the Public Defender

All of the incarcerated individuals subject to the bill's authorization for sentence modifications and reductions likely qualify for OPD's services due to incarceration status. OPD advises that the bill's authorization to file sentence modifications and the bill's alteration of firearm-related penalty provisions results in an increased caseload equivalent to that of three attorneys and one secretary. The Department of Legislative Services (DLS) advises that OPD may require additional staff, but DLS disagrees with the level of staffing required.

Based on the data in Exhibit 2, the number of individuals convicted of and potentially eligible for a modification of sentence under the bill is not significant in each fiscal year. However, aggregating the number of guilty dispositions across the years for individuals incarcerated under specified provisions of § 5-612 of the Criminal Law Article (mandatory minimum sentence of 5 years and maximum sentence of 20 years) and § 5-613 of the Criminal Law Article (mandatory minimum sentence of 20 years and a maximum sentence of 40 years) may result in the need for additional staff, considering the level of effort involved with sentence modifications and reductions. Data is not readily available on the number of incarcerated individuals eligible for sentence modifications under the bill.

Exhibit 2
Offenses Eligible for Modification of Sentences
Violations and Guilty Dispositions – §§ 5-612 and 5-613 of the Criminal Law Article
Cannabis – Fiscal 2023 and 2024
Cocaine Base – Fiscal 2015 and 2016

Offenses Involving Cannabis	Fiscal 2023		Fiscal 2024	
	Violations	Guilty Dispositions	Violations	Guilty Dispositions
§ 5-612 – <i>District Court</i>	338	-	283	-
§ 5-613 – <i>District Court</i>	12	-	9	-
§ 5-612 – <i>Circuit Courts</i>	459	40	405	32
§ 5-613 – <i>Circuit Courts</i>	12	1	13	-
Less Than 448 Grams Cocaine Base Offenses (Data Shown Is for 50 Grams or More)^{1, 2}	Fiscal 2015		Fiscal 2016	
	Violations	Guilty Dispositions	Violations	Guilty Dispositions
§ 5-612 – <i>District Court</i>	99	-	139	-
§ 5-613 – <i>District Court</i>	7	-	3	-
§ 5-612 – <i>Circuit Courts</i>	131	18	154	15
§ 5-613 – <i>Circuit Courts</i>	22	1	6	-

¹ Numbers do not include violations in Baltimore City.

² Prior to October 1, 2017, 50 grams or more (as opposed to 448 grams or more under current statute) of cocaine base was subject to specified prohibitions.

Source: Maryland Judiciary; Department of Legislative Services

Exhibit 3
Violations and Guilty Dispositions for Firearms Offenses Affected by the Bill

	<u>Fiscal 2023</u>		<u>Fiscal 2024</u>	
	<u>Violations</u>	<u>Guilty Dispositions</u>	<u>Violations</u>	<u>Guilty Dispositions</u>
District Court Offenses				
<i>Public Safety, § 5-138</i>	593	4	565	4
<i>Public Safety, § 5-406</i>	-	-	-	-
<i>Public Safety, § 5-703</i>	34	-	21	-
Circuit Court Offenses				
<i>Public Safety, § 5-138</i>	345	26	1,765	16
<i>Public Safety, § 5-406</i>	-	-	-	-
<i>Public Safety, § 5-703</i>	70	-	36	4

Source: Maryland Judiciary; Department of Legislative Services

OPD further advises that the bill's establishment of an incarceration penalty for firearms offenses also increases OPD workloads. OPD does not represent individuals facing fine-only penalties. The bill only establishes an incarceration penalty for violations of § 5-406 of the Public Safety Article, which according to the data above, did not result in any charges during the past two fiscal years. Therefore, any changes to OPD caseloads from potential future charges for this offense, which may involve additional charges for offenses already eligible for OPD representation, can be addressed with existing resources.

Thus, general fund expenditures increase by *as much as* \$95,726 in fiscal 2026, which accounts for the bill's effective date of October 1, 2025. This estimate reflects the cost of hiring one assistant public defender to provide representation for increased workloads that result from the bill. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$88,357
Operating Expenses	7,369
Maximum FY 2026 OPD Expenditures	\$95,726

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Department of Public Safety and Correctional Services

General fund expenditures may *decrease* minimally due to the bill's elimination of mandatory minimum sentences and reduction of the maximum incarceration penalties for cannabis-related volume dealer and drug kingpin violations. General fund expenditures may *increase* minimally due to the bill's establishment of incarceration penalties (rather than fine only penalties) for specified firearms offenses. Overall, the bill is not expected to materially affect DPSCS expenditures.

Changing crimes from misdemeanors to felonies means that (1) such cases are likely to be filed in the circuit courts rather than the District Court and (2) some persons may eventually serve longer incarcerations due to more stringent penalty provisions, applicable to some offenses for prior felony convictions. Accordingly, it is assumed that this bill shifts an unknown number of cases from the District Court to the circuit courts. It is not known whether such a prospective shift may spur more plea bargains and affect actual sentencing practices for this offense.

Local Revenues: Revenues may *decrease* minimally from fines imposed in cases that shift from the circuit court to the District Court because of the bill's classification of a volume dealer offense involving cannabis as a misdemeanor. Revenues may *increase* minimally from fines imposed in cases that shift from the District Court to the circuit court because of the bill's classification of specified firearm offenses as felonies. Overall, the bill is not expected to have a material effect on local revenues.

Local Expenditures: The bill's authorization for incarcerated individuals serving a sentence that includes a mandatory minimum for specified cocaine base or cannabis offenses under the volume dealer statute (§ 5-612 of the Criminal Law Article) or drug kingpin statute (§ 5-613 of the Criminal Law Article) to seek a modification or reduction of their sentences likely impacts the workload of the circuit courts to process applications and hold the required hearings. However, any impact from these provisions is not expected to have a material effect on circuit court operations or finances.

The Maryland State's Attorneys' Association did not respond to a request for information regarding the bill's fiscal and operational impact on State's Attorney's offices. DLS advises that depending on caseloads and existing resources within each jurisdiction, the bill's sentence modification and reduction provisions may have a fiscal and/or operational impact on State's Attorneys' offices. Baltimore County advises that its State's Attorney's office does not anticipate a fiscal impact from the bill.

Additional Comments: In *Johnson v. State*, 467 Md. 362 (2020), the Court of Appeals (now the Supreme Court of Maryland) held that § 5-612 of the Criminal Law Article, which prohibits the manufacture, distribution, dispensation, or possession of specified CDS in

specified amounts, unambiguously provides for a minimum term of imprisonment of 5 years. The court also determined that legislative history shows that the maximum term of imprisonment for a violation of § 5-612 is 20 years.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 346 and SB 404 of 2024 and HB 135 and SB 946 of 2023.

Designated Cross File: HB 413 (Delegates Moon and Clippinger) - Judiciary.

Information Source(s): Baltimore, Cecil, and Frederick counties; Maryland Association of Counties; Alcohol, Tobacco, and Cannabis Commission; Maryland State Commission on Criminal Sentencing Policy; Judiciary (Administrative Office of the Courts); Office of the Public Defender; Department of Public Safety and Correctional Services; Department of Legislative Services

Fiscal Note History: First Reader - February 21, 2025
js/aad
Third Reader - April 7, 2025

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