

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 299

(Senators Carozza and Feldman)

Finance

Economic Matters

**Security Guards and Security Guard Employers - Registration, Certification,
and Regulation**

This bill exempts a cannabis agent employed to provide security services for a cannabis licensee or registrant as a “security guard” or by a “security guard agency” (as defined under the Business Occupations and Professions Article), from the requirement to obtain a criminal history records check (CHRC) as a prerequisite for registration with the Maryland Cannabis Administration (MCA) if the cannabis agent is authorized to provide security guard services under Title 19, Subtitle 4 of the Business Occupations and Professions Article. The bill also alters the definition of “security guard employer,” as defined under the Business Occupations and Professions Article, to not include a video lottery operator, a sports wagering facility licensee, or a health care facility, as specified.

Fiscal Summary

State Effect: General fund expenditures increase by \$75,000 in FY 2026 for one-time information technology (IT) costs; general fund revenues, special fund revenues, and special fund expenditures decrease annually beginning in FY 2026, as discussed below.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
GF Revenue	(-)	(-)	(-)	(-)	(-)
SF Revenue	(-)	(-)	(-)	(-)	(-)
GF Expenditure	\$75,000	\$0	\$0	\$0	\$0
SF Expenditure	(-)	(-)	(-)	(-)	(-)
Net Effect	(\$75,000)	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law:

Cannabis Agents

A “cannabis agent” is an employee, a volunteer, or any authorized person who acts for or at the direction of a cannabis licensee or registrant.

Before an agent may volunteer or work for a cannabis business licensee or registrant, the agent must register with MCA. An agent registration is valid for two years. To register as a cannabis agent, an individual must (1) be at least age 21 and (2) if the records are legally accessible, obtain a CHRC in accordance with specified procedures (which generally involve submitting fingerprints and specified fees, but may involve an alternate method as permitted by the Director of the Criminal Justice Information System Central Repository (CJIS-CR) and the Director of the Federal Bureau of Investigation (FBI)). MCA may not register as a cannabis agent an individual who fails to meet these criteria and may disqualify an individual from registering as a cannabis agent if the individual has been convicted of or pleaded *nolo contendere* to a crime involving moral turpitude. MCA may not deny a cannabis agent registration based on any cannabis-related offenses that occurred before July 1, 2023.

Security Guards, Security Guard Agencies, and Security Guard Employers

Under the Business Occupations and Professions Article, a “security guard employer” is a person who employs security guards only to provide security guard services to the person. A “security guard agency” is a person who conducts a business that provides security guard services; the term does not include (1) a person that is primarily engaged in the business of owning, maintaining, or otherwise managing property or (2) a security guard employer. A “security guard” is an individual who, regardless of whether the individual is described as a security guard, watchman, or private patrolman or by other title, (1) is an employee of a security guard agency and provides security guard services to another person on behalf of the security guard agency or (2) is an employee of a security guard employer and provides security guard services to the security guard employer.

Under Title 19, Subtitle 3 of the Business Occupations and Professions Article, security guard agencies must be licensed by the Secretary of State Police and an individual must, in order to qualify for certification as a security guard, among other things, be an employee of, or an applicant for employment with, a licensed security guard agency or a security guard employer. As part of the application process, the Department of State Police (DSP) must apply to CJIS-CR for a State and national CHRC for each applicant. As part of the application for a CHRC, DSP must submit to CJIS-CR (1) two complete sets of the

applicant's fingerprints, as specified; (2) the fee for access to Maryland criminal history records; and (3) the mandatory processing fee required by the FBI for a national CHRC.

Under Title 19, Subtitle 4 of the Business Occupations and Professions Article, subject to specified exceptions, a licensed security guard agency may provide an individual for hire as a security guard only if the individual is certified by the Secretary of State Police as a security guard. However, a licensed security guard agency may provide an uncertified individual for hire as a security guard if, among other things, the agency has submitted to the Secretary the application of the individual for certification, fingerprint cards, and CHRC fees, as specified. On receipt from an applicant for certification as a security guard, a licensed security guard agency or security guard employer must forward to the Secretary the applicant's application, fingerprint cards, and CHRC fees. The initial application fee is \$15 for a security guard certification, which is valid for three years, and the renewal application fee is \$10. Application fees are paid to the general fund.

Criminal History Records Checks and the Central Repository

CJIS-CR within the Department of Public Safety and Correctional Services (DPSCS) collects, manages, and disseminates Maryland criminal history record information for criminal justice and noncriminal justice (*e.g.*, employment and licensing) purposes. Each individual who uses CJIS-CR to conduct a CHRC is required to pay \$50.00 for a State and national CHRC, including a \$20 fingerprinting fee, a \$12.00 FBI fee, and an \$18 fee to CJIS-CR.

Sports Wagering Facility and Video Lottery Operation Employment Licenses

Generally, unless an individual holds a valid sports wagering facility employee license, video lottery employee license, or a temporary employee license issued by the State Lottery and Gaming Control Commission (SLGCC), the individual may not be employed by a sports wagering facility or video lottery operation as an employee. An applicant must provide sufficient information, documentation, and assurances that SLGCC may require before the issuance of a license. Among other things, SLGCC must deny a license to an applicant who is disqualified due to the applicant's failure to prove the applicant's good character, honesty, and integrity. However, current law does not include specific provisions regarding the issuance of a license to an employee who provides security guard services for either a sports wagering facility or video lottery operation.

State Fiscal Effect: DSP advises that it must update its online application portal so that individuals providing security guard services for video lottery operators, sports wagering facilities, or health care facilities are not eligible for certification. Therefore, general fund expenditures increase by \$75,000 in fiscal 2026 for one-time IT costs for DSP to update its online application portal.

General fund revenues decrease annually beginning in fiscal 2026 to the extent DSP no longer collects application fees and renewal application fees from individuals providing security guard services for video lottery operators, sports wagering facilities, or health care facilities. Special fund revenues for DPSCS also decrease annually beginning in fiscal 2026 as cannabis agents employed to provide security services for cannabis licensees or registrants do not pay fees to receive a CHRC through CJIS-CR. Special fund revenues for DPSCS further decrease beginning in fiscal 2026 as individuals providing security guard services for video lottery operators, sports wagering facilities, or health care facilities also do not pay fees to receive a CHRC through CJIS-CR as they are not required to be certified as a security guard by DSP. Special fund expenditures decrease beginning in fiscal 2026 as DPSCS no longer forwards the portion of CJIS fees otherwise paid to the FBI. However, as it is unknown how many affected individuals will not receive a CHRC or no longer be certified as security guards by DSP, the actual amount of any revenue and expenditure decreases cannot be reliably estimated; nevertheless, it is likely not significant.

Additional Information

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

Designated Cross File: HB 1347 (Delegate Adams) - Economic Matters.

Information Source(s): Alcohol, Tobacco, and Cannabis Commission; Maryland Cannabis Administration; Department of Public Safety and Correctional Services; Department of State Police; Department of Legislative Services

Fiscal Note History: First Reader - January 28, 2025
rh/mcr Third Reader - February 14, 2025
Enrolled - May 5, 2025
Revised - Amendment(s) - May 5, 2025

Analysis by: Kathleen P. Kennedy
and Thomas S. Elder

Direct Inquiries to:
(410) 946-5510
(301) 970-5510