

HOUSE BILL 1519

A3

6lr2622

By: **Delegates Amprey and Boaf**

Introduced and read first time: February 13, 2026

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Cannabis – Management Service Agreements, Advertising, and Penalties –**
3 **Alterations**
4 **(Cannabis Reform and Opportunity Act)**

5 FOR the purpose of altering the definition of “control” of a cannabis business and excluding
6 from the definition certain management services agreements, franchise
7 relationships, and options to purchase; prohibiting the Maryland Cannabis
8 Administration from limiting the acquisition of a certain ownership interest in
9 cannabis businesses; requiring a cannabis licensee to submit a management services
10 agreement to the Administration for review and approval; reducing the number of
11 years that a cannabis licensee is prohibited from transferring ownership or control
12 of the license; altering the frequency of certain patient and sales data that is
13 published by the Administration; repealing certain criteria for a certain prohibition
14 on cannabis advertising that targets minors; authorizing cannabis licensees to
15 engage in certain outdoor advertising on the premises of the business and at other
16 locations that are not within a certain distance of certain schools, child care facilities,
17 or other locations; providing a certain exception to a prohibition on the third-party
18 use of certain distinguishing characteristics of a cannabis licensee for
19 advertisements; authorizing a cannabis licensee to request and requiring the
20 Administration to provide an opinion as to whether a cannabis advertisement
21 complies with certain requirements; increasing the fine for the unlicensed sale of
22 certain cannabis products; and generally relating to cannabis.

23 BY repealing and reenacting, without amendments,
24 Article – Alcoholic Beverages and Cannabis
25 Section 36–101(a), (c), and (aa) and 36–902
26 Annotated Code of Maryland
27 (2024 Replacement Volume and 2025 Supplement)

28 BY repealing and reenacting, with amendments,
29 Article – Alcoholic Beverages and Cannabis

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 36–101(o), 36–401(e), 36–503, 36–803, 36–901, 36–903, and 36–1102
2 Annotated Code of Maryland
3 (2024 Replacement Volume and 2025 Supplement)

4 BY adding to
5 Article – Alcoholic Beverages and Cannabis
6 Section 36–101(u–1) and 36–502.1
7 Annotated Code of Maryland
8 (2024 Replacement Volume and 2025 Supplement)

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

11 **Article – Alcoholic Beverages and Cannabis**

12 36–101.

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

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

16 (o) (1) “Control” means:

17 (i) the decision–making authority over the management,
18 operations, or policies that guide a business; or

19 (ii) authority over the operation of the technical aspects of a
20 business.

21 (2) “Control” includes:

22 (i) holding a right to veto significant events;

23 (ii) the right or authority to make or veto decisions regarding
24 [operations and strategic planning,] capital allocations, acquisitions, and divestments;
25 **AND**

26 (iii) the right or authority to appoint or remove directors,
27 corporate–level officers, or their equivalent[;]

28 (iv) the right or authority to make major marketing, production, and
29 financial decisions; and

30 (v) the right or authority to execute exclusive contracts or significant
31 contracts in the aggregate of \$10,000 or greater on behalf of the licensee].

1 **(3) “CONTROL” DOES NOT INCLUDE:**

2 **(I) A MANAGEMENT SERVICES AGREEMENT THAT CONVEYS THE**
3 **RIGHT TO OR ACTUAL PAYMENT FROM THE CANNABIS LICENSEE TO THE PROVIDER**
4 **OF THE SERVICE IN AN AMOUNT THAT DOES NOT EXCEED, OVER THE COURSE OF A**
5 **CALENDAR YEAR, THE GREATER OF:**

6 1. **25% OF THE CANNABIS LICENSEE’S GROSS REVENUE;**

7 **OR**

8 2. **50% OF THE CANNABIS LICENSEE’S GROSS PROFIT;**

9 **(II) A FRANCHISE RELATIONSHIP SUBJECT TO TITLE 14,**
10 **SUBTITLE 2 OF THE BUSINESS REGULATION ARTICLE; OR**

11 **(III) AN OPTION TO PURCHASE A CONTROLLING OWNERSHIP**
12 **INTEREST IN A CANNABIS LICENSEE THAT IS EXERCISABLE ONLY AFTER THE**
13 **EXPIRATION OF THE TRANSFER PROHIBITION IN § 36-503(C) OF THIS TITLE.**

14 **(U-1) “MANAGEMENT SERVICES AGREEMENT” MEANS AN AGREEMENT UNDER**
15 **WHICH A CANNABIS LICENSEE CONTRACTS WITH A THIRD PARTY TO RECEIVE:**

16 **(1) MANAGERIAL, ADMINISTRATIVE, OPERATIONAL, OR ADVISORY**
17 **SERVICES;**

18 **(2) FINANCING, INCLUDING EQUITY INVESTMENTS AND**
19 **CONVERTIBLE DEBT;**

20 **(3) COMMERCIAL REAL PROPERTY; OR**

21 **(4) INTELLECTUAL PROPERTY.**

22 (aa) “Ownership interest” means a direct or indirect equity interest in a cannabis
23 licensee, including in its profits, revenues, shares, or stock.

24 36-401.

25 (e) (1) This subsection applies to all licenses, including licenses converted
26 under subsection (b)(1)(ii) of this section.

27 (2) Subject to paragraph (3) of this subsection, a person may have an
28 ownership interest in or control of, including the power to manage and operate:

29 (i) for standard licenses and micro licenses:

- 1 1. one grower licensee;
- 2 2. one processor licensee; and
- 3 3. not more than four dispensary licensees;
- 4 (ii) for incubator space licenses, not more than two licensees; and
- 5 (iii) for on-site consumption licenses, not more than two licensees.

6 (3) (i) A person who owns or controls an incubator space licensee or an
7 on-site consumption licensee may not own or control any cannabis licensee listed under
8 paragraph (2)(i) of this subsection.

9 (ii) The Administration [shall adopt regulations limiting] **MAY NOT**
10 **LIMIT** a person or fund from acquiring a nonmajority ownership interest in multiple
11 cannabis businesses beyond the limitations established under this subsection.

12 (4) The restrictions in paragraph (2) of this subsection do not apply to:

13 (I) a person [or an entity who] **THAT** holds an ownership interest
14 only as a passive investor; **OR**

15 (II) **A FRANCHISOR SUBJECT TO TITLE 14, SUBTITLE 2 OF THE**
16 **BUSINESS REGULATION ARTICLE.**

17 **36-502.1.**

18 (A) **A MANAGEMENT SERVICES AGREEMENT MAY NOT TAKE EFFECT UNTIL**
19 **THE AGREEMENT IS APPROVED BY THE ADMINISTRATION IN ACCORDANCE WITH**
20 **THIS SECTION.**

21 (B) (1) **A CANNABIS LICENSEE SHALL SUBMIT A PROPOSED**
22 **MANAGEMENT SERVICES AGREEMENT TO THE ADMINISTRATION FOR REVIEW AND**
23 **APPROVAL.**

24 (2) **AS PART OF THE ADMINISTRATION'S REVIEW UNDER THIS**
25 **SUBSECTION, THE ADMINISTRATION MAY REQUIRE THAT A PARTY TO A**
26 **MANAGEMENT SERVICES AGREEMENT PROVIDE ANY OTHER ADDITIONAL**
27 **INFORMATION RELEVANT TO THE AGREEMENT.**

28 (C) **THE ADMINISTRATION SHALL REVIEW THE INFORMATION SUBMITTED**
29 **IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION TO DETERMINE WHETHER**

1 THE MANAGEMENT SERVICES AGREEMENT CONSTITUTES A TRANSFER OF CONTROL
2 IN VIOLATION OF THIS TITLE.

3 (D) (1) BASED ON THE ADMINISTRATION'S REVIEW CONDUCTED UNDER
4 SUBSECTION (C) OF THIS SECTION, THE ADMINISTRATION SHALL APPROVE,
5 CONDITIONALLY APPROVE, OR DENY THE MANAGEMENT SERVICES AGREEMENT.

6 (2) IF THE ADMINISTRATION CONDITIONALLY APPROVES OR DENIES
7 A MANAGEMENT SERVICES AGREEMENT, THE ADMINISTRATION SHALL INFORM THE
8 CANNABIS LICENSEE OF THE GROUNDS FOR THE CONDITIONAL APPROVAL OR THE
9 DENIAL.

10 (3) THE DETERMINATION OF THE ADMINISTRATION SHALL BE
11 PROVIDED TO THE CANNABIS LICENSEE IN WRITING.

12 (4) IF THE ADMINISTRATION DOES NOT MAKE A DETERMINATION
13 WITHIN 45 DAYS AFTER RECEIVING THE SUBMITTAL OF A MANAGEMENT SERVICES
14 AGREEMENT UNDER SUBSECTION (B)(1) OF THIS SECTION, THE MANAGEMENT
15 SERVICES AGREEMENT SHALL BE DEEMED APPROVED.

16 (E) THE ADMINISTRATION SHALL ADOPT REGULATIONS THAT ESTABLISH A
17 PROCEDURE FOR THE SUBMISSION, REVIEW, AND APPROVAL OF A MANAGEMENT
18 SERVICES AGREEMENT.

19 36-503.

20 (a) A cannabis license granted under this title is not transferable except as
21 provided in this section.

22 (b) To transfer ownership or control of a license issued under this title, a licensee:

23 (1) shall submit to the Administration:

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

26 (ii) an application developed by the Administration; and

27 (2) must meet the requirements for transfer of ownership or control
28 established by the Administration under this title.

29 (c) (1) A cannabis licensee, including a cannabis licensee whose license was
30 converted in accordance with § 36-401 of this title, may not transfer ownership or control
31 of the license for a period of at least [5] 3 years following licensure.

1 (2) The [~~5-year~~] **3-YEAR** period specified in paragraph (1) of this
2 subsection does not include the time period that a business is considered by the
3 Administration to be in a preapproved licensure status.

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

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

8 (ii) the sale of a cannabis licensee to the licensee's employees
9 through an employee stock ownership plan as defined in § 407(d)(6)(A) of the Employee
10 Retirement Income Security Act of 1974.

11 (4) The limitations under this subsection do not apply to a transfer of
12 ownership that is the subject of a legally binding settlement agreement resulting from
13 litigation commenced on or before January 1, 2023.

14 36-803.

15 **[The] ON OR BEFORE THE 10TH DAY OF EACH MONTH, THE** Administration shall
16 publish the following data, organized by month, [on a rolling basis and] on a publicly
17 accessible part of the Administration's website:

18 (1) the number of patients, caregivers, and providers certified under this
19 title;

20 (2) the wholesale and retail sales of medical and adult-use cannabis,
21 measured by revenue and volume; and

22 (3) the median consumer price for cannabis and cannabis products.

23 36-901.

24 (a) In this subtitle[, "advertisement"] **THE FOLLOWING WORDS HAVE THE**
25 **MEANINGS INDICATED.**

26 **(B) (1) "ADVERTISEMENT"** means the publication, dissemination, or
27 circulation of any auditory, visual, digital, oral, or written matter, which is directly or
28 indirectly calculated to induce the sale of cannabis or any cannabis-related product or
29 service.

30 **[(b)] (2) "Advertisement"** does not include packaging or labeling.

1 (C) "THERAPEUTIC OR MEDICAL CLAIM" MEANS A CLAIM THAT EXPLICITLY
2 STATES A PRODUCT CAN DIAGNOSE, TREAT, MITIGATE, CURE, OR PREVENT A
3 DISEASE OR CONDITION.

4 36-902.

5 An advertisement for cannabis and cannabis products or cannabis-related services
6 that makes therapeutic or medical claims shall:

7 (1) be supported by competent and reliable scientific evidence; and

8 (2) include information on the most serious and most common side effects
9 or risks associated with the use of cannabis.

10 36-903.

11 (a) (1) An advertisement for a cannabis licensee, cannabis product, or
12 cannabis-related service may not:

13 (i) violate Title 13, Subtitle 3 of the Commercial Law Article;

14 (ii) directly [or indirectly] target individuals under the age of 21
15 years;

16 (iii) contain a design, an illustration, a picture, or a representation
17 that:

18 1. targets [or is attractive to] minors, including a cartoon
19 character, a mascot, or any other depiction that is commonly used to market products to
20 minors;

21 2. displays the use of cannabis, including the consumption,
22 smoking, or vaping of cannabis;

23 3. encourages or promotes cannabis for use as an intoxicant;
24 or

25 4. is obscene; **OR**

26 (iv) engage in advertising by means of television, radio, Internet,
27 mobile application, social media, or other electronic communication, event sponsorship, or
28 print publication, unless at least 85% of the audience is reasonably expected to be at least
29 21 years old as determined by reliable and current audience composition data []; or

30 (v) except as provided in paragraph (2) of this subsection, engage in
31 advertising by means of placing an advertisement on the side of a building or another

1 publicly visible location of any form, including a sign, a poster, a placard, a device, a graphic
2 display, an outdoor billboard, or a freestanding signboard].

3 (2) [A] SUBJECT TO THE PROHIBITIONS UNDER PARAGRAPH (1)(I)
4 THROUGH (III) OF THIS SUBSECTION, A cannabis business may [place exterior signage]
5 PUBLICLY DISPLAY AN ADVERTISEMENT, INCLUDING A SIGN, A POSTER, A GRAPHIC
6 DISPLAY, AN OUTDOOR BILLBOARD, OR A FREESTANDING SIGNBOARD:

7 (I) on the premises of the business [for the limited purpose of
8 identifying the business to the public]; OR

9 (II) AT ANY OTHER LOCATION THAT IS NOT WITHIN 500 FEET OF:

- 10 1. A PRIMARY OR SECONDARY SCHOOL;
- 11 2. A LICENSED CHILD CARE CENTER OR A REGISTERED
12 FAMILY CHILD CARE HOME UNDER TITLE 9.5 OF THE EDUCATION ARTICLE;
- 13 3. A PLAYGROUND, RECREATION CENTER, LIBRARY, OR
14 PUBLIC PARK;
- 15 4. A PLACE OF WORSHIP; OR
- 16 5. A FACILITY THAT PROVIDES SUBSTANCE USE
17 TREATMENT.

18 (b) (1) (i) Subject to subparagraph (ii) of this paragraph, each
19 cannabis-related website shall employ a neutral age-screening mechanism that verifies
20 that the user is at least 21 years old, including by using an age-gate, age-screen, or age
21 verification mechanism before the user may access or view any content and before the
22 website may collect the user's address, e-mail address, phone number, or contact
23 information to disseminate advertisements.

24 (ii) If a website is appropriate for a qualifying patient who is under
25 the age of 21 years, the website shall provide an alternative screening mechanism for the
26 qualifying patient.

27 (2) An advertisement placed on social media or a mobile application shall
28 include a notification that an individual must be at least 21 years old to view the content.

29 (3) The provisions of this subtitle applicable to cannabis licensees may not
30 be avoided by hiring or contracting with a third party, or outsourcing advertisements that
31 do not comply with this subtitle.

1 (4) **(I) [A] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
2 **PARAGRAPH, A cannabis licensee may not allow the use of the licensee’s trademarks,**
3 **brands, names, locations, or other distinguishing characteristics for third-party use for**
4 **advertisements that do not comply with this subtitle.**

5 **(II) THE USE OF TRADEMARKS, BRANDS, NAMES, LOCATIONS,**
6 **OR OTHER DISTINGUISHING CHARACTERISTICS IN A NEWS ARTICLE, INTERVIEW,**
7 **DOCUMENTARY, OR OTHER EDITORIAL CONTENT THAT IS NOT INTENDED AS**
8 **COMMERCIAL ADVERTISING IS NOT SUBJECT TO THE PROHIBITION UNDER**
9 **SUBPARAGRAPH (I) OF THIS PARAGRAPH.**

10 **(5) (I) A CANNABIS LICENSEE MAY SUBMIT, IN A FORM**
11 **PRESCRIBED BY THE ADMINISTRATION, AN ADVERTISEMENT TO THE**
12 **ADMINISTRATION FOR AN ADVISORY OPINION ON WHETHER THE ADVERTISEMENT**
13 **COMPLIES WITH THE REQUIREMENTS OF THIS SECTION.**

14 **(II) WITHIN 30 DAYS AFTER RECEIVING AN ADVERTISEMENT**
15 **SUBMITTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE**
16 **ADMINISTRATION SHALL REVIEW THE ADVERTISEMENT AND PROVIDE THE**
17 **LICENSEE WITH THE ADVISORY OPINION.**

18 (c) The Administration shall adopt regulations to establish procedures for the
19 enforcement of this section.

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) any tetrahydrocannabinol, including
25 delta-8-tetrahydrocannabinol, delta-9-tetrahydrocannabinol, and
26 delta-10-tetrahydrocannabinol, regardless of how derived;

27 (ii) any other cannabinoid, except cannabidiol that the
28 Administration determines to cause intoxication; and

29 (iii) any other chemically similar compound, substance, derivative, or
30 isomer of tetrahydrocannabinol, as identified by the Administration.

31 (4) “Tincture” means a solution that is:

32 (i) dissolved in alcohol, glycerin, or vegetable oil; and

1 (ii) distributed in a dropper bottle of 4 ounces or less.

2 (b) (1) A person may not sell or distribute a product intended for human
3 consumption or inhalation that contains more than 0.5 milligrams of tetrahydrocannabinol
4 per serving or 2.5 milligrams of tetrahydrocannabinol per package unless the person is
5 licensed under § 36–401 of this title and the product complies with the:

6 (i) manufacturing standards established under § 36–203 of this
7 title;

8 (ii) laboratory testing standards established under § 36–203 of this
9 title; and

10 (iii) packaging and labeling standards established under § 36–203 of
11 this title.

12 (2) A person may not sell or distribute a product described under
13 paragraph (1) of this subsection to an individual under the age of 21 years.

14 (c) A person may not sell or distribute a cannabinoid product that is not derived
15 from naturally occurring biologically active chemical constituents.

16 (d) (1) Notwithstanding subsection (b) of this section and subject to paragraph
17 (2) of this subsection, it is not a violation of this section for a person to sell or distribute a
18 hemp–derived tincture intended for human consumption that contains:

19 (i) a ratio of cannabidiol to tetrahydrocannabinol of at least 15 to 1;
20 and

21 (ii) 2.5 milligrams or less of tetrahydrocannabinol per serving and
22 100 milligrams or less of tetrahydrocannabinol per package.

23 (2) To sell or distribute a hemp–derived tincture under this subsection, a
24 person must provide, as required by the Administration, tincture samples for the purpose
25 of testing to determine chemical potency and composition levels and to detect and quantify
26 contaminants.

27 (e) A person who violates subsection (b) of this section:

28 (1) may be charged by a citation; and

29 (2) is guilty of a misdemeanor and on conviction is subject to a fine not
30 exceeding [~~\$5,000~~] **\$10,000**.

31 (f) A person who violates subsection (c) of this section:

32 (1) may be charged by a citation; and

1 (2) is guilty of a misdemeanor and on conviction is subject to a fine not
2 exceeding \$10,000.

3 **(G) EACH INDIVIDUALLY PACKAGED PRODUCT THAT IS SOLD OR**
4 **DISTRIBUTED BY A PERSON IN VIOLATION OF SUBSECTION (B) OR (C) OF THIS**
5 **SECTION IS A SEPARATE VIOLATION.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Cannabis
7 Administration shall adopt regulations to implement this Act on or before January 1, 2027.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
9 1, 2026.