

SENATE BILL 925

Q4

6lr3473
CF HB 151

By: **Senator Harris**

Introduced and read first time: February 6, 2026

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Distribution of Cannabis Sales Tax Revenue – Maryland**
3 **Veterans Trust Fund**

4 FOR the purpose of requiring a certain percentage of sales and use tax revenue collected
5 from the sale of cannabis to be distributed to the Maryland Veterans Trust Fund;
6 and generally relating to the distribution of cannabis sales tax revenue and the
7 Maryland Veterans Trust Fund.

8 BY repealing and reenacting, with amendments,
9 Article – State Government
10 Section 9–913
11 Annotated Code of Maryland
12 (2021 Replacement Volume and 2025 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Tax – General
15 Section 2–1302.2
16 Annotated Code of Maryland
17 (2022 Replacement Volume and 2025 Supplement)
18 (As enacted by Chapters 604 and 605 of the Acts of the General Assembly of 2025)

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

21 **Article – State Government**

22 9–913.

23 (a) In this section, “Fund” means the Maryland Veterans Trust Fund.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(b) (1) There is a Maryland Veterans Trust established for the purpose of providing monetary and other assistance to:

- (i) veterans and their families;
- (ii) members of the Maryland National Guard and their families;
- and
- (iii) public and private programs that support veterans and their families.

(2) There is a Maryland Veterans Trust Fund.

(c) The Trust shall be a body corporate and shall have perpetual existence, subject to modification or termination by the General Assembly if necessary to effectuate its purpose or if its substantial purpose ceases to exist.

(d) The Fund consists of:

(1) gifts and grants that the Trust receives under § 9–914.2(a)(1) of this subtitle;

(2) contributions to the Fund from:

(i) the sale of tickets from instant ticket lottery machines under § 9–112(d) of this title;

(ii) the donations from video lottery facility players under § 9–1A–04(d)(19) of this title;

(iii) the designated fees from special registration plates for recipients of an individually earned, combat–related armed forces medal under § 13–619.1 of the Transportation Article; and

(iv) civil penalties collected in accordance with § 9–905.1 of this subtitle; [and]

(3) the net proceeds from contributions under the income tax checkoff established under § 2–117 of the Tax – General Article; AND

(4) REVENUE DISTRIBUTED TO THE FUND UNDER § 2–1302.2 OF THE TAX – GENERAL ARTICLE.

(e) Money in the Fund may only be used to:

(1) make grants and loans under § 9–914.2(a)(3) of this subtitle;

(2) be invested under § 9–914.3(b) of this subtitle; and

(3) pay the costs of administering the Fund through distribution to an administrative cost account in the Department.

(f) Money expended from the Fund is not intended to take the place of funding that would otherwise be appropriated to the Department.

Article – Tax – General

2–1302.2.

After making the distributions required under §§ 2–1301 through 2–1302.1 of this subtitle, of the sales and use tax collected under § 11–104(k) of this article from the sale of cannabis, as defined in § 1–101 of the Alcoholic Beverages and Cannabis Article, the Comptroller quarterly shall distribute:

(1) 75% of the revenues as follows:

(i) to the Cannabis Regulation and Enforcement Fund, established under § 36–206 of the Alcoholic Beverages and Cannabis Article, an amount necessary to defray the entire cost of the operations and administrative expenses of the Maryland Cannabis Administration established under Title 36 of the Alcoholic Beverages and Cannabis Article;

(ii) to the Department of Social and Economic Mobility Special Fund, established under § 9–4107 of the State Government Article, an amount necessary to defray the operations and administrative expenses of the Office of Social Equity within the Department of Social and Economic Mobility;

(iii) after making the distribution required under items (i) and (ii) of this item:

1. 35% to the Community Reinvestment and Repair Fund under § 1–322 of the Alcoholic Beverages and Cannabis Article for fiscal years 2024 through 2033;

2. 5% to counties, which shall be allocated to each county based on the percentage of revenue collected from that county, except that a county shall distribute to a municipality located in the county 50% of the allocation received under this item that is attributable to the sales and use tax revenue generated by a dispensary located in that municipality;

3. 5% to the Cannabis Public Health Fund established under § 13–4505 of the Health – General Article; and

1 4. for fiscal years 2024 through 2028, 5% to the Cannabis
2 Business Assistance Fund established under § 5–1901 of the Economic Development
3 Article; and

4 (iv) any balance remaining after the distributions required under
5 items (i), (ii), and (iii) of this item to the General Fund of the State; [and]

6 (2) [25%] 3% TO THE MARYLAND VETERANS TRUST FUND
7 ESTABLISHED UNDER § 9–913 OF THE STATE GOVERNMENT ARTICLE; AND

8 (3) 22% of the revenue to the General Fund of the State.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2026.