

SENATE BILL 994

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By: **Senator Feldman**

Introduced and read first time: February 19, 2026

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Agriculture – Hemp Manufacturing License – Establishment**

3 FOR the purpose of requiring the State Department of Agriculture to establish a hemp
4 manufacturing license and licensing procedure that authorizes a licensee to engage
5 in certain activities subject to certain penalties; authorizing a person who holds a
6 hemp manufacturing license to manufacture, possess, store, and transport
7 in-process hemp extract subject to certain criteria; requiring chain of custody
8 documentation from receipt to sale or final destruction; authorizing the Department
9 to require certain testing to verify chain of custody; requiring finished hemp products
10 to be tested and receive a certificate of analysis; providing that lawful possession of
11 hemp or in-process hemp extract is an affirmative defense against certain
12 allegations; requiring the Department to establish a field verification protocol for
13 certain purposes; and generally relating to hemp manufacturing.

14 BY repealing and reenacting, without amendments,
15 Article – Agriculture
16 Section 14–101(a) and (d) and 14–308
17 Annotated Code of Maryland
18 (2016 Replacement Volume and 2025 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – Agriculture
21 Section 14–101(c) and (e), 14–301, 14–306, and 14–307
22 Annotated Code of Maryland
23 (2016 Replacement Volume and 2025 Supplement)

24 BY adding to
25 Article – Agriculture
26 Section 14–308.1 through 14–308.5
27 Annotated Code of Maryland
28 (2016 Replacement Volume and 2025 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Agriculture**

4 14–101.

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

6 (c) (1) “Hemp” means the plant *Cannabis sativa* L. and any part of that plant,
7 including all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers,
8 whether growing or not, with a delta–9–tetrahydrocannabinol concentration that does not
9 exceed 0.3% on a dry weight basis.

10 (2) “Hemp” does not include any plant or part of a plant intended for a use
11 that is regulated under [Title 13, Subtitle 33 of the Health – General Article] **DIVISION**
12 **III OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE.**

13 (d) “Hemp product” means a product derived from hemp produced in accordance
14 with Subtitle 3 of this title.

15 (e) “Independent testing laboratory” has the meaning stated in [§ 13–3301 of the
16 Health – General Article] **§ 36–101 OF THE ALCOHOLIC BEVERAGES AND CANNABIS**
17 **ARTICLE.**

18 14–301.

19 (A) In this subtitle[,] **THE FOLLOWING WORDS HAVE THE MEANINGS**
20 **INDICATED.**

21 (B) **“CERTIFICATE OF ANALYSIS” MEANS A DOCUMENT ISSUED BY AN**
22 **INDEPENDENT TESTING LABORATORY THAT CONFIRMS A PRODUCT MEETS ITS**
23 **SPECIFIC REGULATORY, SAFETY, AND QUALITY STANDARDS.**

24 (C) **“FULL–SPECTRUM HEMP OIL” MEANS A HEMP–DERIVED EXTRACT**
25 **INTENDED FOR USE BY A HUMAN OR ANIMAL THAT:**

26 (1) **IS PRODUCED FROM HEMP, INCLUDING HEMP FLOWER; AND**

27 (2) **CONTAINS ONLY NATURALLY OCCURRING CANNABINOIDS AND**
28 **TERPENES.**

29 (D) **“IN–PROCESS HEMP EXTRACT” MEANS ANY INTERMEDIATE MATERIAL,**
30 **DISTILLATE, CRUDE OIL, RESIN, CONCENTRATE, OR OTHER SUBSTANCE THAT IS:**

1 **B. UNIT-BASED LIMITS, EXPRESSED AS PER SERVING**
2 **AND PER PACKAGE, AS NECESSARY TO CLEARLY DISTINGUISH HEMP RETAIL**
3 **PRODUCTS FROM CANNABIS PRODUCTS DISTRIBUTED THROUGH LICENSED**
4 **DISPENSARIES; AND**

5 **2. MAY INCLUDE A METRIC FOR:**

6 **A. DELTA-9 THC;**

7 **B. OTHER INTOXICATING TETRAHYDROCANNABINOLS;**

8 **AND**

9 **C. ISOMERS; AND**

10 **(IV) A CHAIN OF CUSTODY PROTOCOL UNDER § 14-308.3 OF**
11 **THIS SUBTITLE; AND**

12 **(2) AS NEEDED, UPDATE REGULATIONS TO ENSURE COMPLIANCE**
13 **WITH FEDERAL LAW.**

14 14-308.

15 (a) This section does not apply to an institution of higher education or a person
16 that produces hemp under the Hemp Research Pilot Program in accordance with Subtitle
17 2 of this title.

18 (b) A person may not produce hemp in the State unless the person is licensed by:

19 (1) The Department; or

20 (2) The Secretary of the U.S. Department of Agriculture.

21 **14-308.1.**

22 **(A) THE DEPARTMENT SHALL ESTABLISH A HEMP MANUFACTURING**
23 **LICENSE.**

24 **(B) A PERSON MAY NOT ENGAGE IN HEMP MANUFACTURING IN THE STATE**
25 **UNLESS THE PERSON IS LICENSED BY THE DEPARTMENT.**

26 **(C) SUBJECT TO THE PROVISIONS OF THIS SUBTITLE, A HEMP**
27 **MANUFACTURING LICENSE AUTHORIZES A LICENSEE TO:**

1 **(1) RECEIVE HEMP, INCLUDING HEMP FLOWER, FROM A LICENSED**
2 **HEMP GROWER OR OTHER LAWFUL SOURCE;**

3 **(2) EXTRACT AND PROCESS HEMP INTO IN-PROCESS HEMP EXTRACT**
4 **AND FINISHED HEMP-DERIVED PRODUCTS;**

5 **(3) POSSESS, STORE, AND TRANSPORT HEMP, IN-PROCESS HEMP**
6 **EXTRACT, AND HEMP PRODUCTS; AND**

7 **(4) SELL OR DISTRIBUTE FINISHED HEMP-DERIVED PRODUCTS.**

8 **14-308.2.**

9 **(A) A PERSON WHO HOLDS A HEMP MANUFACTURING LICENSE:**

10 **(1) MAY MANUFACTURE, POSSESS, STORE, AND TRANSPORT**
11 **IN-PROCESS HEMP EXTRACT IF THE IN-PROCESS HEMP EXTRACT:**

12 **(i) WAS DERIVED EXCLUSIVELY FROM HEMP THAT, AT THE**
13 **TIME OF HARVEST OR FIRST LAWFUL TRANSFER INTO MANUFACTURING, MET THE**
14 **SPECIFICATIONS OF § 14-101 OF THIS TITLE;**

15 **(ii) IS BEING HELD BY OR TRANSPORTED BETWEEN LICENSED**
16 **HEMP MANUFACTURERS, REGISTERED LABORATORIES, OR OTHER ENTITIES**
17 **AUTHORIZED BY REGULATION;**

18 **(iii) IS CLEARLY LABELED AS “IN PROCESS – NOT FOR RETAIL”;**
19 **AND**

20 **(iv) REMAINS WITHIN A LICENSED CHAIN OF CUSTODY AND IN**
21 **COMPLIANCE WITH ALL APPLICABLE TRACKING REQUIREMENTS; AND**

22 **(2) MAY NOT SELL OR DISTRIBUTE FOR RETAIL SALE IN-PROCESS**
23 **HEMP EXTRACT.**

24 **(B) A PERSON WHO KNOWINGLY DIVERTS IN-PROCESS HEMP EXTRACT INTO**
25 **UNLAWFUL COMMERCE IS SUBJECT TO PENALTIES, INCLUDING LICENSE**
26 **REVOCATION, PRODUCT SEIZURE, AND CIVIL PENALTIES ESTABLISHED BY**
27 **REGULATION.**

28 **(C) (1) A HEMP PRODUCT, INCLUDING FULL-SPECTRUM HEMP OIL, MAY**
29 **BE OFFERED FOR SALE IN THE STATE ONLY IF THE FINAL PACKAGED PRODUCT:**

1 (I) SATISFIES ALL REQUISITE TESTING REQUIREMENTS;

2 (II) MEETS COMPLIANCE THRESHOLDS ESTABLISHED BY THE
3 DEPARTMENT; AND

4 (III) COMPLIES WITH ALL LABELING, PACKAGING, AND
5 MARKETING REQUIREMENTS UNDER THIS SUBTITLE.

6 (2) A HEMP PRODUCT THAT EXCEEDS THE TOTAL THC CONTENT
7 ESTABLISHED FOR RETAIL SALE UNDER THIS SUBTITLE MAY BE DISTRIBUTED ONLY
8 IN ACCORDANCE WITH DIVISION III OF THE ALCOHOLIC BEVERAGES AND
9 CANNABIS ARTICLE.

10 14-308.3.

11 (A) (1) A HEMP MANUFACTURING LICENSE HOLDER SHALL MAINTAIN
12 CHAIN OF CUSTODY RECORDS THAT ARE SUFFICIENT TO TRACE HEMP AND
13 HEMP-DERIVED PRODUCTS FROM RECEIPT THROUGH FINAL SALE OR
14 DESTRUCTION.

15 (2) CHAIN OF CUSTODY RECORDS MUST INCLUDE THE CERTIFICATE
16 OF ANALYSIS.

17 (B) (1) THE DEPARTMENT MAY REQUIRE LIMITED TESTING OF
18 IN-PROCESS HEMP EXTRACT FOR CHAIN OF CUSTODY VERIFICATION.

19 (2) AN IN-PROCESS HEMP EXTRACT IN COMPLIANCE WITH THIS
20 SUBTITLE IS NOT REQUIRED TO MEET FINAL RETAIL THC THRESHOLDS.

21 (C) THE DEPARTMENT SHALL ADOPT REGULATIONS FOR CHAIN OF
22 CUSTODY DOCUMENTATION, INCLUDING STANDARDS FOR ELECTRONIC
23 SEED-TO-SALE TRACKING.

24 14-308.4.

25 (A) FINISHED HEMP PRODUCTS SHALL BE TESTED BY AN INDEPENDENT
26 TESTING LABORATORY.

27 (B) EACH BATCH OR LOT MUST RECEIVE A CERTIFICATE OF ANALYSIS.

28 14-308.5.

1 **(A) IN ANY CIVIL OR CRIMINAL ACTION ALLEGING THE UNLAWFUL**
2 **POSSESSION, MANUFACTURING, OR TRANSPORT OF CANNABIS, IT IS AN**
3 **AFFIRMATIVE DEFENSE THAT:**

4 **(1) THE SUBSTANCE BEING POSSESSED OR TRANSPORTED IS HEMP**
5 **OR IN-PROCESS HEMP EXTRACT; AND**

6 **(2) THE SUBSTANCE AND POSSESSION, MANUFACTURING, OR**
7 **TRANSPORT OF THE SUBSTANCE ARE LICENSED UNDER AND COMPLIES WITH THE**
8 **REQUIREMENTS OF THIS SUBTITLE.**

9 **(B) A LICENSEE SHALL SUPPORT AN ASSERTION OF THE AFFIRMATIVE**
10 **DEFENSE UNDER SUBSECTION (A) OF THIS SECTION BY PRESENTING:**

11 **(1) CHAIN OF CUSTODY DOCUMENTATION;**

12 **(2) A CERTIFICATE OF ANALYSIS OR WORK ORDER DOCUMENTATION,**
13 **AS SPECIFIED BY REGULATION; AND**

14 **(3) PROOF OF LICENSURE.**

15 **(C) (1) THE DEPARTMENT SHALL ADOPT A PROTOCOL FOR FIELD**
16 **VERIFICATION OF LICENSURE AND CHAIN OF CUSTODY WITHOUT SEIZING THE HEMP**
17 **OR IN-PROCESS HEMP EXTRACT.**

18 **(2) HEMP OR IN-PROCESS HEMP EXTRACT MAY BE SEIZED ONLY IN**
19 **EXIGENT CIRCUMSTANCES.**

20 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1, 2026,
21 the State Department of Agriculture shall adopt regulations to implement Section 1 of this
22 Act, including:

23 (1) licensing categories;

24 (2) security requirements;

25 (3) record-keeping requirements;

26 (4) seed-to-sale tracking policies and procedures;

27 (5) sampling and testing standards;

28 (6) packaging and labeling requirements;

29 (7) transportation manifest requirements;

1 (8) sanitation requirements; and

2 (9) enforcement policies and procedures.

3 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
4 1, 2026.