
House Bill 1342

Date: February 8, 2022
Committee: House Judiciary Committee
Bill Title: Cannabis - Legalization and Regulation (Cannabis Legalization and Equity Act)
Re: Letter of Information

House Bill 1342, as drafted, will significantly impact the Department of Labor both operationally and fiscally. HB 1342, in pertinent part, requires the Department to develop the entirety of the licensing and/or registration regime for cannabis cultivation facilities, retail cannabis stores, and medical cannabis growers or dispensaries. Further, the Department is required to develop and promulgate regulations to govern the issuance of licenses and/or registrations for the same, in conjunction with the Department(s) of Health and Agriculture. In addition, the Department must administer the newly created "Cannabis Regulation Fund" in conjunction with the Office of the Comptroller.

Given the myriad of complex requirements under the bill, the Department is uncertain as to whether it is the appropriate entity to be tasked with developing and implementing the same. For example, aside from the Criminal Law aspects of HB 1342, the entirety of the bill's mandates fall under the Health Article and the Tax Article of the Maryland Annotated Code. This makes it particularly confusing from the perspective of the Department and its Division of Occupational and Professional Licensing ("Division"), which is the presumed entity that would oversee the new licensure regime.

The Division does not currently have the subject matter expertise, staff, resources, etc. needed to successfully implement the provisions of this bill. The Division would need to create an entirely new licensing and registration regime unlike any of the current professional or occupational licensing programs it oversees. Additionally, these new licenses and/or registrations would be business licenses, and therefore would fall well outside the expertise and experience of the Division as it currently issues professional and occupational licenses to individuals, not business entities.

Given the aforementioned unknown factors, the Department is unable to reasonably estimate the fiscal and operational impact to the Division at this time, other than it would be extensive and significant.

We respectfully request the Committee consider this information.