



Wes Moore | Governor  
Aruna Miller | Lt. Governor  
Kevin A. Anderson | Secretary of Commerce  
Signe Pringle | Deputy Secretary of Commerce

**DATE:** March 9, 2023  
**COMMITTEE:** Finance  
**BILL NO:** Senate Bill 516  
**BILL TITLE:** Cannabis Reform  
**POSITION:** Support with Amendment

The Maryland Department of Commerce (Commerce) supports Senate Bill 516 – Cannabis Reform with amendment.

### **Background**

Senate Bill 516 establishes the regulatory and legal framework for the legalization of cannabis for adult recreational use in Maryland. In addition, it alters the existing Cannabis Business Assistance Fund (Fund) within Commerce, and establishes a Capital Access Program within Commerce.

The legislation establishes the Office of Social Equity (OSE) within the Alcohol, Tobacco, and Cannabis Commission to assist with the creation of the recreational cannabis industry and ensure that people from communities that have been previously disproportionately harmed by the war on drugs are encouraged to participate in the adult-use cannabis market. OSE serves many other valuable functions including:

- Identifying and opposing regulations that unnecessarily burden and undermine the OSE’s intent;
- Providing free technical assistance for social equity and minority applicants; and
- Consulting and assisting with various cannabis-related funds, including the Cannabis Business Assistance Fund administered by Commerce.

### **Rationale:**

Commerce welcomes the assistance of the Office of Social Equity and is supportive of their mission. Determining the specific individuals and entities that should be awarded loans or grants under Commerce’s Cannabis Business Assistance Fund may prove to be outside of the scope of OSE’s staffing and expertise. While OSE can identify the Social Equity qualifications of an individual or business, Commerce has valuable experience in managing loan and grant programs and has the knowledge, skills and personnel to oversee the financial components as well as the administration of this multimillion dollar Fund.

### **Explanation of Amendments:**

The attached amendments proposed by Commerce would reduce the involvement of the Office of Social Equity with Commerce’s Cannabis Business Assistance Fund. The amendment strikes language in 1-309.1(9) in its entirety for the reasons mentioned above.

The second amendment alters the reporting requirements for OSE in 1-309.1(F). OSE should not bear the burden of reporting on a Fund that will be administered by Commerce. Both agencies will benefit by not having to transfer fund data and coordinate reporting to the legislature.

Commerce feels these amendments will benefit the Fund as well as the Department and OSE. The amendments will retain the input of OSE while allowing Commerce the flexibility to administer its program.

The Department of Commerce respectfully requests a favorable report with amendments on Senate Bill 516.

AMENDMENTS TO HOUSE BILL 622  
(First Reading File Bill)

**AMENDMENT NO.1**

On page 10, strike lines 3 through 5

**AMENDMENT NO. 2**

On page 10, strike from “**AND**” in line 9 through “**WERE**” in line 10 and insert “**WAS**”

**AMENDMENT NO. 3**

On page 10, strike lines 15 through 16.