



Wes Moore, Governor • Aruna Miller, Lt. Governor • Will Tilburg, Director

February 23, 2024

The Honorable C.T. Wilson
Chair, House Economic Matters Committee
Room 231
House Office Building
Annapolis, MD 21401

RE: House Bill 843– Cannabis Licensing and Registration – Use of Straw Ownership – Prohibition – Letter of Information

Dear Chair Wilson,

The Maryland Cannabis Administration (MCA) is submitting this letter of Information for House Bill 843 – Cecil County – Board of License Commissioners – Inspections of Licensed Cannabis Businesses.

HB 843 would grant authority for Cecil County to inspect State licensed cannabis businesses. Unlike other industries, such as retail alcohol or tobacco, local governments do not license cannabis businesses. This is not to say that local governments do not have an oversight role of cannabis facilities. Local governments play an important role in reviewing and approving planning and zoning submissions, issuing building permits, and conducting fire safety and other traditional commercial building inspections. However, the licensing, regulation, and inspection of cannabis facilities is exclusively administered by the State, through MCA and the Alcohol, Tobacco, and Cannabis Commission. The State has had exclusive oversight of the regulated cannabis market since the medical cannabis program began in 2017. This regulatory scheme was reinforced in the Cannabis Reform Act, which established the expanded medical and adult-use cannabis market in 2023.

Cecil County currently has four (4) cannabis licenses in the jurisdiction, two of which are co-located, so only three distinct facilities. The MCA presently employs 22 inspectors for fewer than 150 licensed cannabis growers, processors, and dispensaries, and six additional inspectors are authorized in the FY2024 budget. The MCA has substantial resources for the number of businesses operating in the State, and makes at least four announced and unannounced

inspections of each licensed facility in a fiscal year. Each of these inspections are comprehensive and may take upwards of four hours to complete.

Further, the inspection of cannabis facilities varies significantly from any other type of inspection done at the county or municipal level. Title 36 of the Alcoholic Beverages and Cannabis Article and Code of Maryland Regulations Title 14, Subtitle 17, which govern the operations of cannabis licensees are very prescriptive in terms of health, safety and security requirements and standard operating procedures. The legal requirements and standard operating procedures also vary significantly between licensing categories (e.g., growers, processors, dispensaries).

Given the subject matter expertise required to conduct inspections of cannabis facilities, exclusive State oversight of the licensing and operation of cannabis facilities, and the frequency of the MCA's existing inspections, the MCA does not believe that it is necessary to allow for local inspection authority over cannabis businesses.

I hope this information is useful. If you would like to discuss this further, please contact me at (410) 487-8069 or william.tilburg@maryland.gov or Andrew Garrison, Chief of the Office of Policy and Government Affairs at (443) 844-6114 or andrew.garrison@maryland.gov.

Sincerely,

A handwritten signature in blue ink that reads "William Tilburg". The signature is written in a cursive style and is followed by a long, horizontal flourish.

Will Tilburg, JD, MPH
Director, Maryland Cannabis Administration

cc: Members of the House Economic Matters Committee