



SB 594 — Cannabis – Advertising – Alterations

Written Testimony – House Economic Matters Committee

April 2, 2026

MCCE Position: Favorable as Amended

BACKGROUND

The Maryland Coalition for Cannabis Equity (MCCE) is a trade association representing Maryland Social Equity cannabis licensees and conditional licensees. MCCE currently includes 15 founding members and maintains active communication with more than 60 Social Equity Licensees statewide. The Coalition exists so that Social Equity Licensees have an ongoing forum to connect, be heard, and work together—both with one another and with policymakers—so that equity businesses are not only licensed, but supported in practice through clear rules, consistent enforcement, and real opportunities to participate at the table.

OVERVIEW

MCCE thanks the members of this Committee for the continued opportunity to participate as a stakeholder in Maryland's cannabis dialogue. We are pleased to submit testimony in support of SB 594 as amended by the Senate.

SB 594 reflects a meaningful step toward creating a less restrictive advertising environment for Maryland's licensed cannabis industry. That direction benefits all licensees. The ability to make consumers aware of a business's presence—through signage, digital channels, and media—is foundational to operating a viable retail business. Licensed cannabis operators deserve the same basic visibility tools available to other regulated industries, and SB 594 moves Maryland meaningfully in that direction.

We also recognize the bill's importance in helping consumers distinguish between licensed, regulated businesses and the unlicensed operators who face no advertising restrictions whatsoever. Clarity in the marketplace serves public safety. Every consumer who finds a licensed dispensary instead of an unregulated alternative is a public health win.

The testimony below reflects our support for the bill, our alignment with areas of anticipated consensus among stakeholders, and our perspective on areas where MCCE and other stakeholder groups have not yet reached full alignment. We offer this testimony in the constructive spirit of that ongoing conversation, and we stand ready to serve as a resource to this Committee as it considers the bill.

To the extent that this Committee has an appetite for additional amendments beyond those already adopted, MCCE believes there are further changes that could strengthen Social Equity Licensees' ability to thrive and participate in Maryland's cannabis market. These include reducing the current Social Equity Licensee control cap from 65% to 51%—with the intent of expanding investment opportunities for outside capital to engage Social Equity businesses—and increased penalties for the sale of illegal hemp. We would ask that this Committee resist any amendments that would increase the existing cap on dispensary ownership or modify existing moratoriums without first giving full consideration to their foreseeable impact on Social Equity Licensees.

WHAT THE SENATE AMENDMENTS ADDRESSED

MCCE appreciates that the Senate-amended version of SB 594 addressed several concerns we raised in our original testimony before the Senate Finance Committee. These are areas where we believe broad stakeholder consensus exists, and we are pleased to see them reflected in the bill as passed:

- Removing “or indirectly” from the minor-targeting prohibition, reducing subjective enforcement risk for compliant businesses
- Removing “or is attractive to” from the picture and illustration standards, tethering enforcement to objective criteria such as cartoon characters and depictions commonly used to market to minors
- Requiring MCA to accept current platform audience composition data from advertising entities, reducing compliance uncertainty for licensees using digital channels
- Developing a process for event sponsorship attestations regarding audience composition
- Clarifying that bona fide editorial content using a licensee’s trademarks is not subject to the advertising prohibition, provided no compensation is exchanged with the publisher—protecting earned media and press coverage

AREAS WHERE FULL ALIGNMENT HAS NOT YET BEEN REACHED

MCCE supports the bill as amended and recognizes that not every stakeholder concern has been resolved in the Senate version. We share the following areas where we believe additional refinement would strengthen the bill for Social Equity Licensees, and where we have not yet been able to reach full alignment with all stakeholder groups. We offer these not as obstacles but as opportunities for continued dialogue.

1. Therapeutic or Medical Claims — A Practical Safe Harbor for Small Businesses

MCCE supports preventing licensees from making explicit disease-treatment claims. The statutory definition—limiting regulated claims to those that explicitly state a product can diagnose, treat, mitigate, cure, or prevent a disease or condition—provides a reasonable foundation. However, without a corresponding safe harbor, routine product-effect language such as “relaxing,” “stimulating,” or “calming,” as well as basic cannabinoid education, risks being swept into the definition and subjected to pharmaceutical-grade substantiation requirements.

Large, multistate operators can absorb the legal costs of navigating this ambiguity. Newly licensed Social Equity Licensees, many of whom are first-generation entrepreneurs without in-house legal counsel, cannot. MCCE requests that the Committee consider a safe harbor allowing structure/function-style language—describing typical product effects without referencing a disease or condition—paired with a required disclaimer that claims have not been evaluated by the FDA. This approach, consistent with how the federal DSHEA framework treats dietary supplements, protects consumers while ensuring that compliance is proportionate and accessible for small businesses.

2. Exterior Signage — Restoring Contact Information and Confirming Equity Identifiers

The Senate amendments removed the provision permitting standard dispensaries to include contact information—website addresses, phone numbers, email addresses, and QR codes—on limited exterior signage. MCCE respectfully requests that this Committee restore that provision.

The ability to display a website or QR code on a licensed storefront is, in today’s consumer environment, a basic navigational tool—not a promotional one. It helps consumers find regulated businesses, supports

informed purchasing, and reinforces the distinction between licensed operators and unlicensed competitors. The strict size limitations already in the bill are sufficient to prevent misuse.

MCCE also requests confirmation that exterior signage may include truthful ownership and status identifiers such as “social equity owned,” “minority-owned,” or “woman-owned.” These identifiers advance Maryland’s stated equity objectives and provide consumers with meaningful information about the businesses they patronize.

3. Audience Composition — A Broader Path to Compliance Verification

The Senate amended the audience composition provision to require only that MCA develop a process for accepting event sponsorship attestations. While MCCE welcomes this step, a broader alternative compliance mechanism would better serve the full range of licensees affected by the 85% adult audience threshold.

A workable framework should allow licensees to demonstrate compliance through reliable, industry-standard documentation, including:

- Prior-year audited attendance records for recurring events
- Publication media kits and verified circulation or readership data
- Platform-provided demographic data for digital advertising channels
- Good-faith documentation prepared in reliance on MCA guidance

Without a broader alternative, Social Equity Licensees who cannot afford third-party audience verification consultants face a compliance burden that is both disproportionate and unnecessary. A good-faith documentation safe harbor reduces that burden without weakening the underlying consumer protection standard.

CONCLUSION

MCCE supports SB 594 as amended by the Senate. The bill reflects a constructive direction for Maryland’s cannabis advertising framework—one that recognizes the practical needs of licensed businesses and the public interest in a transparent, consumer-friendly regulated market.

We appreciate this Committee’s continued engagement with Social Equity Licensees as stakeholders in this process. The amendments we have described above represent areas of ongoing dialogue, and we remain committed to working collaboratively toward solutions that protect consumers, support compliant businesses of all sizes, and honor Maryland’s commitment to a meaningful and durable Social Equity program.

MCCE stands ready to serve as a resource to this Committee—and to work alongside the bill sponsors, fellow industry stakeholders, and the Maryland Cannabis Administration—as you consider this legislation and its impact on Maryland’s cannabis market.

Thank you for your consideration.

Respectfully submitted,
Maryland Coalition for Cannabis Equity (MCCE)