



Governor Wes Moore

Lt. Governor Aruna Miller

Secretary Walter L. Simmons

Bill Number: Senate Bill 1008
Title: Alcohol and Cannabis – Cannabinoid Beverages Off-Premises Sales Permit – Establishment
Committee: Finance
Hearing Date: March 31, 2026
Position: Letter of Concern

Madam Chair and Members of the Committee:

The Office of Social Equity (OSE), within the Department of Social and Economic Mobility, respectfully submits this Letter of Concern regarding Senate Bill 1008. This bill would establish a new permitting structure allowing certain alcohol retailers to sell cannabinoid beverages for off-premises consumption, and would alter the distribution, taxation, and regulatory framework applicable to these products. OSE acknowledges that SB 1008 may expand consumer access to cannabinoid beverages; however, the bill raises significant concerns related to the viability of licensed cannabis dispensaries, consistency with cannabis advertising legislation recently approved by this Committee, and the fiscal impact on local communities.

Adverse Effects on Licensed Cannabis Dispensaries

SB 1008 poses a direct competitive threat to licensed cannabis dispensaries, including small businesses and social equity licensees. Cannabis beverages represent a rapidly growing product category—sales increased by approximately 122% from 2024 to 2025—and dispensaries have made significant investments in inventory, compliance infrastructure, and staff training to serve this market. Authorizing alcohol retailers to sell the same products without equivalent cannabis-specific licensing requirements would undercut dispensaries’ competitive position in a segment that is critical to their long-term viability.

This concern is especially acute for micro-dispensaries and social equity licensees, which operate with narrower margins and depend on emerging product categories to establish market viability. The General Assembly created the social equity framework to ensure that those most harmed by cannabis prohibition have a meaningful opportunity to participate in the legal market. Allowing a parallel retail channel for alcohol sellers to capture cannabinoid beverage sales would erode that opportunity and undermine the equity goals the State has committed to achieving.

Conflict with Cannabis Advertising Legislation

This Committee recently approved legislation updating Maryland’s cannabis advertising laws to establish clear standards governing how cannabis products may be promoted. SB 1008 would likely create an inconsistency in how those standards apply to cannabinoid beverages depending on the type of retailer selling them.



Because alcohol retailers are not licensed cannabis businesses, they may not be subject to the same advertising restrictions that apply to dispensaries. This could permit alcohol retailers to advertise cannabinoid beverages on in-store signage, in print, or even on billboards—marketing approaches that cannabis dispensaries are prohibited from using.

Such an outcome would create an uneven playing field and require additional oversight to ensure advertising remains consistent with public health and youth access protections. This will further impact regulatory workload and compliance costs across the industry. OSE urges the Committee to clarify whether updated cannabis advertising restrictions apply with equal force to alcohol retailers, and if they do not, to consider how that gap will be addressed.

Fiscal Impact on Local Government Revenues

While SB 1008 would apply the same sales and use tax rate to cannabinoid beverages as to other cannabis products, the bill would divert the revenues generated from those sales away from the dedicated funds that normally receive cannabis tax proceeds. Under existing law, cannabis sales and use tax revenues are distributed through channels that include the Cannabis Regulation and Enforcement Fund (CREF) and the Community Reinvestment and Repair Fund (CRRF). SB 1008 would instead direct tax revenues from cannabinoid beverage sales to the State’s General Fund, bypassing these distribution channels entirely.

The CREF and CRRF exist to fund cannabis regulation, enforcement, and community reinvestment programs, including distributions to local jurisdictions that were most affected by cannabis prohibition. Routing cannabinoid beverage tax revenues to the General Fund instead of these dedicated accounts means that local governments and communities will not receive their proportionate share of the revenue generated by this growing product category. As cannabinoid beverage sales continue to expand, the cumulative diversion of funds from CREF and CRRF will become increasingly significant. OSE urges the Committee to consider whether this departure from the standard cannabis tax revenue distribution framework is consistent with the State’s commitment to community reinvestment and equitable resource allocation.

OSE appreciates the Committee’s attention to these concerns. We remain available to provide additional assistance or analysis as the Committee continues its deliberations on Senate Bill 1008.