



March 31, 2026

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3E Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

**SB 1008 – Alcohol and Cannabis – Cannabinoid Beverages Off-Premises Sales Permit –
Establishment**
Letter of Information

Dear Chair Beidle, Vice Chair Hayes, and Members of the Senate Finance Committee:

The Maryland Cannabis Administration (MCA) respectfully submits this Letter of Information (LOI) for SB 1008 – Alcohol and Cannabis – Cannabinoid Beverages Off-Premises Sales Permit – Establishment for the Committee’s consideration. As the State’s cannabis regulator, MCA is responsible for implementing the Cannabis Reform Act of 2023 (CRA) in a manner that protects public health and safety, ensures a transparent and accountable marketplace, and advances the General Assembly’s social equity objectives.

SB 1008 establishes a Cannabinoid Beverages Off-Premises Sales Permit to be administered by the Executive Director of the Alcohol, Tobacco, and Cannabis Commission (ATCC). It permits Class 1 wholesaler’s license holders to deliver THC beverages, as defined in the bill, to alcohol retailers and permits those retailers to sell THC beverages to adults. It lowers the sales tax rates for THC beverages and shifts funds away from the counties.

Risk to Maryland Dispensaries

This bill risks undermining Maryland’s licensed cannabis dispensaries – many of whom are small, social equity businesses – by carving out one of the fastest-growing and highest-demand product categories and shifting its sale into the alcohol retail system. Data shows that THC beverages sales increased from 2024 to 2025 by roughly 122%. This demonstrates a significant increase in demand for THC beverages, suggesting that the implications of this legislation would compound with time.

By allowing liquor stores to sell these products through a separate permitting structure, SB 1008 diverts consumer traffic and revenue away from 111 operational and 83 conditional dispensaries – which were specifically designed and are intentionally regulated to serve as the exclusive retail channel for all cannabis products. This policy shift would be in direct opposition to the intent of the legislature and mission of MCA to foster a safe, equitable, and economically viable marketplace for licensed cannabis operators.



Although SB 1008 does not prohibit dispensaries from selling THC beverages, the difference in retail scale – approximately 111 licensed dispensaries compared to thousands of alcohol retailers – substantially changes the competitive landscape. With far greater geographic reach, retail density, and consumer accessibility, alcohol retailers are positioned to capture a larger share of demand for THC beverages. This expanded availability may shift purchasing behavior toward more convenient outlets, reducing foot traffic and sales volume at dispensaries. Over time, this dynamic can dilute dispensaries’ share of a high-growth product category, even though they remain legally authorized to sell it.

Advertising Compliance Risk

The introduction of dual regulatory frameworks risk creating ambiguity in how advertising laws – which were recently amended by this Committee – apply to THC beverages. Currently, MCA regulates cannabis advertising, enforcing a set of standards established by the MGA. SB 1008 does not exempt THC beverages from these requirements, while also subjecting them to advertising laws applicable to alcoholic beverages – which are fundamentally different and more broad than cannabis advertising laws. The ambiguity created by this law could result in billboards on highways and window signage in liquor stores advertising THC beverages across Maryland.

This overlap would undermine the efforts of the MGA to establish safe advertising standards, and could make it more complex for businesses to interpret and comply with applicable standards – potentially increasing compliance costs and the likelihood of inconsistent enforcement. From a public health perspective, unclear or overlapping advertising requirements may complicate efforts to ensure that marketing remains appropriately restricted, particularly as THC beverages become more widely available through a larger number of alcohol retail outlets.

Downstream Impact on Local Governments and General Fund

Under SB 1008, the proposed sales tax change is a strong deviation from the current cannabis taxation structure. THC beverages would not be subject to the 12% tax other cannabis products are subject to. This reduced revenue from THC beverages sold by alcohol retailers would be directed solely to the State’s General Fund (GF) rather than shared with the Cannabis Regulation and Enforcement Fund (CREF). This reallocation would reduce funding to CREF, which supports community repair and public health programs, operations for five state agencies, and distributions to local governments, potentially decreasing funding available to municipalities and their related programming.

The MCA respectfully submits this LOI on SB 1008 and is dedicated to collaborating with the Finance Committee and broader General Assembly on this legislation as the body considers its determination. Should the Committee have any questions or concerns, please contact me at Tabatha.Robinson@maryland.gov, or Selena Rawlley, Deputy Chief of Legislative Affairs, at Selena.Rawlley@maryland.gov.

Sincerely,
Tabatha Robinson, Director
Maryland Cannabis Administration