



SB 594 — Cannabis — Advertising — Alterations

Written Testimony — Senate Finance Committee

February 26, 2026

MCCE Position: Favorable with Amendments

Background

The Maryland Coalition for Cannabis Equity (MCCE) is a coalition of Maryland Social Equity Licensees formed to ensure that Social Equity Licensees have a meaningful, organized voice in Maryland’s cannabis program. MCCE currently includes 15 founding members and maintains active communication with more than 60 Social Equity Licensees statewide. The Coalition came together 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

We support SB 594’s efforts to improve clarity and operational consistency in Maryland’s cannabis framework. However, we respectfully request targeted amendments to ensure the bill does not unintentionally create disproportionate compliance burdens for Social Equity Licensees. While SB 594 includes helpful clarifications, its new “therapeutic or medical claim” framework could create outsized challenges for Social Equity Licensees (SELs). The bill requires that any therapeutic claim be supported by “competent and reliable scientific evidence” and accompanied by warnings about serious side effects—standards that resemble those applied to pharmaceuticals. Large, multistate operators can absorb the resulting costs much more readily than newly licensed SELs. For equity businesses, many of whom are startups with limited capital, every additional layer of regulation translates into higher legal fees, greater compliance expenses and an increased risk of penalties for inadvertent non-compliance. SB 594 should therefore keep youth protections while ensuring that compliance remains proportionate and accessible for the small businesses Maryland’s equity program is designed to support.

Why clarity matters

Licensed businesses operate under strict rules, while unlicensed sellers market intoxicating products aggressively online and in person, unhindered by Maryland’s safeguards. Clear, enforceable advertising standards help steer consumers toward regulated, lab-tested products with accurate labeling, safety disclosures, and age controls—and allow licensees to counter misinformation that circulates in the illicit market. Clarity also protects the MCA by reducing ad-hoc enforcement and supporting uniform application of legislative intent. Most important for Social Equity Licensees, clear rules ensure that well-intentioned educational outreach and community engagement are not inadvertently penalized.

Provisions MCCE Supports in SB 594

- Narrowing the minor-targeting standard by removing vague language that increases subjective, inconsistent enforcement risk.
- Clarifying how the 85% audience-composition rule may be demonstrated, including for media buys and event participation, so compliance is feasible in real time.
- Permitting limited exterior signage beyond a bare identifier, so licensed businesses can provide basic wayfinding and customer information without being treated as unlawful advertising.
- Protecting bona fide editorial/news content so that third-party reporting is not automatically treated as an advertisement attributable to a licensee.

Amendments Requested

1. Therapeutic or medical claims – narrow the definition and adopt a practical substantiation standard

MCCE supports preventing licensees from claiming cannabis products cure, treat, or prevent specific diseases. However, SB 594’s definition of “therapeutic or medical claim,” combined with an elevated substantiation requirement, risks capturing ordinary product-effect descriptors (*e.g.*, relaxing, stimulating) and basic cannabinoid education. Such statements help consumers make informed choices and are distinct from disease-treatment claims. MCCE requests amendments to limit the definition to disease or condition treatment claims and permit truthful, non-misleading statements about typical effects and ingredients with appropriate disclaimers. Small businesses should not be held to pharmaceutical-style evidentiary standards; instead claims should be truthful, not misleading, and reasonably substantiated, with a disclaimer that statements have not been evaluated by the FDA. For example, small vitamin companies can, under the DSHEA act, list “supports immune health” so long as other disclaimers are attached.

2. Exterior signage – confirm basic identification, wayfinding, and equity identifiers are permitted

Current interpretations have limited exterior signage to a bare business name, precluding common, non-promotional signage such as “Open,” operational hours, basic wayfinding in shopping centers, or ownership identifiers like “social equity owned”, “woman-owned” or “minority-owned.” These messages support consumer navigation and promote Maryland’s equity goals without targeting youth. MCCE requests confirmation that exterior signage may include basic wayfinding and operational information, truthful ownership/status identifiers aligned with equity objectives, and a website or QR code linking to age-gated information, all subject to local sign ordinances.

3. Events and print media – clarify audience composition verification

Licensees must demonstrate that at least 85% of an event’s attendees or a publication’s audience is 21+. In practice, ‘current audience composition data’ has sometimes excluded reliable historical attendance or circulation metrics used in other industries. This can force small licensees to hire third-party consultants—an expense that disproportionately burdens Social Equity Licensees. MCCE requests clear guidance on acceptable verification methods (*e.g.*, prior-year audited attendance or media kits), allowance for reasonable, good-faith documentation, and a safe-harbor for licensees relying on specified documentation in good faith.

4. Appeal-to-children language – tether to objective criteria

MCCE supports youth protections. To avoid subjective judgments that invite inconsistent enforcement, any remaining ‘appeal to children’ concepts should be tied to objective factors, such as depictions of cartoons, toys, or school themes, rather than open-ended judgments. This ensures that compliance is achievable without guesswork, especially for small operators without in-house legal teams.

Conclusion

MCCE appreciates the Committee’s work to refine Maryland’s cannabis advertising framework. We believe SB 594 can better protect youth, support compliant businesses and reduce the market space for unlicensed sellers if targeted amendments are adopted. These include clarifying that the therapeutic and medical claim provisions do not capture routine education and effect descriptions, permitting basic exterior signage and equity identifiers, and establishing a workable audience composition verification requirement. Social Equity Licensees often operate under thin margins and limited compliance budgets, so well-intentioned legislation can still disproportionately affect us. We urge the Committee to consider these impacts carefully and collaborate with MCCE and other stakeholders to ensure a regulatory framework that remains fair, clear and workable for all licensees. MCCE stands ready to work with the bill sponsors, the Committee and the Maryland Cannabis

Administration to craft language that protects consumers while ensuring fairness in the marketplace.

Thank you for your consideration.

Respectfully submitted,
Maryland Coalition for Cannabis Equity (MCCE)