



Testimony in Opposition to Senate Bill 1008

Alcohol and Cannabis - Cannabinoid Beverages Off-Premises Sales Permit - Establishment

Before the Senate Finance Committee: March 31, 2026

The Legal Resource Center for Public Health Policy – Cannabis (“LRC”) is a public health organization housed at the University of Maryland Carey School of Law.* Our mission is to educate Maryland’s public health community on cannabis legalization and how policy can be used to address the associated risks and benefits. To this end, the LRC would like to express our opposition to SB 1008 and request an unfavorable report.

SB 1008 would allow licensed alcohol retailers with off-sale privileges to sell cannabinoid beverages. These beverages can contain up to 5 mg of tetrahydrocannabinol (THC), the primary intoxicant in cannabis. Currently, these products may only be sold by licensed and strictly regulated cannabis dispensaries. The change in policy proposed in SB 1008 would create serious public health concerns and enforcement challenges, and would undermine Maryland’s social equity program. The bill also alters the distribution of cannabis tax revenue in a way that harms critical programs focused on public health, community reinvestment, and social equity in the cannabis industry.

SB 1008 Harms the Public Health of Maryland

Maryland’s current cannabis regulatory system focuses on minimizing youth exposure to cannabis and cannabis products. One of the cornerstones of this system is restricting the sale of these products to the 111 highly regulated and age-gated dispensaries.ⁱ While SB 1008 would only allow licensed alcohol retailers with off-sale privileges to sell cannabinoid beverages if permitted by their local licensing board, there are over 1,500 of these license holders in the state.ⁱⁱ As a result, this bill could flood our communities with cannabis products, an issue which is exacerbated by the fact that, unlike cannabis dispensaries, these alcohol licensees are not age-gated businesses. This dynamic would have the undesirable effect of increasing youth exposure to cannabis products. This exposure is problematic because of the severe health risks associated with youth cannabis use. These risks include decreased cognitive performance, impaired brain development, a range of mental health problems including an increased risk of schizophrenia, and an increased likelihood of developing Cannabis Use Disorder.ⁱⁱⁱ Cannabis Use Disorder is a medical condition in which a person continues to use cannabis despite negative impacts to their

health and life.^{iv} These public health issues would disproportionately impact communities of color, especially Black communities. Research has shown that off-premises alcohol retailers are disproportionately concentrated in low-income Black and Brown communities.^v One study found that low-income and predominately black communities had up to eight times as many off-premises alcohol retailers per capita.^{vi}

In addition, cannabis is not alcohol. While alcohol intoxication is largely dependent on the amount of alcohol consumed and the size of the consumer, cannabis consumption and intoxication do not have the same linear relationship. As a result, many novice cannabis users rely on dispensary employees to educate them on consuming cannabis. These employees are required to undergo significant training to safely sell cannabis products. Novice cannabis users would not have this same resource if they purchased a cannabinoid beverage at an alcohol retailer. This is especially problematic because edible cannabis products, like the cannabinoid beverages considered in SB 1008, have a delayed onset to intoxication that varies significantly from alcohol or even inhaled cannabis products. This reality only emphasizes the risk of selling these beverages at alcohol retailers versus highly regulated dispensaries.

SB 1008 Creates Enforcement Challenges

When Maryland created its cannabis industry, it made the prudent decision to limit the number of cannabis licenses issued. By controlling the size of the industry, Maryland helped ensure that the industry could be effectively monitored and critical rules enforced in a timely manner. SB 1008 expands the potential retail market for cannabis products from just over 100 dispensaries to potentially over 1,500 alcohol retailers. Such an expansion of the market would create a serious enforcement challenge. In addition, these alcohol retailers, by selling a cannabis product, will be subject to new regulations, most notably Maryland's strict cannabis advertising laws. The primary focus of these laws is to prevent businesses from marketing cannabis products in a way that is attractive to children. Again, alcohol retailers lack experience with the degree of scrutiny imposed by Maryland's cannabis advertising laws. The failure to adhere to these advertising standards would be especially problematic because alcohol retailers are not age-gated locations, which increases the potential harm of cannabis advertising on youth. Research has shown that increased exposure to cannabis advertising during youth is associated with both increased cannabis use and an increase in the harms of cannabis overuse, such as the development of Cannabis Use Disorder.^{vii}

In addition to the sheer volume of cannabinoid beverage retailers that would need monitoring, this bill institutes a segmented system of enforcement that could create enforcement irregularities and related concerns. In the proposed system, the Maryland Cannabis Administration (MCA) would have enforcement authority over cannabinoid beverages until they are acquired by a Class 1 beer, wine, liquor, and cannabinoid beverage wholesaler (wholesaler). At that point, enforcement authority transfers to the Alcohol, Tobacco, and Cannabis Commission (ATCC). Also, at that transfer of authority, cannabinoid beverages would no longer be tracked by MCA's

seed-to-sale cannabis tracking system. The ATCC's current system does not track products to their point of sale. To gather this information, ATCC needs to visit wholesalers and retailers. With this dynamic, Maryland loses real-time information regarding where cannabinoid beverages are being sold. This is especially concerning given that these products remain a Schedule I substance under federal law. In addition, cannabinoid beverages need to be stored in a dispensary's secure room after hours, an important measure to prevent diversion. Alcohol retailers do not have the same security measures to protect cannabinoid beverages. Overall, this bifurcated enforcement approach within a single product's supply chain creates serious enforcement challenges.

SB 1008 Harms Maryland's Social Equity Initiatives

Maryland consciously created a well-structured social equity program for the regulated adult-use cannabis industry. This program is focused on ensuring that the economic opportunities of this industry are made equitably available. Providing cannabis business licenses to individuals from communities disproportionately impacted by the unjust enforcement of cannabis laws is the foundation of this program. As part of this effort, 74 dispensary licenses have been awarded to social equity candidates.

However, it has been a challenge for these businesses to become operational and to compete with more established dispensaries. By allowing alcohol retailers to sell cannabinoid beverages, SB 1008 exacerbates the struggles of these social equity businesses by forcing them to potentially compete with over 1,500 alcohol retailers.

SB 1008 Reduces Funding for Critical Programs

SB 1008 proposes that all tax revenue collected from the sale of cannabinoid beverages be allocated to Maryland's General Fund. This applies to sales made at alcohol licensees, as well as cannabis dispensaries. Under current law, this tax revenue is distributed to a variety of sources including the Cannabis Public Health Fund, the Community Reinvestment and Repair Fund, Cannabis Business Assistance Fund, and local governments. The Cannabis Public Health Fund was created to address the public health effects associated with the legalization of adult-use cannabis. The fund supports the Cannabis Public Health Advisory Council, data collection, education and public awareness campaigns related to cannabis, funding for educational programs in schools, supporting substance use disorder counseling, and other valuable services. The Community Reinvestment and Repair Fund invests in community initiatives that benefit low-income communities and those most impacted by the previous enforcement of cannabis laws. The Cannabis Business Assistance Fund supports social equity in the cannabis industry by providing grants and loans to small businesses, including small minority-owned and small women-owned businesses entering the adult-use cannabis industry. Under SB 1008, these vital programs would have their funding reduced, impeding the important work they do for our state.

Conclusion

By allowing cannabinoid beverages to be sold at alcohol retailers with off-sale privileges, SB 1008 will increase youth exposure to cannabis products, disproportionately impacts communities of color, subvert current enforcement systems, undermine Maryland's social equity efforts in the cannabis industry, and reduce funding to critical state programs. For these reasons, we respectfully request this committee issue an unfavorable report on SB 1008.

The Legal Resource Center appreciates the opportunity to provide this testimony. Should you wish to discuss the information in this letter or require additional information, please do not hesitate to contact us.

Sincerely,

Mathew Swinburne, J.D.

(he/him/his)

Director, Legal Resource Center for Public Health Policy-Cannabis

The University of Maryland Francis King Carey School of Law

500 West Baltimore St., Baltimore, MD 21201

410-706-4532

m.swinburne@law.umaryland.edu

Annie Carver, J.D.

(she, her, hers)

Staff Attorney, Legal Resource Center for Public Health Policy-Cannabis

The University of Maryland Francis King Carey School of Law

500 West Baltimore St., Baltimore, MD 21201

410-706-4221

a.carver@law.umaryland.edu

George Townsend, J.D.

(he/him/his)

Staff Attorney, Legal Resource Center for Public Health Policy-Cannabis

The University of Maryland Francis King Carey School of Law

500 West Baltimore St., Baltimore, MD 21201

410-706-8189

gtownsend@law.umaryland.edu

*This communication represents the position of the LRC and not of the University of Maryland Carey School of Law; the University of Maryland, Baltimore; or the University of Maryland System.

ⁱ Maryland Cannabis Administration, *MCA Medical and Adult-Use Cannabis Data Dashboard*, available at <https://cannabis.maryland.gov/pages/data-dashboard.aspx>.

-
- ⁱⁱ Alcohol, Tobacco, and Cannabis Commission, *2025 Alcohol and Tobacco Tax Annual Report*, page 50, available at <https://online.fliphtml5.com/leeye/hjnf/#p=1>.
- ⁱⁱⁱ Joanna Jacobus and Susan F. Tapert, *Effects of Cannabis on the Adolescent Brain*, 20 *Curr. Pharmaceutical Design* 2186 (2014), available at <https://pmc.ncbi.nlm.nih.gov/articles/PMC3930618/>; see also *Cannabis and Teens*, CDC (Feb. 15, 2024), available at <https://www.cdc.gov/cannabis/health-effects/cannabis-and-teens.html>.
- ^{iv} Cleveland Clinic, *Cannabis Use Disorder*, October 24, 2024, available at <https://my.clevelandclinic.org/health/diseases/cannabis-use-disorder>; Centers for Disease Control and Prevention, *Understanding Your Risk for Cannabis Use Disorder*, December 5, 2024, available at <https://www.cdc.gov/cannabis/health-effects/cannabis-use-disorder.html>
- ^v Thomas A LaVeist and John M Wallace Jr., *Health Risk and Inequitable Distribution of Liquor Stores in African American Neighborhood*, 51 *Social Science & Medicine* 613,613-617 (2000), available at <https://www.sciencedirect.com/science/article/pii/S0277953600000046>; Juliet P Lee, et al., *What Explains the Concentration of Off-Premise Alcohol Outlets in Black Neighborhoods?*, 12 *Population Health* 100669, (2020), available at <https://www.sciencedirect.com/science/article/pii/S2352827320303062?via%3Dihub>.
- ^{vi} Johns Hopkins Bloomberg School of Public Health, *Off-Premises Liquor Stores Targeted to Poor Urban Blacks*, June 6, 2000, available at <https://publichealth.jhu.edu/2000/alcohol-off-premises#:~:text=The%20income%20status%20and%20racial,In%20any%20case%2C%20Dr>; Thomas A LaVeist and John M Wallace Jr., *Health Risk and Inequitable Distribution of Liquor Stores in African American Neighborhood*, 51 *Social Science & Medicine* 613,613-617 (2000), available at <https://www.sciencedirect.com/science/article/pii/S0277953600000046>;
- ^{vii} Pamela J. Trangenstein et al., *Cannabis Marketing and Problematic Cannabis Use Among Adolescents*, 82 *J. Stud. on Alcohol & Drugs* 288, 291-92 (2021), available at <https://pmc.ncbi.nlm.nih.gov/articles/PMC8864622/>; Elizabeth J. D'Amico et al., *Planting the Seed for Marijuana Use: Changes in Exposure to Medical Marijuana Advertising and Subsequent Adolescent Marijuana Use, Cognitions, and Consequences Over Seven Years*, 188 *Drug & Alcohol Dependence* 385-391 (2018), available at <https://pmc.ncbi.nlm.nih.gov/articles/PMC6744951/>.