

# HOUSE BILL 1089

P1, Q3

9lr2458

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By: **Delegates Acevero, W. Fisher, Ivey, Korman, R. Lewis, Lierman, Moon, Mosby, Stewart, Wells, and Wilkins**

Introduced and read first time: February 8, 2019

Assigned to: Ways and Means and Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland People’s Fund – Establishment**

3 FOR the purpose of establishing the Maryland People’s Fund as a special, nonlapsing fund;  
4 requiring the State Treasurer to administer the Fund; requiring the State Treasurer  
5 to hold the Fund and the Comptroller to account for the Fund; specifying the contents  
6 of the Fund; providing for the investment of money in and expenditures from the  
7 Fund; requiring interest earnings of the Fund to be credited to the Fund; exempting  
8 the Fund from a certain provision of law requiring interest earnings on State money  
9 to accrue to the General Fund of the State; requiring the Comptroller, on or before a  
10 certain date each year, to determine the State income tax paid by each owner of  
11 certain medical cannabis growers, processors, and dispensaries that is attributable  
12 to income derived from the medical cannabis industry for the immediately preceding  
13 taxable year; requiring the Comptroller to distribute a certain percentage of a certain  
14 amount to the Fund; requiring the Natalie M. LaPrade Medical Cannabis  
15 Commission to provide to the Comptroller certain information for a certain purpose;  
16 defining a certain term; and generally relating to the Maryland People’s Fund.

17 BY repealing and reenacting, without amendments,  
18 Article – State Finance and Procurement  
19 Section 6–226(a)(2)(i)  
20 Annotated Code of Maryland  
21 (2015 Replacement Volume and 2018 Supplement)

22 BY repealing and reenacting, with amendments,  
23 Article – State Finance and Procurement  
24 Section 6–226(a)(2)(ii)112. and 113.  
25 Annotated Code of Maryland  
26 (2015 Replacement Volume and 2018 Supplement)

27 BY adding to

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – State Finance and Procurement  
 2 Section 6–226(a)(2)(ii)114.  
 3 Annotated Code of Maryland  
 4 (2015 Replacement Volume and 2018 Supplement)

5 BY adding to  
 6 Article – State Government  
 7 Section 5–108  
 8 Annotated Code of Maryland  
 9 (2014 Replacement Volume and 2018 Supplement)

10 BY adding to  
 11 Article – Tax – General  
 12 Section 2–608.2  
 13 Annotated Code of Maryland  
 14 (2016 Replacement Volume and 2018 Supplement)

15 BY repealing and reenacting, with amendments,  
 16 Article – Tax – General  
 17 Section 2–609  
 18 Annotated Code of Maryland  
 19 (2016 Replacement Volume and 2018 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 21 That the Laws of Maryland read as follows:

22 **Article – State Finance and Procurement**

23 6–226.

24 (a) (2) (i) Notwithstanding any other provision of law, and unless  
 25 inconsistent with a federal law, grant agreement, or other federal requirement or with the  
 26 terms of a gift or settlement agreement, net interest on all State money allocated by the  
 27 State Treasurer under this section to special funds or accounts, and otherwise entitled to  
 28 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General  
 29 Fund of the State.

30 (ii) The provisions of subparagraph (i) of this paragraph do not apply  
 31 to the following funds:

32 112. the Pretrial Services Program Grant Fund; [and]

33 113. the Veteran Employment and Transition Success Fund;

34 **AND**

35 **114. THE MARYLAND PEOPLE’S FUND.**

Article – State Government

5–108.

(A) IN THIS SECTION, “FUND” MEANS THE MARYLAND PEOPLE’S FUND.

(B) THERE IS A MARYLAND PEOPLE’S FUND.

(C) THE STATE TREASURER SHALL ADMINISTER THE FUND.

(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(E) THE FUND CONSISTS OF:

(1) REVENUE DISTRIBUTED TO THE FUND UNDER § 2–608.2 OF THE TAX – GENERAL ARTICLE;

(2) MONEY APPROPRIATED IN THE STATE BUDGET FOR THE FUND;

(3) INTEREST EARNINGS OF THE FUND; AND

(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(F) THE FUND MAY NOT BE USED FOR ADMINISTRATIVE EXPENSES.

(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

Article – Tax – General

2–608.2.

(A) ON OR BEFORE DECEMBER 1 EACH YEAR, THE COMPTROLLER SHALL

1 DETERMINE THE STATE INCOME TAX PAID BY EACH OWNER OF A MEDICAL CANNABIS  
2 GROWER, PROCESSOR, OR DISPENSARY LICENSED UNDER TITLE 13, SUBTITLE 33  
3 OF THE HEALTH – GENERAL ARTICLE THAT IS ATTRIBUTABLE TO INCOME DERIVED  
4 FROM THE MEDICAL CANNABIS INDUSTRY FOR THE IMMEDIATELY PRECEDING  
5 TAXABLE YEAR.

6 (B) AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-604  
7 THROUGH 2-608.1 OF THIS SUBTITLE, FROM THE REMAINING STATE INCOME TAX  
8 REVENUE FROM INDIVIDUALS, THE COMPTROLLER SHALL DISTRIBUTE 25% OF THE  
9 AMOUNT DETERMINED UNDER SUBSECTION (A) OF THIS SECTION TO THE  
10 MARYLAND PEOPLE’S FUND ESTABLISHED UNDER § 5-108 OF THE STATE  
11 GOVERNMENT ARTICLE.

12 (C) THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION SHALL  
13 PROVIDE TO THE COMPTROLLER ANY INFORMATION THAT THE COMPTROLLER  
14 REQUIRES TO MAKE THE DETERMINATION REQUIRED UNDER SUBSECTION (A) OF  
15 THIS SECTION.

16 2-609.

17 After making the distributions required under §§ 2-604 through [2-608.1] 2-608.2  
18 of this subtitle, and after making the distributions required under §§ 7-329 and 7-330 of  
19 the State Finance and Procurement Article, the Comptroller shall distribute the remaining  
20 income tax revenue from individuals to the General Fund of the State.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 October 1, 2019.