

HB0837/163823/1

BY: Finance Committee

AMENDMENTS TO HOUSE BILL 837
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 12, after the semicolon insert “establishing the Community Reinvestment and Repair Fund;”; in line 13, strike “indoor”; in the same line, after the semicolon insert “allowing a subtraction modification under the Maryland income tax for certain expenses paid or incurred during the taxable year in carrying on a trade or business as a certain medical cannabis grower, processor, dispensary, or independent testing laboratory;”; in line 18, strike “and”; in line 19, after “Council” insert “; and 13–4601 to be under the new subtitle “Subtitle 46. Community Reinvestment and Repair Fund””; and after line 21, insert:

“BY repealing and reenacting, without amendments,

Article – Tax – General

Section 10–208(a) and 10–308(a)

Annotated Code of Maryland

(2016 Replacement Volume and 2021 Supplement)

BY adding to

Article – Tax – General

Section 10–208(bb)

Annotated Code of Maryland

(2016 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 10–308(b)

Annotated Code of Maryland

(2016 Replacement Volume and 2021 Supplement)”.

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On page 2, in line 17, strike “and 147.” and substitute “through 148.”; and in line 28, strike “and 5–620” and substitute “5–620, 10–123, and 10–125”.

On pages 3 and 4, strike in their entirety the lines beginning with line 37 on page 3 through line 9 on page 4, inclusive, and substitute:

“BY repealing and reenacting, with amendments,
Article - Transportation
Section 21-903
Annotated Code of Maryland
(2020 Replacement Volume and 2021 Supplement)”.”.

AMENDMENT NO. 2

On page 5, after line 28 insert:

“Article – Tax – General

10–208.

(a) In addition to the modification under § 10–207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(BB) (1) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT OF ORDINARY AND NECESSARY EXPENSES PAID OR INCURRED DURING THE TAXABLE YEAR IN CARRYING ON A TRADE OR A BUSINESS AS A MEDICAL CANNABIS GROWER, PROCESSOR, DISPENSARY, OR ANY OTHER CANNABIS ESTABLISHMENT LICENSED BY THE STATE, IF THE DEDUCTION FOR ORDINARY AND NECESSARY EXPENSES IS DISALLOWED UNDER § 280E OF THE INTERNAL REVENUE CODE.

(2) THE SUBTRACTION ALLOWED UNDER PARAGRAPH (1) OF THIS SUBSECTION INCLUDES A REASONABLE ALLOWANCE FOR SALARIES OR OTHER COMPENSATION FOR PERSONAL SERVICES ACTUALLY RENDERED DURING THE TAXABLE YEAR.

(3) THE SUBTRACTION ALLOWED UNDER THIS SUBSECTION IS APPLICABLE TO ALL TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2021.

10-308.

(a) In addition to the modification under § 10-307 of this subtitle, the amounts under this section are subtracted from the federal taxable income of a corporation to determine Maryland modified income.

(b) The subtraction under subsection (a) of this section includes the amounts allowed to be subtracted for an individual under:

(1) § 10-208(d) of this title (Enhanced agricultural management equipment expenses);

(2) § 10-208(i) of this title (Reforestation or timber stand expenses);

(3) § 10-208(k) of this title (Wage expenses for targeted jobs);

(4) § 10-208(p) of this title (Elevator handrails in health care facilities);

[and]

(5) § 10-208(z) of this title (Donations to diaper banks and other charitable entities); AND

(Over)

(6) § 10-208(BB) OF THIS TITLE (TRADE OR BUSINESS EXPENSES OF MEDICAL CANNABIS GROWER, PROCESSOR, DISPENSARY, OR ANY OTHER CANNABIS ESTABLISHMENT).

On page 8, in line 14, strike “AND”; and in line 15, after “FUND” insert “; AND

148. THE COMMUNITY REINVESTMENT AND REPAIR FUND”.

On page 10, in line 35, strike “\$50” and substitute “\$250”.

On page 11, in line 2, strike “\$150” and substitute “\$500”; in line 17, after “GRAMS;” insert “OR”; and strike beginning with the semicolon in line 20 down through “PLANTS” in line 21.

On page 13, in line 33, strike “\$50” and substitute “\$250”; and in line 35, strike “\$150” and substitute “\$500”.

On page 34, after line 6, insert:

“(1) ONE MEMBER FROM THE SENATE OF MARYLAND, APPOINTED BY THE PRESIDENT OF THE SENATE;

“(2) ONE MEMBER FROM THE HOUSE OF DELEGATES, APPOINTED BY THE SPEAKER OF THE HOUSE;”;

and in lines 7, 8, 10, 12, 14, and 16, strike “(1)”, “(2)”, “(3)”, “(4)”, “(5)”, and “(6)”, respectively, and substitute “(3)”, “(4)”, “(5)”, “(6)”, “(7)”, and “(8)”, respectively.

On pages 42 through 44, strike in their entirety the lines beginning with line 24 on page 42 through line 2 on page 44, inclusive, and substitute:

“Article – Criminal Law

10–123.

(a) In this part the following words have the meanings indicated.

(b) “Alcoholic beverage” has the meaning stated in § 21–903 of the Transportation Article.

(c) “Bus” has the meaning stated in § 11–105 of the Transportation Article.

(D) “CANNABIS” HAS THE MEANING STATED IN § 5–101 OF THIS ARTICLE.

[(d)] (E) “Highway” has the meaning stated in § 11–127 of the Transportation Article.

[(e)] (F) “Limousine” has the meaning stated in § 11–129.1 of the Transportation Article.

[(f)] (G) “Motor home” has the meaning stated in § 11–134.3 of the Transportation Article.

[(g)] (H) (1) “Motor vehicle” means a vehicle that:

(i) is self-propelled or propelled by electric power obtained from overhead electrical wires; and

(ii) is not operated on rails.

(Over)

(2) “Motor vehicle” includes:

(i) a low speed vehicle, as defined in § 11–130.1 of the Transportation Article;

(ii) a moped, as defined in § 11–134.1 of the Transportation Article; and

(iii) a motor scooter, as defined in § 11–134.5 of the Transportation Article.

~~[(h)]~~ (I) “Moving violation” has the meaning stated in § 11–136.1 of the Transportation Article.

~~[(i)]~~ (J) “Open container” means a bottle, can, or other receptacle:

(1) that is open;

(2) that has a broken seal; or

(3) from which the contents are partially removed.

~~[(j)]~~ (K) “Passenger area” has the meaning stated in § 21–903 of the Transportation Article.

~~[(k)]~~ (L) “Taxicab” has the meaning stated in § 11–165 of the Transportation Article.

(a) (1) Except as otherwise provided in subsection (c) of this section, an occupant of a motor vehicle may not possess an open container that contains any amount of an alcoholic beverage in a passenger area of a motor vehicle on a highway.

(2) A driver of a motor vehicle may not be subject to prosecution for a violation of this subsection based solely on possession of an open container that contains any amount of an alcoholic beverage by another occupant of the motor vehicle.

(b) (1) This subsection does not apply to the driver of a motor vehicle.

(2) Except as otherwise provided in subsection (c) of this section, an occupant of a motor vehicle may not consume an alcoholic beverage in a passenger area of a motor vehicle on a highway.

(3) AN OCCUPANT OF A MOTOR VEHICLE MAY NOT SMOKE CANNABIS IN A PASSENGER AREA OF A MOTOR VEHICLE ON A HIGHWAY.

(c) Subsections (a)(1) and (b)(2) of this section do not apply to an occupant, who is not the driver, in:

(1) a motor vehicle designed, maintained, and used primarily for the transportation of a person for compensation, including:

(i) a bus;

(ii) a taxicab; or

(iii) a limousine; or

(2) the living quarters of a motor home, motor coach, or recreational vehicle.

(Over)

(d) Notwithstanding § 6–320, § 6–321, or § 6–322 of the Alcoholic Beverages Article, or any other provision of law, the prohibitions contained in this section apply throughout the State.

(e) A violation of this section is not:

(1) a moving violation for the purposes of § 16–402 of the Transportation Article; or

(2) a traffic violation for the purposes of the Maryland Vehicle Law.

Article – Health – General

SUBTITLE 46. COMMUNITY REINVESTMENT AND REPAIR FUND.

13–4601.

(A) (1) THERE IS A COMMUNITY REINVESTMENT AND REPAIR FUND.

(2) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDS TO COMMUNITY–BASED ORGANIZATIONS THAT SERVE COMMUNITIES DETERMINED BY THE OFFICE OF THE ATTORNEY GENERAL TO HAVE BEEN THE MOST IMPACTED BY DISPROPORTIONATE ENFORCEMENT OF THE CANNABIS PROHIBITION BEFORE JULY 1, 2022.

(3) THE COMPTROLLER SHALL ADMINISTER THE FUND.

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

(II) THE STATE TREASURER SHALL HOLD THE FUND

SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(5) THE FUND CONSISTS OF:

(I) REVENUE DISTRIBUTED TO THE FUND THAT IS AT LEAST 30% OF THE REVENUES FROM ADULT-USE CANNABIS;

(II) LICENSING FEES PAID BY DUAL-LICENSED CANNABIS ESTABLISHMENTS; AND

(III) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND, IN ACCORDANCE WITH ANY CONDITIONS ADOPTED BY THE COMPTROLLER FOR THE ACCEPTANCE OF DONATIONS OR GIFTS TO THE FUND.

(6) (I) THE FUND MAY BE USED ONLY FOR:

1. FUNDING COMMUNITY-BASED INITIATIVES INTENDED TO BENEFIT LOW-INCOME COMMUNITIES;

2. FUNDING COMMUNITY-BASED INITIATIVES THAT SERVE COMMUNITIES DISPROPORTIONATELY HARMED BY THE CANNABIS PROHIBITION AND ENFORCEMENT; AND

3. ANY RELATED ADMINISTRATIVE EXPENSES.

(II) MONEY MAY NOT BE EXPENDED FROM THE FUND FOR LAW ENFORCEMENT AGENCIES OR ACTIVITIES.

(Over)

(III) MONEY EXPENDED FROM THE FUND IS SUPPLEMENTAL TO AND MAY NOT SUPPLANT FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR PREEXISTING LOCAL GOVERNMENT PROGRAMS.

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

(8) NO PART OF THE FUND MAY REVERT OR BE CREDITED TO:

(I) THE GENERAL FUND OF THE STATE; OR

(II) ANY OTHER SPECIAL FUND OF THE STATE.

(9) THE COMPTROLLER SHALL PAY OUT MONEY FROM THE FUND.

(10) THE FUND IS SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

(B) (1) THE COMPTROLLER SHALL DISTRIBUTE FUNDS FROM THE FUND TO EACH COUNTY IN AN AMOUNT THAT, FOR THE PERIOD FROM JULY 1, 2002, TO JUNE 30, 2022, BOTH INCLUSIVE, IS PROPORTIONATE TO THE TOTAL NUMBER OF MARIJUANA ARRESTS IN THE COUNTY COMPARED TO THE TOTAL NUMBER OF MARIJUANA ARRESTS IN THE STATE.

(2) (I) SUBJECT TO THE LIMITATIONS UNDER SUBSECTION (A)(6) OF THIS SECTION, EACH COUNTY SHALL ADOPT A LAW ESTABLISHING THE PURPOSE FOR WHICH MONEY RECEIVED FROM THE FUND MAY BE USED.

(II) ON OR BEFORE DECEMBER 1 EVERY 2 YEARS, BEGINNING IN 2024, EACH LOCAL JURISDICTION SHALL SUBMIT A REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE SENATE BUDGET AND TAXATION COMMITTEE, THE SENATE FINANCE COMMITTEE, THE HOUSE JUDICIARY COMMITTEE, AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE ON HOW FUNDS RECEIVED FROM THE FUND WERE SPENT DURING THE IMMEDIATELY PRECEDING 2 FISCAL YEARS.

Article – Transportation

21-903.

(a) (1) In this section the following words have the meanings indicated.

(2) “Alcoholic beverage” means a spirituous, vinous, malt, or fermented liquor, liquid, or compound that contains at least 0.5% alcohol by volume and is fit for beverage purposes.

(3) “CANNABIS” HAS THE MEANING STATED IN § 5-101 OF THE CRIMINAL LAW ARTICLE.

~~[(3)]~~ (4) (i) “Passenger area” means an area that:

1. Is designed to seat the driver and any passenger of a motor vehicle while the motor vehicle is in operation; or

2. Is readily accessible to the driver or a passenger of a motor vehicle while in their seating positions.

(ii) “Passenger area” does not include:

(Over)

1. A locked glove compartment;
2. The trunk of a motor vehicle; or
3. If a motor vehicle is not equipped with a trunk, the area behind the rearmost upright seat or an area that is not normally occupied by the driver or a passenger of the motor vehicle.

(b) This section applies to a motor vehicle that is driven, stopped, standing, or otherwise located on a highway.

(c) A driver of a motor vehicle may not consume an alcoholic beverage, OR SMOKE OR CONSUME CANNABIS, in a passenger area of a motor vehicle on a highway.

(d) Notwithstanding § 6–320, § 6–321, or § 6–322 of the Alcoholic Beverages Article, or any other provision of law, the prohibition contained in this section applies throughout the State.”.

AMENDMENT NO. 3

On page 44, after line 7, insert:

“SECTION 8. AND BE IT FURTHER ENACTED, That, if the voters ratify Chapter (H.B. 1) of the Acts of the General Assembly of 2022, legalizing cannabis in the State, it is the intent of the General Assembly that:

(1) the Office of the Executive Director of the Alcohol and Tobacco Commission shall be the successor of the Natalie M. LaPrade Medical Cannabis Commission in matters concerning the regulation of medical cannabis;

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(2) the transfer of personnel from the Natalie M. LaPrade Medical Cannabis Commission to the Office of the Executive Director of the Alcohol and Tobacco Commission shall be studied jointly by the Commissions; and

(3) on or before January 1, 2023, the Commissions shall make a recommendation to the General Assembly, in accordance with § 2-1257 of the State Government Article, on how to transfer personnel in a manner that:

(i) will minimize the costs of the transfer and result in a more cost-efficient operation for the regulation of cannabis for the protection of the public health, safety, and welfare of the State;

(ii) does not result in any diminution of pay, working conditions, benefits, rights, or status; and

(iii) allows personnel to retain any merit system and retirement status they may have on the date of transfer.”;

and in line 8, strike “8.” and substitute “9.”.

On page 46, in lines 3, 20, 27, and 31, strike “9.”, “10.”, “11.”, and “12.”, respectively, and substitute “10.”, “13.”, “14.”, and “15.”, respectively; after line 19, insert:

“SECTION 11. AND BE IT FURTHER ENACTED, That the State may not issue applications for new licenses to an adult-use cannabis cultivator, processor, retailer, or any other adult-use cannabis establishment until the report required under Section 9 of this Act is received and reviewed by the Legislative Policy Committee.

SECTION 12. AND BE IT FURTHER ENACTED, That, on or before December 1, 2022, the Attorney General shall, in accordance with § 2-1257 of the State Government Article, provide to the General Assembly a formal opinion regarding the

(Over)

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impact of cannabis legalization on the authority of police officers to conduct searches of individuals and vehicles based on detection of the odor of burnt or unburnt cannabis, including in cases involving suspicion of possession with intent to distribute cannabis, growing or manufacturing cannabis or cannabis products, or driving under the influence of cannabis.”;

in line 28, strike “and 7” and substitute “7, and 8”; and in line 32, strike “11” and substitute “14”.

On page 47, in lines 1, 3, 5, and 8, strike “13.”, “14.”, “15.”, and “16.”, respectively, and substitute “16.”, “17.”, “18.”, and “19.”, respectively; in lines 2, 4, and 6, in each instance, strike “11” and substitute “14”; in line 4, strike “2028” and substitute “2023”; and in line 9, strike “12, 13, 14, and 15” and substitute “15, 16, 17, and 18”.