

HB0556/763824/1

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 556
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 10, after “Division” insert “as an independent unit”; and in line 20, strike “local jurisdictions” and substitute “political subdivisions”.

On page 2, in line 3, after “Program;” insert “requiring the Commission to contract with an independent consultant to complete a study on wholesale cannabis licenses; requiring the study to be submitted to certain persons on or before a certain date; requiring the Maryland Economic Development Corporation to identify certain locations and submit a certain report to the General Assembly; requiring the Commission to study and report on certain matters relating to on-site consumption and certain cannabis products;”;

after line 28, insert:

“BY renumbering

Article - Alcoholic Beverages

Section 1-101(d) through (y) and (z) through (ii)

to be Section 1-101(e) through (z) and (bb) through (kk), respectively

Annotated Code of Maryland

(2016 Volume and 2022 Supplement)”;

after line 33, insert:

“BY adding to

Article – Alcoholic Beverages

Section 1-101(d) and (aa), 1-309.1, 1-309.2, and 1-323; and 36-101 through 36-1507 to be under the new division “Division III. Cannabis”

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Annotated Code of Maryland
(2016 Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,

Article - Alcoholic Beverages

Section 1-101(g) and (r)

Annotated Code of Maryland

(2016 Volume and 2022 Supplement)

(As enacted by Section 4 of this Act)”;

and in line 36, strike “1–101(f) and (q)” and substitute “1–202”.

On pages 2 and 3, strike in their entirety the lines beginning with line 41 on page 2 through line 5 on page 3, inclusive.

On page 4, after line 1, insert:

“BY repealing and reenacting, with amendments,

Article - State Personnel and Pensions

Section 23-201(a)(13) and (14) and 26-201(a)(22)

Annotated Code of Maryland

(2015 Replacement Volume and 2022 Supplement)

BY adding to

Article - State Personnel and Pensions

Section 23-201(a)(15)

Annotated Code of Maryland

(2015 Replacement Volume and 2022 Supplement)”;

and in line 22, after “4.” insert “AND BE IT FURTHER ENACTED, That Section(s) 1–101(d) through (y) and (z) through (ii) of Article – Alcoholic Beverages of the Annotated

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Code of Maryland be renumbered to be Section(s) 1–101(e) through (z) and (bb) through (kk), respectively.

SECTION 5.”.

AMENDMENT NO. 2

On page 4, after line 26, insert:

“(D) (1) “CANNABIS” MEANS THE PLANT CANNABIS SATIVA L. AND ANY PART OF THE PLANT, INCLUDING ALL DERIVATIVES, EXTRACTS, CANNABINOIDS, ISOMERS, ACIDS, SALTS, AND SALTS OF ISOMERS, WHETHER GROWING OR NOT, WITH A DELTA–9–TETRAHYDROCANNABINOL CONCENTRATION GREATER THAN 0.3% ON A DRY WEIGHT BASIS.

(2) “CANNABIS” INCLUDES CANNABIS PRODUCTS.

(3) “CANNABIS” DOES NOT INCLUDE HEMP OR HEMP PRODUCTS, AS DEFINED IN § 14–101 OF THE AGRICULTURE ARTICLE.”;

in lines 27 and 29, strike “(f)” and “(q)”, respectively, and substitute “(g)” and “(r)”, respectively; and in line 29, strike “BEVERAGE” and substitute “**BEVERAGES**”.

On page 5, after line 2, insert:

“(AA) “POLITICAL SUBDIVISION” MEANS A COUNTY OR A MUNICIPALITY.

1–202.

(a) To the extent that a statement of a general rule of law conflicts or is inconsistent with an exception or a qualification applicable to a special area, particular person, or set of circumstances, the exception or qualification prevails.

(Over)

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(b) A provision in Division II of this article prevails over a conflicting or inconsistent provision in Division I of this article or a provision in the Tax – General Article relating to alcoholic beverages.

(C) A PROVISION IN DIVISION III OF THIS ARTICLE PREVAILS OVER A CONFLICTING OR INCONSISTENT PROVISION IN DIVISION I OF THIS ARTICLE OR A PROVISION IN THE TAX – GENERAL ARTICLE RELATING TO CANNABIS.

On page 8, in line 28, strike “WITHIN” and substitute “IN”.

On page 9, in line 27, strike “COMMISSION” and substitute “CANNABIS REGULATION AND ENFORCEMENT DIVISION”.

On page 10, in line 6, after “(E)” insert “(1)”; and after line 11, insert:

“(2) THE REPORT SHALL ALSO BE SUBMITTED TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.”

On page 13, in line 20, after “tobacco” insert “OR CANNABIS”.

On page 15, in line 19, strike “local jurisdiction” and substitute “POLITICAL SUBDIVISION THAT RECEIVES FUNDS FROM THE FUND UNDER PARAGRAPH (1) OF THIS SUBSECTION”.

On page 18, strike in their entirety lines 16 through 23, inclusive; and in lines 24, 27, and 29, strike “(D)”, “(E)”, and “(F)”, respectively, and substitute “(C)”, “(D)”, and “(E)”, respectively.

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On page 19, in lines 5, 10, 12, 16, and 20, strike “(G)”, “(H)”, “(I)”, “(J)”, and “(K)”, respectively, and substitute “(F)”, “(G)”, “(H)”, “(I)”, and “(J)”, respectively.

On page 20, in lines 8 and 19, strike “(L)” and “(M)”, respectively, and substitute “(K)” and “(L)”, respectively.

On page 21, strike in their entirety lines 29 and 30; and in line 31, strike “(O)” and substitute “(M)”.

On page 22, in lines 3, 8, 11, 18, 21, and 23, strike “(P)”, “(Q)”, “(R)”, “(S)”, “(T)”, and “(U)”, respectively, and substitute “(N) (1)”, “(O)”, “(P)”, “(Q)”, “(R)”, and “(S)”, respectively.

On page 23, in lines 4, 9, 11, 15, 17, 20, and 22, strike “(V)”, “(W)”, “(X)”, “(Y)”, “(Z)”, “(AA)”, and “(BB)”, respectively, and substitute “(T)”, “(U)”, “(V)”, “(X)”, “(Y)”, “(Z)”, and “(AA)”, respectively; in line 10, strike “§ 36-401” and substitute “§ 36-401(C)(3)”; after line 14, insert:

“(W) “INSTITUTION OF HIGHER EDUCATION” HAS THE MEANING STATED IN § 10-101 OF THE EDUCATION ARTICLE.”;

in lines 15 and 16, strike “§ 36-401” and substitute “§ 36-401(C)(2)”; and in line 18, after “UNDER” insert “§ 36-401(C)(4) OF”.

On page 24, in line 22, strike “§ 36-401” and substitute “§ 36-401(C)(1)”.

On page 32, in line 5, after “(J)” insert “(1)”; and after line 7, insert:

(Over)

“(2) THE REPORT SHALL ALSO BE SUBMITTED TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.”

On page 41, in line 17, strike “**DIVISION**” and substitute “**NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION**”.

On page 48 in line 28, and on page 49 in lines 3, 8, and 17 and 18, in each instance, strike “**LOCAL JURISDICTION**” and substitute “**POLITICAL SUBDIVISION**”.

On page 49, in line 9, strike “**JURISDICTIONS**” and substitute “**POLITICAL SUBDIVISIONS**”.

On page 59, in line 30, after “**(A)**” insert “**IN THIS SECTION, “FUND” MEANS THE MEDICAL CANNABIS COMPASSIONATE USE FUND.**”

(B)”.

On page 60, in lines 1, 10, and 17, strike “**(B)**”, “**(C)**”, and “**(D)**”, respectively, and substitute “**(C)**”, “**(D)**”, and “**(E)**”, respectively; in lines 2, 5, 10, 17, 20, 22, 27, and 31, in each instance, strike “**COMPASSIONATE USE**”; strike in their entirety lines 23 through 26, inclusive, and substitute:

“(F) THE FUND CONSISTS OF:

(1) FEES ESTABLISHED UNDER SUBSECTION (C)(1)(II) OF THIS SECTION;

(2) FINES ASSESSED BY THE DIVISION UNDER THIS TITLE;

(3) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

(4) INTEREST EARNINGS; AND

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

(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.”;

and in lines 27 and 30, strike “(4)” and “(5)”, respectively, and substitute “(H)” and “(I)”, respectively.

On page 61, in lines 1, 5, and 7, strike “(E)”, “(F)”, and “(G)”, respectively, and substitute “(J)”, “(K)”, and “(L)”, respectively; and in lines 1 and 5, in each instance, strike “COMPASSIONATE USE”.

On page 64, in lines 14 and 21, in each instance, strike “ADVERTISEMENTS” and substitute “AN ADVERTISEMENT”; and in line 15, strike “MAKE” and substitute “MAKES”.

On page 66, in line 9, strike “IF A PERSON WOULD LIKE TO” and substitute “TO”; in line 10, strike “THE” and substitute “A”; and in line 11, strike “MUST” and substitute “SHALL”.

On page 70, in line 24, after “CANNABIS” insert “THAT IS AUTHORIZED UNDER THIS TITLE”.

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On page 72, in line 10, strike “ANY PERSON” and substitute “AN INDIVIDUAL”.

On page 85, in line 28, strike “5.” and substitute “6.”.

On page 86, in lines 1, 14, 23, and 28, strike “6.”, “7.”, “8.”, and “9.”, respectively, and substitute “7.”, “8.”, “9.”, and “10.”, respectively; and strike beginning with “June” in line 14 down through “2023” in line 15 and substitute “the effective date of this Act”.

On page 87, in lines 2, 16, 19, 21, 27, 31, and 35, strike “10.”, “11.”, “4”, “4”, “4”, “4”, and “4”, respectively, and substitute “11.”, “12.”, “5”, “5”, “5”, “5”, and “5”, respectively.

On page 88, in lines 6 and 12, strike “12.” and “13.”, respectively, and substitute “17.” and “18.”, respectively.

AMENDMENT NO. 3

On page 16, after line 1, insert:

“(5) “OFFICE” MEANS THE OFFICE OF SOCIAL EQUITY.”;

in lines 2 and 14, strike “(5)” and “(6)”, respectively, and substitute “(6)” and “(7)”, respectively; and in lines 22, 26, and 28, in each instance, strike “COMMISSION” and substitute “OFFICE”.

On page 17, in lines 3, 14, and 20, in each instance, strike “COMMISSION” and substitute “OFFICE”.

On page 30, in line 13, strike “AND”; in line 15, after “LABORATORIES” insert “; AND”

(6) IDENTIFYING AND DETECTING THE PRESENCE AND PURITY OF CANNABIS, ALCOHOL, AND TOBACCO IN SAMPLES OR SEIZED CONTRABAND IN SUPPORT OF THE REGULATORY AUTHORITY OF THE COMMISSION;

and in line 25, strike “**DIVISION**” and substitute “**TITLE**”.

On page 31, in lines 8 and 24, in each instance, strike “**DIVISION**” and substitute “**TITLE**”.

On page 61, in line 26, after “**DISPENSARY**” insert “**OR A SUPPLIER OF CANNABIS THAT IS LICENSED BY ANY FEDERAL AGENCY TO SUPPLY CANNABIS TO RESEARCHERS**”.

On page 63, strike beginning with “**ENTITY**” in line 11 down through “**TITLE**” in line 12 and substitute “**CANNABIS LICENSEE AND CANNABIS REGISTRANT**”.

On page 65, in line 31, strike the colon.

On page 66, in line 1, strike “**(1)**”; and strike beginning with the semicolon in line 1 down through “**SERVICES**” in line 6.

On page 71, in line 1, strike “**§ 36-701**” and substitute “**SUBTITLE 7**”.

On page 73, after line 24, insert:

“**(C) DEPARTMENT MEANS THE DEPARTMENT OF COMMERCE.**”;

and in line 25, strike “**(C)**” and substitute “**(D)**”.

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On page 74, in line 2, strike “**(D)**” and substitute “**(E)**”; strike beginning with “**FINANCIAL**” in line 14 down through “**INSTITUTION**” in line 15 and substitute “**LENDER**”; in line 22, strike “**IF A LENDER WOULD LIKE TO**” and substitute “**TO**”; strike beginning with the second “**THE**” in line 22 down through “**MUST**” in line 23 and substitute “**A LENDER SHALL**”.

On page 75 in line 21, on page 76 in lines 4 and 29, on page 77 in lines 1, 7, 8, 11, 15, 18, 19, 22, 24, 27, and 30, on page 78 in lines 2, 9, 13, 16, 20, 23, and 31, and on page 79 in lines 9, 11, 19, and 25, in each instance, strike “**LEGITIMATE**”.

On page 75, after line 29, insert:

**“(C) “DEPOSITORY INSTITUTION” MEANS A STATE-CHARTERED OR
FEDERALLY CHARTERED FINANCIAL INSTITUTION, OTHER-STATE BANK, OR
FOREIGN BRANCH THAT:**

**(1) IS LOCATED IN THE STATE OR MAINTAINS BRANCHES IN THE
STATE; AND**

(2) IS AUTHORIZED TO MAINTAIN ACCOUNTS.”;

and in line 30, strike “**(C)**” and substitute “**(D)**”.

On page 76, in line 21, strike “**STATE BANKING REGULATOR**” and substitute “**THE OFFICE OF FINANCIAL REGULATION**”.

On page 77, in line 3, strike “**NOT TO**” and substitute “**TO NOT**”.

On page 78, in line 7, strike “**TITLE**”.

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AMENDMENT NO. 4

On page 19, in line 17, strike “A DELIVERY SERVICE,”.

On page 22, in line 12, strike “REPACKAGES, TRANSFERS,”.

On page 23, in line 5, strike the first comma and substitute “OR”; and in the same line, strike “, OR DISTRIBUTES”.

On page 68, after line 27, insert:

“(D) (1) A DISPENSARY MAY NOT:

(I) PACKAGE OR REPACKAGE CANNABIS OR CANNABIS PRODUCTS;

(II) TRANSFORM CANNABIS OR CANNABIS PRODUCTS INTO ANOTHER PRODUCT OR AN EXTRACT; OR

(III) WRAP, ROLL, OR OTHERWISE ENCASE CANNABIS FOR THE PURPOSE OF SMOKING THE CANNABIS.

(2) A DISPENSARY THAT VIOLATES PARAGRAPH (1) OF THIS SUBSECTION IS SUBJECT TO A FINE NOT EXCEEDING \$1,000, SUSPENSION OR REVOCATION OF A LICENSE, OR BOTH.”.

AMENDMENT NO. 5

On page 22, in lines 4 and 6, strike “(1)” and “(2)”, respectively, and substitute “(I)” and “(II)”, respectively; and after line 7, insert:

“(2) “CONTROL” INCLUDES:

(Over)

(I) HOLDING A VOTING INTEREST OF 5% OR MORE IN A CANNABIS LICENSEE OR A RIGHT TO VETO SIGNIFICANT EVENTS;

(II) THE RIGHT OR AUTHORITY TO MAKE OR VETO DECISIONS REGARDING OPERATIONS AND STRATEGIC PLANNING, CAPITAL ALLOCATIONS, ACQUISITIONS, AND DIVESTMENTS;

(III) THE RIGHT OR AUTHORITY TO APPOINT OR REMOVE DIRECTORS, CORPORATE-LEVEL OFFICERS, OR THEIR EQUIVALENT;

(IV) THE RIGHT OR AUTHORITY TO MAKE MAJOR MARKETING, PRODUCTION, AND FINANCIAL DECISIONS;

(V) THE RIGHT OR AUTHORITY TO EXECUTE EXCLUSIVE CONTRACTS OR SIGNIFICANT CONTRACTS IN THE AGGREGATE OF \$10,000 OR GREATER ON BEHALF OF THE LICENSEE; AND

(VI) THE RIGHT OR AUTHORITY TO EARN 5% OR MORE OF THE PROFITS OR COLLECT 5% OR MORE OF THE DIVIDENDS.”.

On page 23, after line 23, insert:

“(BB) “PASSIVE INVESTOR” MEANS A PERSON OR AN ENTITY THAT:

(1) HOLDS AN AGGREGATE OWNERSHIP INTEREST OF LESS THAN 5% IN A CANNABIS LICENSEE; AND

(2) DOES NOT HAVE CONTROL OF THE CANNABIS LICENSEE.”.

On page 36, in line 8, after “IF” insert “:

1.”;

and in line 9, after “SUBTITLE” insert “;AND

2. THE BUSINESS COMPLIES WITH THE OWNERSHIP RESTRICTIONS UNDER SUBSECTION (E) OF THIS SECTION”.

On page 39, after line 4, insert:

“(4) THE RESTRICTIONS IN PARAGRAPH (2) OF THIS SUBSECTION DO NOT APPLY TO A PERSON OR AN ENTITY WHO HOLDS AN OWNERSHIP INTEREST ONLY AS A PASSIVE INVESTOR.”.

On page 41, after line 18, insert:

“(E) (1) ON OR BEFORE JULY 1, 2024, THE DIVISION SHALL ADOPT MINIMUM STANDARDS FOR LICENSED GROWERS TO PROTECT THE RIGHTS OF THE GROWERS AND EMPLOYEES CONCERNING GRIEVANCES, LABOR DISPUTES, WAGES, RATES OF PAY, HOURS, OR OTHER TERMS OR CONDITIONS OF EMPLOYMENT.

(2) THE STANDARDS SHALL, AT A MINIMUM, PROTECT THE STATE’S INTERESTS BY PROHIBITING A LABOR ORGANIZATION FROM ENGAGING IN PICKETING, WORK STOPPAGES, BOYCOTTS, OR ANY OTHER ECONOMIC INTERFERENCE WITH THE OPERATION OF THE LICENSED GROWER.

(3) AS A CONDITION OF LICENSURE, THE LICENSED GROWER SHALL:

(Over)

(I) COMPLY WITH THE STANDARDS ADOPTED UNDER PARAGRAPH (1) OF THIS SUBSECTION; AND

(II) NEGOTIATE IN GOOD FAITH WITH EMPLOYEES AND ANY LEGITIMATE LABOR ORGANIZATION RECOGNIZED BY THE DIVISION.”.

On page 55, in line 23, strike “JANUARY” and substitute “JULY”; and in line 26, strike “AN INDIVIDUAL” and substitute “A PERSON”.

On page 57, in line 12, after the first “THE” insert “DISABILITY, INCAPACITY, OR”; in the same line, after “LICENSE” insert “, THE BANKRUPTCY OF A CANNABIS LICENSEE, OR COURT ORDER”; in line 14, after “(A)” insert “(1)”; in line 16, strike “A STOCKHOLDER,”; and after line 19, insert:

“(2) “OWNER” DOES NOT INCLUDE A STOCKHOLDER.”.

AMENDMENT NO. 6

On page 39, in line 28, after “PARAGRAPH” insert “AND SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH”.

On page 40, in line 17, after “(III)” insert “AN OPERATIONAL BUSINESS DESCRIBED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY BEGIN TO EXPAND ITS CANOPY OF OPERATIONS:

1. BY NOT MORE THAN 50% OF THE TOTAL SQUARE FOOTAGE AUTHORIZED UNDER SUBPARAGRAPH (I) OR (II) OF THIS PARAGRAPH ON OR AFTER JANUARY 1, 2024; AND

2. FOR THE REMAINING TOTAL SQUARE FOOTAGE AUTHORIZED UNDER SUBPARAGRAPH (I) OR (II) OF THIS PARAGRAPH ON OR AFTER MAY 1, 2024.

(IV)”;

and in line 30, after “REPORT” insert “ANNUALLY”.

On page 41 in line 23, and on page 42 in line 12, in each instance, strike “EACH” and substitute “SUBJECT TO SUBSECTION (F) OF THIS SECTION, EACH”.

On page 43, in lines 2 and 4, in each instance, strike “A” and substitute “SUBJECT TO SUBSECTION (F) OF THIS SECTION, A”; and in line 18, after “(F)” insert “**(1) THE ONE-TIME CONVERSION FEES UNDER THIS SECTION:**

(I) MAY BE PAID IN SEPARATE INSTALLMENTS; AND

(II) SHALL BE PAID IN FULL ON OR BEFORE JANUARY 1, 2025.

(2) THE AMOUNT OF ANY RENEWAL FEE PAID BY A BUSINESS FOR FISCAL YEAR 2023 TO THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION SHALL BE CREDITED AGAINST THE ONE-TIME CONVERSION FEE ASSESSED UNDER THIS SECTION.

(G)”.

On page 54, in line 20, strike “DIVISION” and substitute “NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION”.

(Over)

On page 55, after line 24, insert:

“(F) A CANNABIS LICENSEE SHALL REQUIRE EACH REGISTERED CANNABIS AGENT TO COMPLETE AN ANNUAL RESPONSIBLE VENDOR TRAINING PROGRAM AUTHORIZED UNDER THIS TITLE.

(G) A REGISTRATION OF A CANNABIS AGENT ISSUED BY THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION ON OR BEFORE JULY 1, 2023, SHALL:

(1) BE VALID UNDER THIS TITLE; AND

(2) AUTHORIZE THE CANNABIS AGENT TO BE EMPLOYED BY OR VOLUNTEER WITH A LICENSED CANNABIS BUSINESS.”.

AMENDMENT NO. 7

On page 46, after line 10, insert:

“(E) FOR THE SECOND ROUND OF LICENSING, THE DIVISION SHALL ISSUE LICENSES IN ACCORDANCE WITH SUBSECTION (F) OR (G) OF THIS SECTION.”;

in line 11, strike “(E)” and substitute “(F)”; in the same line, after “THE” insert **“DIVISION, IN CONSULTATION WITH THE CERTIFICATION AGENCY DESIGNATED BY THE BOARD OF PUBLIC WORKS UNDER § 14-303(B) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR’S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, THE GENERAL ASSEMBLY, AND THE”**; in line 12, after “GENERAL” insert a comma; strike beginning with the second “THE” in line 12 down through “INDUSTRY” in line 16 and substitute **“A DISPARITY STUDY DEMONSTRATES A STRONG BASIS IN EVIDENCE OF BUSINESS DISCRIMINATION AGAINST FIRMS OWNED BY MINORITIES AND WOMEN IN THE MARYLAND**

CANNABIS MARKET"; strike beginning with "ENTER" in line 16 down through "AND" in line 18; and in line 18, strike "TO THE APPLICANTS" and substitute "A SECOND ROUND OF LICENSES, EMPLOYING REMEDIAL MEASURES CONSISTENT WITH CONSTITUTIONAL REQUIREMENTS, FOR".

On page 47, strike in their entirety lines 1 through 12, inclusive, and substitute:

"(2) IF THE DIVISION, IN CONSULTATION WITH THE CERTIFICATION AGENCY DESIGNATED BY THE BOARD OF PUBLIC WORKS UNDER § 14-303(B) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, THE GENERAL ASSEMBLY, AND THE OFFICE OF THE ATTORNEY GENERAL, DETERMINES THAT A LOTTERY SYSTEM EMPLOYING REMEDIAL MEASURES ESTABLISHED IN ACCORDANCE WITH A DISPARITY STUDY CAN BE CONDUCTED CONSISTENT WITH CONSTITUTIONAL REQUIREMENTS, THE DIVISION SHALL AWARD LICENSES UNDER PARAGRAPH (1) OF THIS SUBSECTION THROUGH A LOTTERY PROCESS THAT EMPLOYS REMEDIAL MEASURES.";

in line 13, strike "(F)" and substitute "(G)"; in line 14, after the first "THE" insert "DIVISION, IN CONSULTATION WITH THE CERTIFICATION AGENCY DESIGNATED BY THE BOARD OF PUBLIC WORKS UNDER § 14-303(B) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, THE GENERAL ASSEMBLY, AND THE"; in the same line, after "GENERAL" insert a comma; strike beginning with the third "THE" in line 14 down through the second "OF" in line 16; and in line 16, after "STUDY" insert "DOES NOT DEMONSTRATE A STRONG BASIS IN EVIDENCE OF BUSINESS DISCRIMINATION AGAINST FIRMS OWNED BY MINORITIES AND WOMEN IN THE MARYLAND CANNABIS MARKET".

(Over)

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On page 48, in line 14, strike “**SECOND ROUND APPLICATION**” and substitute “**APPLICATION**”; in line 16, strike “**(G)**” and substitute “**(H)**”; in line 17, strike “**PARAGRAPH (2)**” and substitute “**SUBSECTION (F) OR (G)**”; in the same line, strike “**SUBSECTION**” and substitute “**SECTION**”; in line 18, after “**LICENSES**” insert “**IN ACCORDANCE WITH THIS SUBSECTION.**”

(2) THE DIVISION SHALL AWARD LICENSES;

in line 19, strike “**(2)**” and substitute “**(3)**”; in the same line, after “**DIVISION**” insert “**MAY**”; strike beginning with “**SHALL**” in line 20 down through “**MAY**” in line 23; and strike beginning with “**OR**” in line 24 down through “**STUDY**” in line 26 and substitute “**AND**”

(II) EMPLOY REMEDIAL MEASURES, CONSISTENT WITH CONSTITUTIONAL REQUIREMENTS, IF THE DIVISION, IN CONSULTATION WITH THE CERTIFICATION AGENCY DESIGNATED BY THE BOARD OF PUBLIC WORKS UNDER § 14-303(B) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR’S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, THE GENERAL ASSEMBLY, AND THE OFFICE OF THE ATTORNEY GENERAL, DETERMINES THAT A DISPARITY STUDY DEMONSTRATES A STRONG BASIS IN EVIDENCE OF BUSINESS DISCRIMINATION AGAINST FIRMS OWNED BY MINORITIES AND WOMEN IN THE MARYLAND CANNABIS MARKET”.

AMENDMENT NO. 8

On page 49, strike line 4 in its entirety; in lines 5 and 7, strike “**(2)**” and “**(3)**”, respectively, and substitute “**(1)**” and “**(2)**”, respectively; in line 7, before “**PROHIBIT**” insert “**IMPOSE LICENSING, OPERATING, OR OTHER FEES OR REQUIREMENTS ON A CANNABIS LICENSEE THAT ARE DISPROPORTIONATELY GREATER OR MORE BURDENSOME THAN THOSE IMPOSED ON OTHER BUSINESSES WITH A SIMILAR IMPACT ON THE AREA WHERE THE CANNABIS LICENSEE IS LOCATED;**”

(3)”;

and after line 22, insert:

“(D) A POLITICAL SUBDIVISION OR SPECIAL TAXING DISTRICT MAY NOT IMPOSE A TAX ON CANNABIS.”.

On page 80, strike in their entirety lines 15 through 17, inclusive, and substitute:

“(3) 1.5% OF THE REVENUE COLLECTED IN EACH COUNTY OUTSIDE THE BOUNDARIES OF A MUNICIPALITY TO THE COUNTY, TO BE USED FOR BEHAVIORAL HEALTH AND DRUG TREATMENT;

(4) 1.5% OF THE REVENUE COLLECTED IN EACH MUNICIPALITY TO THE MUNICIPALITY, TO BE USED FOR BEHAVIORAL HEALTH AND DRUG TREATMENT;”;

in lines 18, 20, and 23, strike “(4)”, “(5)”, and “(6)”, respectively, and substitute “(5)”, “(6)”, and “(7)”, respectively; and in line 24, strike “(5)” and substitute “(6)”.

AMENDMENT NO. 9

On page 17, in line 11, strike “AWARD” and substitute “AMOUNT”; in the same line, strike “ANY”; in the same line, strike “FROM THE COMMISSION” and substitute “ISSUED BY THE OFFICE UNDER THIS SECTION”; in line 12, after “EXCEED” insert “:

(1)”;

in line 13, after “LICENSEE” insert “;OR

(Over)

(II) \$250,000 PER YEAR PER QUALIFYING PARTNERSHIP;

in line 17, after “FOR” insert “**FISCAL YEAR 2025 AND**”; and in the same line, after “YEAR” insert “**THEREAFTER**”.

On page 22, strike beginning with “BEEN” in line 19 down through “CANNABIS” in line 20 and substitute “**HAD ABOVE 150% OF THE STATE’S 10-YEAR AVERAGE FOR CANNABIS POSSESSION CHARGES, AS DETERMINED BY INFORMATION FROM THE ADMINISTRATIVE OFFICE OF THE COURTS**”.

On page 24, in line 16, strike “OR”; and after line 18, insert:

“(III) FOR AT LEAST 2 YEARS, ATTENDED A 4-YEAR INSTITUTION OF HIGHER EDUCATION IN THE STATE WHERE AT LEAST 40% OF THE INDIVIDUALS WHO ATTEND THE INSTITUTION OF HIGHER EDUCATION ARE ELIGIBLE FOR A PELL GRANT; OR”.

On page 26, in lines 5 and 7, in each instance, strike “DIVISION” and substitute “**TITLE**”; after line 16, insert:

“(3) DEVELOP A PROCESS FOR CONSUMERS TO PURCHASE CLONES AND SEEDS, SEEDLINGS, STALKS, ROOTS, AND STEMS OF THE CANNABIS PLANT FOR CULTIVATION IN ACCORDANCE WITH § 5-601.2 OF THE CRIMINAL LAW ARTICLE;”;

and in lines 17 and 24, strike “(3)” and “(4)”, respectively, and substitute “(4)” and “(5)”, respectively.

On page 27, in lines 2, 5, 10, 20, and 22, strike “(5)”, “(6)”, “(7)”, “(8)”, and “(9)”, respectively, and substitute “(6)”, “(7)”, “(8)”, “(9)”, and “(10)”, respectively.

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On page 28, in line 2, strike “**(A)(7)**” and substitute “**(A)(8)**”.

On page 29, in line 8, after “**SHALL**” insert “**;**”

(1)”;

in line 10, after “**REGULATIONS**” insert “**;****AND**”

(2) NOTWITHSTANDING ANY OTHER LAW, REMAIN IN EFFECT UNTIL THE TAKING EFFECT OF NONEMERGENCY REGULATIONS ADOPTED UNDER SUBSECTION (C) OF THIS SECTION”;

in line 11, after “**(C)**” insert “**(1)**”; in line 12, strike “**NECESSARY**”; in the same line, strike “**THE PROVISIONS OF**”; and after line 13, insert:

(2) TO THE EXTENT PRACTICABLE, THE DIVISION SHALL ADOPT REGULATIONS:

(I) REQUIRING CANNABIS LICENSEES TO TRANSITION FROM A CASH SYSTEM AND TO USE TRADITIONAL BANKING SERVICES; AND

(II) ESTABLISHING TRADE PRACTICE RESTRICTIONS.”.

On page 39, after line 15, insert:

(G) A LICENSE ISSUED UNDER THIS TITLE:

(1) IS NOT PROPERTY AND DOES NOT CONFER PROPERTY RIGHTS;

AND

(Over)

(2) IS SUBJECT TO:

(I) SUSPENSION, REVOCATION, AND RESTRICTIONS AUTHORIZED BY LAW; AND

(II) REGULATIONS AUTHORIZED UNDER THIS ARTICLE.

(H) (1) ON AND AFTER JULY 1, 2023, THE HOLDER OF A LICENSE ISSUED BY THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION WHO DOES NOT CONVERT THE LICENSE:

(I) MAY NOT:

1. OPERATE UNDER THE LICENSE; OR

2. RENEW THE LICENSE; BUT

(II) MAY CONTINUE TO HOLD THE LICENSE FOR RESALE TO ANOTHER PERSON FOR CONVERSION UNDER THIS SUBTITLE.

(2) THE PURCHASER OF A LICENSE SOLD BY A LICENSE HOLDER WHO DOES NOT CONVERT A LICENSE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS RESPONSIBLE FOR PAYING THE ONE-TIME CONVERSION FEE UNDER § 36-403 OF THIS SUBTITLE.”.

On page 45, in line 1, strike “OR”; in line 4, after “SUBTITLE” insert “;OR”

(V) CONDUCT A MARKET DEMAND STUDY BEFORE THE FIRST ROUND LICENSES ARE ISSUED”;

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and in line 24, strike “**75**” and substitute “**10**”.

On page 46 in line 26, and on page 47 in line 26, in each instance, strike “**125**” and substitute “**190**”.

On page 49, in line 25, strike “**AN**” and substitute “**A NONPROFIT**”.

On page 50, after line 3, insert:

“(D) AN INCUBATOR SPACE LICENSEE MAY PURCHASE EQUIPMENT TO BE USED BY OTHER INCUBATOR SPACE LICENSEES IN THE SAME INCUBATOR SPACE.”;

and in line 4, strike “**(D)**” and substitute “**(E)**”.

On page 54, in line 28, strike the second “**AND**”.

On page 55, in line 2, after “**CAREGIVERS**” insert “**; AND**”

(3) ENSURE THAT SHELF SPACE IN THE DISPENSARY IS AVAILABLE FOR CANNABIS AND CANNABIS PRODUCTS FROM GROWERS AND PROCESSORS THAT DO NOT SHARE COMMON OWNERSHIP WITH THE DISPENSARY”;

in line 5, strike “**EACH**” and substitute “**A**”; in line 9, strike “**BE ELIGIBLE TO**”; in the same line, after “**REGISTER**” insert “**AS A CANNABIS AGENT**”; and in the same line, strike “**A CANNABIS AGENT**” and substitute “**AN INDIVIDUAL**”.

On page 74, in line 15, after the semicolon insert “**AND**”; strike beginning with “**HAS**” in line 16 down through “**(3)**” in line 17; in line 17, after “**EXCEED**” insert “**:**”

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(I) FOR A DISPENSARY,;

in the same line, after “\$500,000” insert “;OR”

(II) FOR A GROWER OR PROCESSOR, \$1,000,000;

in line 26, after “THAN” insert “:

(1) FOR A DISPENSARY,;

and in the same line, after “\$500,000” insert “;OR”

(2) FOR A GROWER OR PROCESSOR, \$1,000,000.

On page 86, in line 37, strike “and”.

On page 87, in line 1, after “applicants” insert “;and”

(5) establishing a State cannabis testing laboratory at a preexisting site;

in line 21, strike “one applicant” and substitute “five applicants”; in the same line, strike “is a” and substitute “are”; and in line 22, strike “member” and substitute “members”.

AMENDMENT NO. 10

On pages 68 and 69, strike in their entirety the lines beginning with line 29 on page 68 through line 22 on page 69, inclusive.

On page 71, in line 9, strike “**CIVIL IMMUNITIES AND LIABILITIES**” and substitute “**RESERVED**”.

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On pages 71 through 73, strike in their entirety the lines beginning with line 10 on page 71 through line 15 on page 73, inclusive.

AMENDMENT NO. 11

On page 8, in line 21, after “Commission;” insert “AND”; strike beginning with “be” in line 22 down through “(3)” in line 24; and in line 26, after “(d)” insert “THE EXECUTIVE DIRECTOR MAY BE A SWORN POLICE OFFICER WITH THE POWERS GRANTED TO AN OFFICER OR EMPLOYEE OF THE FIELD ENFORCEMENT DIVISION UNDER § 1-313 OF THIS SUBTITLE.”

(E)”.

On page 11, in line 21, strike “THREE” and substitute “TWO”; in line 22, strike “, PROCESSOR, OR DISPENSARY”; after line 22, insert:

“(V) TWO REPRESENTATIVES WHO HOLD A STANDARD PROCESSOR LICENSE UNDER § 36-401 OF THIS ARTICLE;

(VI) TWO REPRESENTATIVES WHO HOLD A STANDARD DISPENSARY LICENSE UNDER § 36-401 OF THIS ARTICLE;”;

in line 23, strike “(V)” and substitute “(VII)”; in the same line, strike “THREE” and substitute “TWO”; strike beginning with the comma in line 23 down through “DISPENSARY” in line 24; after line 24, insert:

“(VIII) TWO REPRESENTATIVES WHO HOLD A MICRO PROCESSOR LICENSE UNDER § 36-401 OF THIS ARTICLE;

(Over)

(IX) TWO REPRESENTATIVES WHO HOLD A MICRO DISPENSARY LICENSE UNDER § 36-401 OF THIS ARTICLE;

(X) ONE REPRESENTATIVE WHO HOLDS AN INCUBATOR SPACE LICENSE UNDER § 36-401 OF THIS ARTICLE;

(XI) ONE REPRESENTATIVE WHO HOLDS AN ON-SITE CONSUMPTION LICENSE UNDER § 36-401 OF THIS ARTICLE;”;

and in lines 25 and 28, strike “(VI)” and “(VII)”, respectively, and substitute “(XII)” and “(XIII)”, respectively.

On page 12, in line 3, strike “(VIII)” and substitute “(XIV)”; and after line 13, insert:

“(4) THE POSITIONS FOR MEMBERS APPOINTED UNDER SUBSECTION (D)(2)(VII) THROUGH (XI) OF THIS SECTION BECOME EFFECTIVE WHEN THE FIRST LICENSES ARE ISSUED UNDER THOSE RESPECTIVE LICENSE TYPES.”.

On page 25, in line 21, after “(A)” insert “(1)”; in line 22, strike “ESTABLISHED WITHIN THE OFFICE OF THE EXECUTIVE DIRECTOR OF” and substitute “IN”; and after line 23, insert:

“(2) THE DIVISION IS AN INDEPENDENT UNIT THAT FUNCTIONS WITHIN, AND REPORTS DIRECTLY ONLY TO, THE COMMISSION.”.

On page 26, in line 1, strike “OFFICERS AND EMPLOYEES” and substitute “STAFF AND RETAIN CONTRACTORS”.

On page 84, after line 21, insert:

“Article – State Personnel and Pensions

23–201.

(a) Except as provided in subsection (b) of this section, §§ 23–203 through 23–205 of this subtitle apply only to:

(13) an individual who, on and before the effective date of participation as defined under § 31–101(c) of this article, is:

(i) a supportive service employee of the Board of Education of Kent County;

(ii) an employee of the Town of Oakland;

(iii) an employee of the City of Frostburg;

(iv) an employee of the Town of Sykesville; or

(v) an employee of the Town of University Park; [and]

(14) an employee of the Maryland Automobile Insurance Fund on or after the date that the Maryland Automobile Insurance Fund begins participation in the Employees’ Pension System; AND

(15) THE EXECUTIVE DIRECTOR OF THE ALCOHOL, TOBACCO, AND CANNABIS COMMISSION, IF THE EXECUTIVE DIRECTOR IS NOT A SWORN POLICE OFFICER WITH THE POWERS GRANTED TO AN OFFICER OF THE FIELD ENFORCEMENT DIVISION UNDER § 1–313 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE.

(Over)

26–201.

(a) Except as provided in subsection (b) of this section, this subtitle applies only to:

(22) the Executive Director of the Alcohol [and], Tobacco, AND CANNABIS Commission, ONLY IF THE EXECUTIVE DIRECTOR IS A SWORN POLICE OFFICER WITH THE POWERS GRANTED TO AN OFFICER OR EMPLOYEE OF THE FIELD ENFORCEMENT DIVISION UNDER § 1-313 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE.”.

On page 86, in lines 7 and 8, 17, and 20, in each instance, strike “Office of the Executive Director of the”; in line 32, after “the” insert “Cannabis Regulation and Enforcement”; and in line 35, after the first “the” insert “Cannabis Regulation and Enforcement”.

AMENDMENT NO. 12

On page 88, after line 5, insert:

“SECTION 13. AND BE IT FURTHER ENACTED, That:

(a) As soon as practicable after the effective date of this Act, the Alcohol, Tobacco, and Cannabis Commission shall contract with an independent consultant to complete a study on wholesale cannabis licenses.

(b) The study shall include:

(1) the costs to regulate wholesale cannabis licenses;

(2) whether there is market necessity for wholesale cannabis licensing;

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(3) whether there is a need for wholesale cannabis licensing to alleviate supply demand and facilitate an equitable marketplace for suppliers and retailers; and

(4) the approximate number of wholesale cannabis licenses appropriate for the size of the marketplace in the State.

(c) On or before June 1, 2024, the Alcohol, Tobacco, and Cannabis Commission shall submit the results of the study required under subsection (a) of this section to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

SECTION 14. AND BE IT FURTHER ENACTED, That:

(a) The Maryland Economic Development Corporation shall identify in each of the following locations a site for proposed use as incubator space, to be established in accordance with § 36-406 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 5 of this Act:

(1) Caroline County, Cecil County, Dorchester County, Kent County, Queen Anne's County, Somerset County, Talbot County, Wicomico County, or Worcester County;

(2) Allegany County, Garrett County, or Washington County;

(3) Baltimore City or a beltway community located in Anne Arundel County or Baltimore County; and

(4) a beltway community located in Montgomery County or Prince George's County.

(b) The site identifications shall include:

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(1) the proposed locations for incubator spaces identified under subsection (a) of this section;

(2) the square footage of the identified locations; and

(3) the estimated costs for construction or renovation of the proposed location to prepare it for use as an incubator space.

(c) In evaluating sites for proposed use as incubator spaces, the Maryland Economic Development Corporation shall consider, in addition to other appropriate criteria, the suitability of converting to incubator space obsolete or underutilized commercial and retail properties such as enclosed malls, big box stores, and warehouse spaces.

(d) On or before January 1, 2024, the Maryland Economic Development Corporation shall submit a report on the identified sites and the qualifying criteria required by this section to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

SECTION 15. AND BE IT FURTHER ENACTED, That:

(a) As soon as practicable after the effective date of this Act, the Alcohol, Tobacco, and Cannabis Commission shall conduct a study on on-site consumption of cannabis and cannabis products at retail premises of cannabis licensees.

(b) The study shall include:

(1) a survey of regulations and trade practices for on-site consumption of cannabis and cannabis products in other states and countries;

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(2) authorizations and restrictions for the use of cannabis distributed at cannabis premises and for the removal of unconsumed cannabis or cannabis products from the premises;

(3) operational procedures and controls for on-site consumption premises and the preparation, use, and consumption of cannabis and cannabis products;

(4) training requirements and safeguards for employees of premises with on-site consumption of cannabis and cannabis products; and

(5) recommendations for policies to implement on-site consumption of cannabis and cannabis products at suitable locations, including suggested legislative and regulatory changes.

(c) The Commission may contract with an independent contractor to conduct the study under this section.

(d) On or before June 1, 2024, the Alcohol, Tobacco, and Cannabis Commission shall submit the results of the study required under subsection (a) of this section to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

SECTION 16. AND BE IT FURTHER ENACTED, That:

(a) The Alcohol, Tobacco, and Cannabis Commission shall study:

(1) types of cannabis products and cannabis-infused products that are not meant to be smoked and that are available in neighboring states and other jurisdictions, such as low-concentration edibles, cannabis-infused soft drinks and other beverages, and related products;

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(2) issues relating to processing, packaging, labeling, and use of these cannabis products as they may be introduced into the Maryland adult-use cannabis regulatory system; and

(3) regulatory and enforcement issues that may arise from the introduction and availability of these cannabis products in Maryland.

(b) On or before July 1, 2024, the Commission shall submit a report, including any proposed legislative or regulatory changes, to the Governor and, in accordance with § 2-1257 of the State Government Article, the Senate Finance Committee and the House Economic Matters Committee.”.