



Wednesday, March 20, 2024

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

RE: House Bill 253 – Cannabis Reform - Alterations - FWA

Dear Chair Beidle -

The Maryland Cannabis Administration (MCA) supports House Bill 253 (HB 253) – Cannabis Reform – Alterations, and respectfully requests a favorable report on the bill with the proposed amendments outlined below. HB 253 is departmental legislation requested by the MCA that seeks to make certain technical and corrective amendments to the Cannabis Reform Act (Chapters 254/255 of the Acts of 2023), which established a commercial market and regulatory structure for the cultivation, manufacture, and distribution of adult-use cannabis, beginning July 1, 2023. These corrections and clarifications will assist the MCA in streamlining its operations and fulfilling the legislative mandate to establish and maintain a safe, accessible and equitable cannabis industry in Maryland.

The bill’s provisions that directly impact the MCA and the licensed cannabis industry include: (1) clarifying that the definition of “cannabis” in 36-101 expressly includes cannabis seeds, seedlings, immature plants, and clones; (2) establishing a “cannabis nursery” registration category that is authorized to distribute seeds, seedlings, immature plants, and clones to adult consumers and patients; (3) replacing certain references to the “Commission” with the “Office of Social Equity” or the “Administration,” as appropriate; (4) clarifying that the hearing and enforcement authority granted under the Act allows MCA to fine or sanction a cannabis licensee for violating the Act or MCA regulations; (5) authorizing the MCA to issue a temporary agent registration based on a third-party criminal records check if an individual has submitted an application to the FBI’s Criminal Justice Information System (CJIS) and is awaiting the results; and (6) allowing cannabis licensees to sponsor events if a certain percentage of the audience will be 21 years of age or older.

The House of Delegates added amendments to the bill as introduced that were identified by the MCA in collaboration with state agency partners at the Office of Social Equity (OSE), Alcohol, Tobacco, and Cannabis Commission (ATCC), and the Office of the Comptroller, to correct or clarify within the Cannabis Reform Act:

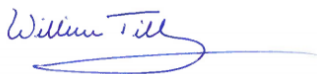
1. Replace “county and, if applicable, the municipality” in 36-407(a) with “political subdivision” to make it consistent with the rest of the Act.
2. Clarify that MCA will provide staff support to the Advisory Board on Medical and Adult-use Cannabis and specify certain responsibilities of the Board..
3. Clarify the ownership restrictions for individuals who hold an ownership interest in, or control of, an incubator license or on-site consumption establishment license.
4. Align the deadlines of certain reports prepared by OSE related to the Community Reinvestment and Repair Fund.
5. Eliminate “medical” from the subtraction modification authorized for cannabis licensees under the Tax-General Article.

In addition, the MCA respectfully requests that the Finance Committee consider one clarifying amendment that was presented by industry stakeholders. The bill as introduced references the approval of an alternative method of background check by the Director of the Central Repository and the Director of the Federal Bureau of Investigation. Upon further consideration, the MCA believes this approval is only granted regarding fingerprint channeling services, rather than the background checks themselves. The MCA is additionally interested in granting more time for the temporary agent registration to be valid to consider delays that have been experienced in fingerprint processing. Therefore - the MCA requests that the committee consider the following amendment to the third reader of HB253:

- On page 17, strike beginning with “AN” in line 1 down through “;” in line 3 and substitute “**A PRE-EMPLOYMENT BACKGROUND CHECK COMPLETED BY A THIRD PARTY VENDOR, IS SUBMITTED TO AND APPROVED BY THE ADMINISTRATION;**”
- On page 17, line 8, strike “60” and substitute “**90**”.

I hope this information is useful. If you have any questions or would like to discuss this further, please contact me at (410) 487-8069 or william.tilburg@maryland.gov or Andrew Garrison, Chief of the Office of Policy and Government Affairs at (443) 844-6114 or andrew.garrison@maryland.gov.

Sincerely,



Will Tilburg, JD, MPH
Director, Maryland Cannabis Administration

cc: Members of the Senate Finance Committee