



Summary of HB0656 and SB0771

Legislation to regulate cannabis for adult use in Maryland

Adult Cultivation and Possession Limits

Adults who are 21 or older could:

- possess up to one ounce of cannabis, five grams of concentrates, and cannabis-infused products containing no more than 500 milligrams of THC;
- cultivate up to four cannabis plants in a secure location that is not visible from outside of the property and that is not accessible to minors; and
- possess cannabis produced from those plants in the same secure location where the cannabis was cultivated.

State Regulation and Licensing

- A new Cannabis Regulation Division in the Office of the Comptroller would be charged with licensing and regulating at least six types of adult-use cannabis businesses: retail stores (which could deliver cannabis and have on-site consumption establishments), cultivation facilities, product manufacturers, transporters, and independent laboratories. Regulators could also create additional types of licenses.
- The Cannabis Regulation Division would be required to issue at least 15% of the licenses to microbusinesses, which would have limits on the applicant's income and the ability to transfer such licenses.
- The Cannabis Regulation Division would develop comprehensive rules, including: governing security, laboratory testing, packaging, labeling, recordkeeping, and inspections; prohibiting dangerous pesticides and additives; and restricting advertising. Products and labeling could not include features designed to appeal to minors, such as cartoons or animals.
- A disparity study would be conducted prior to the issuance of regulations, and any measures justified by that study could be included in the licensing process.
- After determining whether applicants meet basic qualifications, the department would conduct a lottery to determine who receives licenses.

Local Control

- Municipalities and — in reference to unincorporated areas — counties could enact regulations, limit the number of cannabis establishments, or ban them altogether. They could not ban deliveries from businesses licensed elsewhere.

Taxation and Fees

- Cannabis would be subject to an excise tax of \$50 per ounce for flowers, \$15 per ounce for other parts of cannabis, and \$25 per immature plant. This tax would be imposed on sales from a cultivator. The standard 6% sales tax would apply.

- Non-refundable application fees of up to \$5,000 would be imposed on cannabis establishments, with the amount adjusted for inflation.
- After paying for the costs of administration, revenue allocations would include:
 - 10% to science-based treatment and prevention for substance abuse;
 - 10% to address impaired driving, including public education and training of law enforcement to recognize impaired driving;
 - 20% to supporting communities and individuals that have been harmed by marijuana prohibition, including funding for re-entry programs, workforce development, and the Affordable Housing Trust, with a focus on communities that have had above average marijuana arrest rates; and
 - 60% to the Education Trust Fund.

Employers and Private Property

- Landlords could prohibit the growing or smoking of cannabis at their rentals. They could not prohibit possession or non-smoked consumption by tenants.
- Other property owners may prohibit the consumption and display of cannabis.
- Employers would not have to accommodate employees who are under the influence or the possession of cannabis at work.

Expungement, Penalty Reduction, and Resentencing

- The penalty for first offense possession of no more than double the possession limit would be reduced to a civil offense.
- Anyone with a cannabis conviction, including for sales, could petition for expungement or resentencing, and the court would consider the interests of justice — including that cannabis became legal for adults' use.
- Convictions for cannabis possession and cultivation would be automatically expunged, after allowing courts time to do so, and funding would be provided from the tax revenue.
- Refraining from cannabis use would no longer be a condition of parole and probation unless the court or parole board had a reason for requiring it in a specific case.

Prohibited Conduct and Penalties

- Smoking cannabis in public would continue to carry a civil fine of up to \$500. Vaping in public would be a civil offense with a fine of up to \$100.
- Consuming cannabis while driving, or smoking cannabis in a moving vehicle, would be a violation punishable by a fine of up to \$1,000, up to 90 days in jail, and/or suspension of one's driver's license for up to six months for a first offense (regardless of whether there is proof of impairment).
- Growing cannabis in a location that is not secure or in an area open to the public would be punishable by a fine of up to \$750 or up to 50 hours of community service.
- Using a fake ID or otherwise falsely misrepresenting one's age in order to obtain cannabis would be punishable by a fine of up to \$150 or up to 10 hours of community service.

- The department could suspend or revoke the registration of a cannabis establishment for multiple or serious violations.