

# HOUSE BILL 272

A3

4lr0849

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By: **Delegate Grammer**

Introduced and read first time: January 12, 2024

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Cannabis Licensing and Registration – Use of Straw Ownership – Prohibition**

3 FOR the purpose of prohibiting a person from applying for or holding a cannabis license or  
4 registration under certain circumstances if an ownership interest in the license or  
5 registration is for the limited purpose of satisfying certain requirements of  
6 registration or licensure; requiring the Maryland Cannabis Administration to deny  
7 a certain application or revoke a cannabis license or registration if the applicant,  
8 licensee, or registrant is convicted of a violation of this Act; and generally relating to  
9 straw ownership and cannabis licensing and registration.

10 BY adding to  
11 Article – Alcoholic Beverages and Cannabis  
12 Section 36–1103  
13 Annotated Code of Maryland  
14 (2016 Volume and 2023 Supplement)

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

17 **Article – Alcoholic Beverages and Cannabis**

18 **36–1103.**

19 **(A) A PERSON MAY NOT APPLY FOR OR HOLD A CANNABIS LICENSE OR**  
20 **REGISTRATION UNDER THIS TITLE IF AN OWNERSHIP INTEREST IN THE LICENSE OR**  
21 **REGISTRATION IS:**

22 **(1) NOMINAL OR WITHOUT THE BENEFITS AND RISKS OF GENUINE**  
23 **OWNERSHIP; AND**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(2) FOR THE LIMITED PURPOSE OF SATISFYING THE REQUIREMENTS**  
2 **UNDER THIS TITLE FOR CANNABIS LICENSEES OR REGISTRANTS, INCLUDING**  
3 **REQUIREMENTS FOR SOCIAL EQUITY LICENSEES OR REGISTRANTS.**

4           **(B) A PERSON WHO VIOLATES SUBSECTION (A) OF THIS SECTION IS GUILTY**  
5 **OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE OF NOT MORE THAN**  
6 **\$2,500 OR IMPRISONMENT FOR NOT MORE THAN 1 YEAR OR BOTH.**

7           **(C) SUBJECT TO THE HEARING PROVISIONS OF § 36–202 OF THIS TITLE, THE**  
8 **ADMINISTRATION SHALL DENY AN APPLICATION FOR A CANNABIS LICENSE OR**  
9 **REGISTRATION OR REVOKE A CANNABIS LICENSE OR REGISTRATION UNDER THIS**  
10 **TITLE IF THE APPLICANT, CANNABIS LICENSEE, OR REGISTRANT IS CONVICTED OF**  
11 **VIOLATING SUBSECTION (A) OF THIS SECTION.**

12           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 October 1, 2024.