

HOUSE BILL 12

A3

(PRE-FILED)

5lr0082
CF SB 214

By: **Chair, Economic Matters Committee (By Request – Departmental – Alcohol, Tobacco, and Cannabis Commission)**

Requested: September 19, 2024

Introduced and read first time: January 8, 2025

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: February 25, 2025

CHAPTER _____

1 AN ACT concerning

2 **Cannabis – Sale and Distribution – Tetrahydrocannabinol Offenses**

3 FOR the purpose of authorizing the officers and employees of the Field Enforcement
4 Division of the Alcohol, Tobacco, and Cannabis Commission to issue a citation for a
5 certain violation; providing that the display or offering of tetrahydrocannabinol for
6 sale is prima facie evidence of selling tetrahydrocannabinol; prohibiting the sale or
7 distribution of certain products that contain tetrahydrocannabinol or are advertised
8 as containing tetrahydrocannabinol; authorizing the Executive Director of the
9 Commission to seize, destroy, or confiscate a certain unlawful product; and generally
10 relating to the sale and distribution of tetrahydrocannabinol and related offenses.

11 BY repealing and reenacting, with amendments,
12 Article – Alcoholic Beverages and Cannabis
13 Section 1–313 and 6–207
14 Annotated Code of Maryland
15 (2024 Replacement Volume)

16 BY repealing and reenacting, without amendments,
17 Article – Alcoholic Beverages and Cannabis
18 Section 36–1102(a) through (d)
19 Annotated Code of Maryland
20 (2024 Replacement Volume)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



BY adding to

Article – Alcoholic Beverages and Cannabis

Section 36–1104

Annotated Code of Maryland

(2024 Replacement Volume)

BY repealing and reenacting, without amendments,

Article – Criminal Law

Section 10–108

Annotated Code of Maryland

(2021 Replacement Volume and 2024 Supplement)

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

Article – Alcoholic Beverages and Cannabis

1–313.

(a) There is a Field Enforcement Division in the Office of the Executive Director.

(b) (1) The Field Enforcement Division may employ officers and employees as
provided in the State budget.

(2) The officers and employees of the Field Enforcement Division:

(i) shall be sworn police officers;

(ii) shall have the powers, duties, and responsibilities of peace
officers to enforce the provisions of this article relating to:

1. the unlawful importation of alcoholic beverages, tobacco,
and cannabis into the State;

2. the unlawful manufacture of alcoholic beverages, tobacco,
and cannabis in the State;

3. the transportation and distribution throughout the State
of alcoholic beverages, tobacco, and cannabis that are manufactured illegally and on which
any alcoholic beverages taxes, tobacco taxes, or cannabis taxes imposed by the State are
due and unpaid; and

4. the manufacture, sale, barter, transportation,
distribution, or other form of owning, handling, or dispersing alcoholic beverages, tobacco,
or cannabis by any person not licensed or authorized under this article, provisions of the
Tax – General Article relating to alcoholic beverages, tobacco, or cannabis, or provisions of
the Business Regulation Article relating to alcoholic beverages, tobacco, or cannabis; [and]

(iii) **MAY ISSUE A CITATION OR OTHER CHARGING DOCUMENT TO A PERSON WHO HAS COMMITTED A VIOLATION OF § 10–108 OF THE CRIMINAL LAW ARTICLE; AND**

(IV) may make cooperative arrangements for and work and cooperate with the Office of the Comptroller, local State’s Attorneys, sheriffs, bailiffs, police, and other prosecuting and peace officers to enforce this article.

(c) The Field Enforcement Division:

(1) shall consult with and advise the local State’s Attorneys and other law enforcement officials and police officers regarding enforcement problems in their respective jurisdictions; and

(2) may recommend changes to improve the administration of this article, provisions of the Tax – General Article relating to alcoholic beverages, tobacco, and cannabis, and provisions of the Business Regulation Article relating to tobacco.

6–207.

(A) IN THIS SECTION, “TETRAHYDROCANNABINOL” HAS THE MEANING STATED IN § 36–1102 OF THIS ARTICLE.

(B) In a prosecution for selling alcoholic beverages OR TETRAHYDROCANNABINOL without an appropriate license, proof that the defendant displayed or offered alcoholic beverages OR TETRAHYDROCANNABINOL for sale, or kept a place of business where alcoholic beverages OR TETRAHYDROCANNABINOL were displayed or offered for sale, is prima facie evidence that the defendant sold alcoholic beverages OR TETRAHYDROCANNABINOL.

36–1102.

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

(2) “Hemp” has the meaning stated in § 14–401 of the Agriculture Article.

(3) “Tetrahydrocannabinol” means:

(i) any tetrahydrocannabinol, including delta–8–tetrahydrocannabinol, delta–9–tetrahydrocannabinol, and delta–10–tetrahydrocannabinol, regardless of how derived;

(ii) any other cannabinoid, except cannabidiol that the Administration determines to cause intoxication; and

(iii) any other chemically similar compound, substance, derivative, or isomer of tetrahydrocannabinol, as identified by the Administration.

(4) “Tincture” means a solution that is:

(i) dissolved in alcohol, glycerin, or vegetable oil; and

(ii) distributed in a dropper bottle of 4 ounces or less.

(b) (1) A person may not sell or distribute a product intended for human consumption or inhalation that contains more than 0.5 milligrams of tetrahydrocannabinol per serving or 2.5 milligrams of tetrahydrocannabinol per package unless the person is licensed under § 36–401 of this title and the product complies with the:

(i) manufacturing standards established under § 36–203 of this title;

(ii) laboratory testing standards established under § 36–203 of this title; and

(iii) packaging and labeling standards established under § 36–203 of this title.

(2) A person may not sell or distribute a product described under paragraph (1) of this subsection to an individual under the age of 21 years.

(c) A person may not sell or distribute a cannabinoid product that is not derived from naturally occurring biologically active chemical constituents.

(d) (1) Notwithstanding subsection (b) of this section and subject to paragraph (2) of this subsection, it is not a violation of this section for a person to sell or distribute a hemp–derived tincture intended for human consumption that contains:

(i) a ratio of cannabidiol to tetrahydrocannabinol of at least 15 to 1; and

(ii) 2.5 milligrams or less of tetrahydrocannabinol per serving and 100 milligrams or less of tetrahydrocannabinol per package.

(2) To sell or distribute a hemp–derived tincture under this subsection, a person must provide, as required by the Administration, tincture samples for the purpose of testing to determine chemical potency and composition levels and to detect and quantify contaminants.

36–1104.

(A) IN THIS SECTION, “TETRAHYDROCANNABINOL” HAS THE MEANING STATED IN § 36–1102 OF THIS SUBTITLE.

(B) A PERSON MAY NOT SELL OR DISTRIBUTE A PRODUCT CONTAINING TETRAHYDROCANNABINOL THAT VIOLATES THE POTENCY, PACKAGING, OR LABELING REQUIREMENTS UNDER § 36–203 OR § 36–203.1 OF THIS TITLE OR ANY REGULATIONS ADOPTED UNDER THOSE SECTIONS.

(C) (1) A PERSON MAY NOT SELL OR DISTRIBUTE A PRODUCT THAT IS ADVERTISED AS CONTAINING AN AMOUNT OF TETRAHYDROCANNABINOL THAT VIOLATES § 36–1102 OF THIS SUBTITLE.

(2) ADVERTISING UNDER PARAGRAPH (1) OF THIS SUBSECTION INCLUDES PACKAGING, LABELING, OR ELECTRONIC COMMUNICATION.

(D) THE EXECUTIVE DIRECTOR MAY SEIZE, DESTROY, OR CONFISCATE A PRODUCT THAT IS:

(1) OFFERED OR DISPLAYED FOR SALE TO A CONSUMER IN A LOCATION THAT IS NOT APPROPRIATELY LICENSED UNDER SUBTITLE 4 OF THIS TITLE; AND

(2) THE SUBJECT OF A VIOLATION UNDER SUBSECTION (B) OR (C) OF THIS SECTION.

(E) (1) IF A PERSON WHO IS NOT A CANNABIS LICENSEE VIOLATES SUBSECTION (B) OR (C) OF THIS SECTION, THE PERSON:

(I) MAY BE CHARGED BY A CITATION; AND

(II) IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$5,000.

(2) IF A CANNABIS LICENSEE VIOLATES SUBSECTION (B) OR (C) OF THIS SECTION, THE LICENSEE IS SUBJECT TO DISCIPLINARY ACTION BY THE ADMINISTRATION IN ACCORDANCE WITH § 36–202 OF THIS TITLE.

Article – Criminal Law

10–108.

(a) A person who distributes products containing delta-8– or delta-10–tetrahydrocannabinol, including a person licensed under Title 16, Title 16.5, Title 16.7, Title 16.9, or Title 17 of the Business Regulation Article, may not distribute, purchase

for sale, or sell a product containing delta-8- or delta-10-tetrahydrocannabinol to an individual under the age of 21 years.

(b) In a prosecution for a violation of this section, it is a defense that the defendant examined the purchaser's or recipient's driver's license, or other valid identification issued by a governmental unit, that positively identified the purchaser or recipient as being at least 21 years old.

(c) Any website owned, managed, or operated by a person who distributes or sells a product containing delta-8- or delta-10-tetrahydrocannabinol shall employ a neutral age-screening mechanism that verifies that the user is at least 21 years old, including by using an age-gate, age-screen, or age-verification mechanism.

(d) A person who violates this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding:

(1) \$300 for a first violation;

(2) \$1,000 for a second violation occurring within 2 years after the first violation; and

(3) \$3,000 for each subsequent violation occurring within 2 years after the preceding violation.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.