

HOUSE BILL 132

A3

(PRE-FILED)

5lr0130
CF SB 215

By: **Chair, Economic Matters Committee (By Request – Maryland Cannabis Administration)**

Requested: October 7, 2024

Introduced and read first time: January 8, 2025

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Cannabis – On-Site Consumption Establishments and Cannabis Events**

3 FOR the purpose of limiting application submissions for on-site consumption licenses to
4 social equity applicants under certain circumstances; authorizing a political
5 subdivision to establish hours of operation for on-site consumption establishments;
6 authorizing the holder of an on-site consumption license to repackage and process
7 cannabis and cannabis products under certain circumstances; establishing certain
8 prohibitions for on-site consumption establishments related to the sale, distribution,
9 and consumption of cannabis; authorizing the holder of a certain cannabis event
10 registration established under this Act to hold certain cannabis events under certain
11 circumstances; establishing certain vendor permits for the sale or distribution of
12 cannabis products at cannabis events; authorizing political subdivisions to prohibit
13 or restrict the authorization of cannabis events, subject to certain limitations; and
14 generally relating to cannabis, on-site consumption establishments, and cannabis
15 events.

16 BY repealing and reenacting, without amendments,
17 Article – Alcoholic Beverages and Cannabis
18 Section 36–101(a), (c), (h), and (y)
19 Annotated Code of Maryland
20 (2024 Replacement Volume)

21 BY adding to
22 Article – Alcoholic Beverages and Cannabis
23 Section 36–101(c–1) and (ee–1) and 36–407.1
24 Annotated Code of Maryland
25 (2024 Replacement Volume)

26 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Alcoholic Beverages and Cannabis
Section 36–101(i), 36–404(g)(3), and 36–407
Annotated Code of Maryland
(2024 Replacement Volume)

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

Article – Alcoholic Beverages and Cannabis

36–101.

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

(c) “Administration” means the Maryland Cannabis Administration established
under this title.

**(C–1) “CANNABINOID BEVERAGE” MEANS A BEVERAGE INTENDED FOR
HUMAN CONSUMPTION BY ORAL INGESTION THAT:**

(1) IS SUITABLE FOR BEVERAGE PURPOSES;

**(2) CONTAINS 5 MILLIGRAMS OR LESS OF TETRAHYDROCANNABINOL,
AS DEFINED IN § 36–1102 OF THIS TITLE, PER SERVING;**

(3) IS CONTAINED AS A SINGLE–SERVING PRODUCT;

(4) IS LAWFULLY PRODUCED BY A CANNABIS LICENSEE; AND

(5) COMPLIES WITH:

**(I) THE LABORATORY TESTING STANDARDS ESTABLISHED
UNDER § 36–203 OF THIS TITLE; AND**

**(II) THE PACKAGING AND LABELING STANDARDS ESTABLISHED
UNDER §§ 36–203 AND 36–203.1 OF THIS TITLE.**

(h) “Cannabis licensee” means a business licensed by the Administration to
operate in the cannabis industry.

(i) “Cannabis products” means products that are composed of cannabis, cannabis
concentrate, cannabis extract, or other ingredients and are intended for use or
consumption, including **CANNABINOID BEVERAGES**, edible products, oils, and tinctures.

(y) “On–site consumption establishment” means an entity licensed under §

36–401(c)(4) of this title to distribute cannabis or cannabis products for on–site consumption other than consumption by smoking indoors.

(EE–1) (1) “SINGLE–SERVING PRODUCT” MEANS AN EDIBLE CANNABIS PRODUCT THAT:

(I) IS INDIVIDUALLY PACKAGED FOR RETAIL SALE;

(II) DOES NOT EXCEED THE SERVING LIMITS ESTABLISHED BY THE REGULATIONS OF THE ADMINISTRATION; AND

(III) IS INTENDED FOR IMMEDIATE CONSUMPTION.

(2) “SINGLE–SERVING PRODUCT” INCLUDES A CANNABINOID BEVERAGE.

36–404.

(g) (3) Application submissions for micro licenses **AND ON–SITE CONSUMPTION LICENSES** under this subsection are limited to social equity applicants.

36–407.

(a) (1) A person shall obtain an on–site consumption license from the Administration before operating a premises where cannabis may be consumed.

(2) The Administration may issue on–site consumption licenses authorizing an entity to operate a licensed premises in which cannabis **OR CANNABIS PRODUCTS** may be consumed, but not smoked indoors, in accordance with this title and any regulations adopted under this title.

(3) An on–site consumption establishment may operate only if the political subdivision where the business is located has issued a permit or license that expressly allows the operation of the on–site consumption establishment.

(b) Subject to the limitations in § 36–405 of this subtitle, a political subdivision may:

(1) prohibit the operation of on–site consumption establishments;

(2) prohibit or restrict the smoking or vaping of cannabis at on–site consumption establishments; **[or]**

(3) adopt zoning and planning requirements for on–site consumption establishments; **OR**

(4) ESTABLISH HOURS OF OPERATION FOR ON-SITE CONSUMPTION ESTABLISHMENTS.

(c) (1) An on-site consumption license authorizes an entity, **FOR THE PURPOSES OF ON-SITE CONSUMPTION**, to:

(I) distribute cannabis or cannabis products [for on-site consumption];

(II) ACQUIRE CANNABIS OR CANNABIS PRODUCTS FROM A CANNABIS LICENSEE IN ACCORDANCE WITH THIS TITLE;

(III) REPACKAGE CANNABIS OR CANNABIS PRODUCTS FOR THE PURPOSE OF CREATING SINGLE-SERVING PRODUCTS; AND

(IV) PROCESS CANNABIS OR CANNABIS-INFUSED PRODUCTS.

(2) An on-site consumption license does not authorize the holder of the license to[:

(i)] cultivate cannabis[;

(ii) process cannabis or cannabis-infused products; or

(iii) add cannabis to food prepared or served on the premises.

(d) A business that has average daily receipts from the sale of bakery goods that are at least 50% of the average daily receipts of the business may apply for a license to operate an on-site consumption establishment].

(D) AN ON-SITE CONSUMPTION ESTABLISHMENT MAY ALSO OPERATE AS A FOOD SERVICE FACILITY, AS DEFINED IN § 21-301 OF THE HEALTH – GENERAL ARTICLE.

(E) AN ON-SITE CONSUMPTION ESTABLISHMENT SHALL COMPLY WITH THE FOLLOWING STANDARDS WHEN PROCESSING, PREPARING, REPACKAGING, OR INFUSING ANY CANNABIS OR CANNABIS PRODUCTS:

(1) MANUFACTURING STANDARDS ESTABLISHED UNDER § 36-203 OF THIS TITLE;

(2) LABORATORY TESTING STANDARDS ESTABLISHED UNDER § 36-203 OF THIS TITLE; AND

**(3) PACKAGING AND LABELING STANDARDS ESTABLISHED UNDER §§
36-203 AND 36-203.1 OF THIS TITLE.**

[(e)] (F) The Administration shall:

(1) maintain a list of all on-site consumption establishments in the State;
and

(2) make the list available on its website.

[(f)] (G) An on-site consumption establishment may not:

(1) allow on-duty employees of the business to consume cannabis on the
licensed premises;

(2) distribute or allow the distribution of free samples of cannabis on the
licensed premises;

(3) allow the consumption of alcohol on the licensed premises;

(4) allow the smoking or vaping of tobacco or tobacco products on the
licensed premises;

(5) allow an activity on the licensed premises that would require an
additional license under this title, including growing[, processing,] or dispensing;

(6) allow the indoor smoking of cannabis or cannabis products on the
licensed premises;

(7) allow the use or consumption of cannabis by a patron who displays any
visible signs of intoxication; [or]

(8) admit onto the licensed premises an individual who is under the age of
21 years;

**(9) ALLOW AN INDIVIDUAL TO CONSUME CANNABIS OR CANNABIS
PRODUCTS ON THE PREMISES IF THE CANNABIS OR CANNABIS PRODUCT WAS NOT
OBTAINED FROM THE ON-SITE CONSUMPTION ESTABLISHMENT;**

**(10) ALLOW AN INDIVIDUAL TO REMOVE CANNABIS OR CANNABIS
PRODUCTS FROM THE PREMISES OF THE ESTABLISHMENT; OR**

**(11) SELL OR DISTRIBUTE CANNABIS OR CANNABIS PRODUCTS TO AN
INDIVIDUAL THAT ARE INTENDED AS MORE THAN A SINGLE-SERVING PRODUCT.**

1 **[(g)] (H)** An on-site consumption establishment shall:

2 (1) require all employees to successfully complete an annual responsible
3 vendor training program authorized under this title; and

4 (2) ensure that the display and consumption of cannabis or cannabis
5 products are not visible from outside of the licensed premises.

6 **[(h)] (I)** (1) An on-site cannabis establishment shall educate consumers by
7 providing informational materials regarding the safe consumption of cannabis.

8 (2) The educational materials provided under paragraph (1) of this
9 subsection must be based on the requirements established by the Cannabis Public Health
10 Advisory Council established under § 13-4502 of the Health – General Article.

11 **[(i)] (J)** This section does not prohibit a county or municipality from adopting
12 additional requirements for education on the safe consumption of cannabis on the premises
13 of a licensed on-site consumption establishment.

14 **[(j)] (K)** A person may have an ownership interest in or control of, including the
15 power to manage and operate, two on-site consumption establishments licensed under this
16 section.

17 **36-407.1.**

18 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
19 **INDICATED.**

20 **(2) “CANNABIS EVENT” MEANS AN EVENT THAT:**

21 **(I) INVOLVES THE CONSUMPTION OF CANNABIS PRODUCTS BY**
22 **INDIVIDUALS ON THE PREMISES OF THE EVENT; AND**

23 **(II) WAS AUTHORIZED BY THE ADMINISTRATION THROUGH A**
24 **CANNABIS EVENT REGISTRATION.**

25 **(3) “CANNABIS EVENT REGISTRATION” MEANS A TEMPORARY**
26 **REGISTRATION ISSUED BY THE ADMINISTRATION THAT AUTHORIZES A PERSON TO**
27 **HOLD A CANNABIS EVENT.**

28 **(4) “VENDOR PERMIT” MEANS A PERMIT ISSUED BY THE**
29 **ADMINISTRATION TO A CANNABIS LICENSEE THAT AUTHORIZES THE SALE OR**
30 **DISTRIBUTION OF CANNABIS PRODUCTS TO INDIVIDUALS AT A CANNABIS EVENT.**

1 **(B) (1) A PERSON SHALL OBTAIN A CANNABIS EVENT REGISTRATION**
2 **FROM THE ADMINISTRATION BEFORE HOLDING A CANNABIS EVENT.**

3 **(2) THE ADMINISTRATION SHALL:**

4 **(I) MAINTAIN A LIST OF ALL CANNABIS EVENTS IN THE STATE;**
5 **AND**

6 **(II) MAKE THE LIST AVAILABLE ON THE ADMINISTRATION'S**
7 **WEBSITE.**

8 **(C) (1) A PERSON WHO HAS OBTAINED A CANNABIS EVENT REGISTRATION**
9 **AND LEGAL CONTROL OF REAL PROPERTY THAT IS THE LOCATION OF THE CANNABIS**
10 **EVENT MAY:**

11 **(I) ALLOW THE CONSUMPTION OF EDIBLE CANNABIS**
12 **PRODUCTS BY INDIVIDUALS AT THE CANNABIS EVENT;**

13 **(II) ACQUIRE CANNABINOID BEVERAGES FOR RETAIL SALE OR**
14 **DISTRIBUTION TO INDIVIDUALS FOR CONSUMPTION AT THE CANNABIS EVENT; AND**

15 **(III) ALLOW A HOLDER OF A VENDOR PERMIT TO SELL OR**
16 **DISTRIBUTE SINGLE-SERVING PRODUCTS AT THE CANNABIS EVENT.**

17 **(2) A CANNABIS EVENT REGISTRATION DOES NOT AUTHORIZE THE**
18 **HOLDER OF THE REGISTRATION TO CONDUCT AN ACTIVITY THAT WOULD REQUIRE**
19 **AN ADDITIONAL LICENSE UNDER THIS TITLE.**

20 **(D) (1) IN ORDER TO OBTAIN A CANNABIS EVENT REGISTRATION UNDER**
21 **SUBSECTION (B) OF THIS SECTION, A PERSON SHALL PROVIDE THE**
22 **ADMINISTRATION WITH THE FOLLOWING:**

23 **(I) GENERAL INFORMATION ABOUT THE CANNABIS EVENT;**

24 **(II) THE TIME, DATE, LOCATION, AND DURATION OF THE**
25 **CANNABIS EVENT;**

26 **(III) NOTICE OF AT LEAST 60 CALENDAR DAYS BEFORE THE**
27 **EVENT; AND**

28 **(IV) ANY OTHER INFORMATION THAT THE ADMINISTRATION**
29 **REQUIRES.**

(2) A CANNABIS EVENT AUTHORIZED BY THE ADMINISTRATION UNDER THIS SECTION SHALL BE LIMITED:

(I) TO A PERIOD OF 48 HOURS; AND

(II) TO 4 CONSECUTIVE DAYS FOR THE SAME OR SIMILAR EVENT AT THE SAME OR APPROXIMATE LOCATION.

(3) (I) A CANNABIS EVENT MAY NOT BE HELD IN VIOLATION OF THIS SUBSECTION.

(II) A CANNABIS EVENT REGISTRATION SHALL BE VOID IF THE HOLDER OF THE REGISTRATION VIOLATES SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(E) (1) THE HOLDER OF A CANNABIS EVENT REGISTRATION MAY NOT:

(I) ALLOW THE SMOKING OR VAPING OF CANNABIS OR CANNABIS PRODUCTS AT THE CANNABIS EVENT;

(II) ALLOW THE USE OR CONSUMPTION OF CANNABIS BY AN INDIVIDUAL WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION; OR

(III) HOLD, OWN, OR CONTROL A CANNABIS LICENSE.

(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE HOLDER OF A CANNABIS EVENT REGISTRATION FOR THE PURPOSE SPECIFIED UNDER SUBSECTION (C)(1)(III) OF THIS SECTION MAY NOT:

1. ADMIT ONTO THE CANNABIS EVENT PREMISES AN INDIVIDUAL WHO IS UNDER THE AGE OF 21 YEARS; OR

2. ALLOW THE CONSUMPTION OF ALCOHOL ON THE PREMISES OF THE CANNABIS EVENT.

(II) THE PROHIBITIONS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH DO NOT APPLY IF THE SALE, DISTRIBUTION, AND CONSUMPTION OF CANNABIS PRODUCTS ARE RESTRICTED TO AN AREA WITHIN THE EVENT THAT:

1. PROHIBITS ACCESS TO INDIVIDUALS UNDER THE AGE OF 21 YEARS;

2. DOES NOT AUTHORIZE THE SALE, DISTRIBUTION, OR CONSUMPTION OF ALCOHOL; AND

1 **3. IS NOT VISIBLE FROM ANY PUBLIC PLACE OR**
2 **UNRESTRICTED AREA OF THE CANNABIS EVENT.**

3 **(F) (1) THE HOLDER OF A VENDOR PERMIT MAY SELL OR DISTRIBUTE**
4 **SINGLE-SERVING PRODUCTS TO INDIVIDUALS AT A CANNABIS EVENT.**

5 **(2) A CANNABIS LICENSEE SHALL SUBMIT A REQUEST FOR A VENDOR**
6 **PERMIT TO THE ADMINISTRATION AT LEAST 30 CALENDAR DAYS BEFORE THE**
7 **CANNABIS EVENT.**

8 **(3) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE**
9 **ADMINISTRATION SHALL ISSUE VENDOR PERMITS TO:**

10 **(I) SOCIAL EQUITY LICENSEES ON OR BEFORE JUNE 30, 2028;**
11 **AND**

12 **(II) SOCIAL EQUITY, DISPENSARY, ON-SITE CONSUMPTION, OR**
13 **PROCESSOR LICENSEES ON OR AFTER JULY 1, 2028.**

14 **(4) THE HOLDER OF A VENDOR PERMIT SHALL COMPLY WITH:**

15 **(I) THE MANUFACTURING STANDARDS ESTABLISHED UNDER §**
16 **36-203 OF THIS TITLE;**

17 **(II) THE LABORATORY TESTING STANDARDS ESTABLISHED**
18 **UNDER § 36-203 OF THIS TITLE;**

19 **(III) PACKAGING AND LABELING STANDARDS ESTABLISHED**
20 **UNDER §§ 36-203 AND 36-203.1 OF THIS TITLE; AND**

21 **(IV) APPLICABLE REGULATIONS ADOPTED UNDER THIS TITLE.**

22 **(G) (1) THE SALE OF CANNABIS AND CANNABIS PRODUCTS UNDER THIS**
23 **SECTION IS SUBJECT TO THE SALES AND USE TAX AT THE RATE APPLICABLE TO**
24 **CANNABIS SALES UNDER § 11-104(K) OF THE TAX – GENERAL ARTICLE.**

25 **(2) THE LOCATION OF A CANNABIS EVENT SHALL BE THE BASIS FOR**
26 **CALCULATING ANY AMOUNT OF THE SALES AND USE TAX DISTRIBUTED UNDER §**
27 **2-1302.2 OF THE TAX – GENERAL ARTICLE.**

28 **(H) (1) THE ADMINISTRATION SHALL CHARGE A \$500 FEE FOR EACH DAY**
29 **THAT A CANNABIS EVENT IS HELD.**

1 **(2) FOR A VENDOR PERMIT AT A CANNABIS EVENT, THE**
2 **ADMINISTRATION MAY NOT CHARGE A FEE OF MORE THAN \$5,000 FOR EVERY 2,000**
3 **CANNABIS EVENT ATTENDEES.**

4 **(I) SUBJECT TO THE LIMITATIONS IN § 36–405 OF THIS SUBTITLE, A**
5 **POLITICAL SUBDIVISION MAY:**

6 **(1) PROHIBIT OR RESTRICT THE AUTHORIZATION OF CANNABIS**
7 **EVENT REGISTRATIONS; OR**

8 **(2) ASSESS AN ADDITIONAL FEE ON CANNABIS EVENT REGISTRATIONS**
9 **THAT AUTHORIZE A CANNABIS EVENT WITHIN THE POLITICAL SUBDIVISION.**

10 **(J) THE ADMINISTRATION, A POLITICAL SUBDIVISION, OR A LAW**
11 **ENFORCEMENT AGENCY, AS DEFINED IN § 3–201 OF THE PUBLIC SAFETY ARTICLE,**
12 **MAY ORDER THE IMMEDIATE CESSATION OF A CANNABIS EVENT IF:**

13 **(1) THE HOLDER OF A CANNABIS EVENT REGISTRATION OR VENDOR**
14 **PERMIT SELLS OR DISTRIBUTES CANNABIS OR CANNABIS PRODUCTS IN VIOLATION**
15 **OF THIS TITLE; OR**

16 **(2) IT IS OTHERWISE NECESSARY TO PROTECT THE IMMEDIATE**
17 **PUBLIC HEALTH, SAFETY, AND WELFARE OF THE CANNABIS EVENT ATTENDEES AND**
18 **SURROUNDING COMMUNITY.**

19 **(K) A PERSON WHO HOLDS AN UNAUTHORIZED CANNABIS EVENT IN**
20 **VIOLATION OF THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS**
21 **SUBJECT TO A FINE NOT EXCEEDING \$5,000.**

22 **(L) THE ADMINISTRATION SHALL ADOPT REGULATIONS TO CARRY OUT**
23 **THIS SECTION.**

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