

# HOUSE BILL 805

A3, L1

(4lr2602)

## ENROLLED BILL

— Economic Matters/Finance —

Introduced by **Delegate Wilson**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

#### 2 Cannabis – Licensee Locations – Restrictions

3 FOR the purpose of altering the distance restrictions applicable to a licensed cannabis  
4 dispensary; prohibiting a political subdivision from establishing certain zoning  
5 requirements for licensed cannabis dispensaries and certain licensed cannabis  
6 growers that are more restrictive than certain zoning restrictions applicable to  
7 certain other entities; clarifying the authority of a political subdivision to alter  
8 certain distance requirements; *authorizing certain individuals to file a protest with*  
9 *the Maryland Cannabis Administration against the renewal of a cannabis license;*  
10 *establishing standards and requirements for the Administration's consideration of a*  
11 *protest; ~~authorizing certain individuals to file a protest with the Maryland Cannabis~~*  
12 *Administration against the renewal of a cannabis license; ~~establishing standards~~*  
13 *and requirements for the Administration's consideration of a protest; requiring a*  
14 *political subdivision to grant a waiver to certain zoning requirements to a licensed*

#### 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.

*Italics indicate opposite chamber / conference committee amendments.*



1 cannabis dispensary that was operating before a certain date; and generally relating  
2 to cannabis licensees and zoning restrictions.

3 BY repealing and reenacting, without amendments,  
4 Article – Alcoholic Beverages and Cannabis  
5 Section 1–101(a) and (dd)  
6 Annotated Code of Maryland  
7 (2016 Volume and 2023 Supplement)

8 BY repealing and reenacting, with amendments,  
9 Article – Alcoholic Beverages and Cannabis  
10 Section 36–405 and 36–410  
11 Annotated Code of Maryland  
12 (2016 Volume and 2023 Supplement)

13 BY adding to  
14 Article – Alcoholic Beverages and Cannabis  
15 Section 36–411  
16 Annotated Code of Maryland  
17 (2016 Volume and 2023 Supplement)

18 ~~BY adding to~~  
19 ~~Article – Alcoholic Beverages and Cannabis~~  
20 ~~Section 36–411~~  
21 ~~Annotated Code of Maryland~~  
22 ~~(2016 Volume and 2023 Supplement)~~

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

25 **Article – Alcoholic Beverages and Cannabis**

26 1–101.

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

28 (dd) (1) “Retail dealer” means a person that sells an alcoholic beverage to any  
29 person other than a license holder.

30 (2) “Retail dealer” includes a county dispensary.

31 36–405.

32 (a) **IN THIS SECTION, “UNDULY BURDEN” INCLUDES IMPOSING A ZONING**  
33 **REQUIREMENT OR RESTRICTION ON THE USE OF PROPERTY BY A CANNABIS**

1 LICENSEE THAT IS MORE RESTRICTIVE THAN THE REQUIREMENTS ESTABLISHED  
2 UNDER § 36-410 OF THIS SUBTITLE.

3 (B) A political subdivision may:

4 (1) establish reasonable zoning requirements for cannabis businesses; and

5 (2) decide how to distribute its allocation of revenue under § 2-1302.2 of  
6 the Tax – General Article.

7 [(b)] (C) A political subdivision may not:

8 (1) establish zoning or other requirements that unduly burden a cannabis  
9 licensee;

10 (2) impose licensing, operating, or other fees or requirements on a cannabis  
11 licensee that are disproportionately greater or more burdensome than those imposed on  
12 other businesses with a similar impact on the area where the cannabis licensee is located;

13 (3) prohibit transportation through or deliveries within the political  
14 subdivision by cannabis businesses located in other political subdivisions;

15 (4) prevent an entity whose license may be converted under §  
16 36-401(b)(1)(ii) of this subtitle and that is in compliance with all relevant medical cannabis  
17 regulations from being granted the license conversion; or

18 (5) negotiate or enter into an agreement with a cannabis licensee or an  
19 applicant for a cannabis license requiring that the cannabis licensee or applicant provide  
20 money, donations, in-kind contributions, services, or anything of value to the political  
21 subdivision.

22 [(c)] (D) The use of a facility by a cannabis licensee is not required to be  
23 submitted to, or approved by, a county or municipal zoning board, authority, or unit if ~~the~~  
24 ~~facility~~:

25 (1) THE FACILITY was properly zoned and operating on or before January  
26 1, 2023; or

27 (2) ~~is used by a grower, processor, or dispensary that~~ THE CANNABIS  
28 LICENSEE:

29 (i) held a Stage One Preapproval for a license before October 1,  
30 2022; and

31 (ii) was not ~~operational~~ ACTIVELY ENGAGED IN THE GROWING,  
32 PROCESSING, OR DISPENSING OF CANNABIS before October 1, 2022.

1            **[(d)] (E)**     A political subdivision or special taxing district may not impose a tax  
2 on cannabis.

3 36–410.

4            (a)     Beginning July 1, 2023, a cannabis licensee that is operating a dispensary  
5 shall:

6                    (1)     ensure that it has adequate supply for qualifying patients and  
7 caregivers;

8                    (2)     set aside operating hours or dedicated service lines to serve only  
9 qualifying patients and caregivers; and

10                   (3)     ensure that at least 25% of cannabis and cannabis products in the  
11 dispensary are from social equity licensees and growers and processors that do not share  
12 common ownership with the dispensary.

13            (b)     Except as provided in subsection (d) of this section, a licensed dispensary may  
14 not locate within:

15                    (1)     500 feet of:

16                            (i)     a pre-existing primary or secondary school in the State, or a  
17 licensed child care center or registered family child care home under Title 9.5 of the  
18 Education Article; or

19                            (ii)    a ~~PRE-EXISTING~~ playground, recreation center, library, [or]  
20 public park, ~~OR PLACE OF WORSHIP~~; or

21                    (2)     1,000 feet of another dispensary under this title.

22            (c)     **(1)    ~~A EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,~~**  
23 **~~A~~** political subdivision may adopt an ordinance reducing, **BUT NOT INCREASING**, the  
24 distance requirements under subsection (b) of this section.

25                    **(2)    A POLITICAL SUBDIVISION MAY BY ORDINANCE INCREASE THE**  
26 **DISTANCE LIMITATION FOR DISPENSARIES UNDER SUBSECTION (B)(2) OF THIS**  
27 **SECTION TO NOT MORE THAN ~~2,000 FEET~~ ONE-HALF MILE.**

28            (d)     The distance requirements under subsection (b) of this section do not apply to  
29 a dispensary license that was:

30                    (1)     converted under § 36–401(b)(1)(ii) of this subtitle; and

1 (2) properly zoned and operating before July 1, 2023.

2 (E) A POLITICAL SUBDIVISION MAY NOT ADOPT AN ORDINANCE  
3 ESTABLISHING ZONING REQUIREMENTS FOR LICENSED DISPENSARIES THAT ARE  
4 MORE RESTRICTIVE THAN ZONING REQUIREMENTS FOR A RETAIL DEALER LICENSED  
5 UNDER THIS ARTICLE.

6 (F) A POLITICAL SUBDIVISION MAY NOT ADOPT AN ORDINANCE:

7 (1) ESTABLISHING A ZONING REQUIREMENT FOR A LICENSED  
8 GROWER CULTIVATING CANNABIS EXCLUSIVELY OUTDOORS IN AN AREA ZONED  
9 ONLY FOR AGRICULTURAL USE THAT IS MORE RESTRICTIVE THAN ANY ZONING  
10 REQUIREMENTS THAT EXISTED ON JUNE 30, 2023, GOVERNING A HEMP FARM  
11 REGISTERED UNDER TITLE 14 OF THE AGRICULTURE ARTICLE IN THE POLITICAL  
12 SUBDIVISION; OR

13 (2) PROHIBITING OUTDOOR CANNABIS CULTIVATION ON A PREMISES  
14 THAT WAS PROPERLY ZONED FOR OUTDOOR CANNABIS CULTIVATION ON OR BEFORE  
15 JUNE 30, 2023.

16 (G) A POLITICAL SUBDIVISION MAY:

17 (1) BY ORDINANCE, ESTABLISH A DISTANCE LIMITATION FOR  
18 DISPENSARIES OF UP TO 100 FEET FROM AN AREA ZONED FOR RESIDENTIAL USE; OR

19 (2) APPLY TO DISPENSARIES THE DISTANCE LIMITATION FOR  
20 LICENSED ALCOHOLIC BEVERAGE RETAILERS FROM AN AREA ZONED FOR  
21 RESIDENTIAL USE.

22 (H) A POLITICAL SUBDIVISION SHALL GRANT A WAIVER TO AN ORDINANCE  
23 THAT PROVIDES A DISTANCE REQUIREMENT FOR DISPENSARIES UNDER THIS  
24 SECTION FOR A LICENSED DISPENSARY THAT WAS IN OPERATION BEFORE APRIL 1,  
25 2024.

26 36-411.

27 (A) (1) A PROTEST AGAINST A LICENSE RENEWAL MAY BE FILED WITH THE  
28 ADMINISTRATION BY AT LEAST 10 INDIVIDUALS WHO ARE:

29 (I) RESIDENTS, COMMERCIAL TENANTS WHO ARE NOT HOLDERS  
30 OF OR APPLICANTS FOR A LICENSE, OR REAL ESTATE OWNERS; AND

31 (II) LOCATED WITHIN 1,000 FEET OF THE LICENSED PREMISES.

1           **(2) A PROTEST AGAINST A LICENSE RENEWAL SHALL:**

2                   **(I) BE ON THE BASIS OF:**

3                           **1. A VIOLATION OF THIS TITLE;**

4                           **2. A VIOLATION OF CIVIL OR CRIMINAL LAW;**

5                           **3. CONDUCT BY A LICENSEE THAT CREATES OR**  
6 **MAINTAINS CONDITIONS THAT ALLOW OTHER INDIVIDUALS TO ACT IN A MANNER**  
7 **THAT DISTURBS THE PUBLIC PEACE, INCLUDING:**

8                           **A. OBSTRUCTION OF PUBLIC RIGHTS-OF-WAY BY**  
9 **UNRULY CROWDS;**

10                          **B. ASSAULT, BATTERY, OR OTHER DISORDERLY**  
11 **CONDUCT THAT DISTURBS THE PUBLIC PEACE;**

12                          **C. VANDALISM; OR**

13                          **D. LITTERING; OR**

14                          **4. ANY OTHER VIOLATION ESTABLISHED BY THE**  
15 **ADMINISTRATION BY REGULATION; AND**

16                   **(II) BE SIGNED UNDER OATH.**

17           **(B) (1) EXCEPT AS PROVIDED UNDER PARAGRAPH (2) OF THIS**  
18 **SUBSECTION, IF A PROTEST AGAINST A LICENSE RENEWAL IS FILED AT LEAST 30**  
19 **DAYS BEFORE THE LICENSE EXPIRES, THE ADMINISTRATION MAY NOT APPROVE THE**  
20 **RENEWAL WITHOUT HOLDING A HEARING.**

21           **(2) THE ADMINISTRATION MAY APPROVE A LICENSE RENEWAL**  
22 **WITHOUT A HEARING IF THE ADMINISTRATION FINDS THAT THE BASIS OF THE**  
23 **PROTEST FILED AGAINST THE RENEWAL IS WITHOUT ANY REASONABLE GROUND.**

24           **(C) IN HEARING AND MAKING A DETERMINATION ON A PROTEST FILED**  
25 **AGAINST A LICENSE RENEWAL, THE ADMINISTRATION:**

26                   **(1) MAY CONSIDER ONLY:**

27                          **(I) ISSUES ARISING OUT OF SPECIFIC COMPLAINTS ABOUT THE**  
28 **OPERATION OF THE LICENSED PREMISES; AND**

1 (II) THE PERFORMANCE OF THE LICENSE HOLDER FOR THE  
2 4-YEAR PERIOD IMMEDIATELY PRECEDING THE DATE OF THE RENEWAL  
3 APPLICATION; AND

4 (2) MAY NOT CONSIDER ZONING ISSUES.

5 (D) THE ADMINISTRATION MAY ADOPT REGULATIONS TO IMPLEMENT THIS  
6 SECTION.

7 36-411.

8 (A) (1) A PROTEST AGAINST A LICENSE RENEWAL MAY BE FILED WITH  
9 THE ADMINISTRATION BY AT LEAST 10 INDIVIDUALS WHO ARE:

10 (I) RESIDENTS, COMMERCIAL TENANTS WHO ARE NOT  
11 HOLDERS OF OR APPLICANTS FOR A LICENSE, OR REAL ESTATE OWNERS; AND

12 (II) LOCATED WITHIN 1,000 FEET OF THE LICENSED PREMISES;

13 (2) A PROTEST AGAINST A LICENSE RENEWAL SHALL:

14 (I) BE ON THE BASIS OF:

15 1. A VIOLATION OF THIS TITLE;

16 2. A VIOLATION OF CIVIL OR CRIMINAL LAW;

17 3. CONDUCT BY A LICENSEE THAT CREATES OR  
18 MAINTAINS CONDITIONS THAT ALLOW OTHER INDIVIDUALS TO ACT IN A MANNER  
19 THAT DISTURBS THE PUBLIC PEACE, INCLUDING:

20 A. OBSTRUCTION OF PUBLIC RIGHTS OF WAY BY  
21 UNRULY CROWDS;

22 B. ASSAULT, BATTERY, OR OTHER DISORDERLY  
23 CONDUCT THAT DISTURBS THE PUBLIC PEACE;

24 C. VANDALISM; OR

25 D. LITTERING; OR

26 4. ANY OTHER VIOLATION ESTABLISHED BY THE  
27 ADMINISTRATION BY REGULATION; AND

1 ~~(H) BE SIGNED UNDER OATH.~~

2 ~~(B) (1) EXCEPT AS PROVIDED UNDER PARAGRAPH (2) OF THIS~~  
3 ~~SUBSECTION, IF A PROTEST AGAINST A LICENSE RENEWAL IS FILED AT LEAST 30~~  
4 ~~DAYS BEFORE THE LICENSE EXPIRES, THE ADMINISTRATION MAY NOT APPROVE THE~~  
5 ~~RENEWAL WITHOUT HOLDING A HEARING.~~

6 ~~(2) THE ADMINISTRATION MAY APPROVE A LICENSE RENEWAL~~  
7 ~~WITHOUT A HEARING IF THE ADMINISTRATION FINDS THAT THE BASIS OF THE~~  
8 ~~PROTEST FILED AGAINST THE RENEWAL IS WITHOUT ANY REASONABLE GROUND.~~

9 ~~(C) IN HEARING AND MAKING A DETERMINATION ON A PROTEST FILED~~  
10 ~~AGAINST A LICENSE RENEWAL, THE ADMINISTRATION:~~

11 ~~(1) MAY CONSIDER ONLY:~~

12 ~~(I) ISSUES ARISING OUT OF SPECIFIC COMPLAINTS ABOUT THE~~  
13 ~~OPERATION OF THE LICENSED PREMISES; AND~~

14 ~~(II) THE PERFORMANCE OF THE LICENSE HOLDER FOR THE~~  
15 ~~4 YEAR PERIOD IMMEDIATELY PRECEDING THE DATE OF THE RENEWAL~~  
16 ~~APPLICATION; AND~~

17 ~~(2) MAY NOT CONSIDER ZONING ISSUES.~~

18 ~~(D) THE ADMINISTRATION MAY ADOPT REGULATIONS TO IMPLEMENT THIS~~  
19 ~~SECTION.~~

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
21 1, 2024.

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
Speaker of the House of Delegates.

\_\_\_\_\_  
President of the Senate.