



News Release

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Media Contact:

David Torres, Communications Director, david.torres@maryland.gov or 410-487-8050

Governor Moore Signs Historic Cannabis Legalization Bill into Law, Establishing new Maryland Cannabis Administration and Paving the Way for Adult-use Sales Beginning July 1

Cannabis Reform Act prioritizes equity in cannabis licensing and directs tens of millions of dollars to communities most harmed by the war on drugs

Linthicum, Maryland - Governor Wes Moore today signed the Cannabis Reform Act into law, moving Maryland one step closer to legal, adult-use cannabis sales beginning July 1. The Act establishes the new Maryland Cannabis Administration (MCA) to regulate the cultivation and sale of cannabis for adults 21 years and older, transitions medical cannabis commission staff to the new regulatory agency, prioritizes equity in cannabis licensing, and directs 35% of cannabis tax revenue to communities in the State most harmed by the war on drugs.

“In November, Marylanders voted overwhelmingly to legalize cannabis and the General Assembly responded by developing a regulatory framework that provides adults with access to safe, tested, legal cannabis beginning on July 1, while bringing revenue and economic opportunities to those Maryland communities most harmed by cannabis criminalization,” said MCA Acting Director, Will Tilburg. “We are working quickly to implement the legislation and develop Maryland as a model for equity and safety in cannabis regulation.”

Seeking to learn from the diversity and equity challenges faced in other legal cannabis markets and in the rollout of the State’s medical program, the legislation establishes an initial licensing round exclusively for social equity applicants, and provides technical application assistance, business support services, and access to capital for social equity applicants. Other significant bill provisions include:

- Establishing an independent Office of Social Equity, which will provide support and assistance to social equity businesses, and make diversity and equity recommendations to MCA;

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- Authorizing MCA to award up to nearly 600 additional licenses over three licensing rounds to grow, process, dispense, and deliver cannabis;
- Establishing new micro grower, processor and dispensary licenses with lower start-up costs available exclusively to social equity applicants;
- Introduces an ‘Incubator Space’ framework, which aims to reduce barriers for small businesses looking to enter the industry by allowing for the State to assist in the acquisition, refurbishment, and ownership of facilities where micro businesses may operate;
- Allocating \$80 million to the Cannabis Business Assistance Fund to provide small, minority-owned and women-owned businesses with application assistance and grants and loans to build or operate a cannabis business;
- Establishing a loan loss reserve program where the State will guarantee qualifying bank loans to social equity licensees for up to \$500,000 for dispensaries and up to \$1 million for growers;
- Distributing 35% of the cannabis tax revenue directly to communities in the State most harmed by cannabis criminalization;
- Establishing a 9% sales and use tax for cannabis - the lowest rate in the nation; and
- Providing financial incentives for existing cannabis businesses to train, mentor, and provide space and equipment to social equity businesses.

Existing medical dispensaries will have the opportunity to convert their licenses and begin selling adult-use cannabis July 1. The MCA is preparing public and consumer education materials to encourage informed, responsible, and safe consumption for adults who choose to consume.

“We want to ensure that adult consumers not only purchase regulated cannabis products from licensed dispensaries, but also understand the effects of these products, especially consumers who are new to cannabis or have not consumed in many years”, said MCA Deputy Director, Dawn Berkowitz. “We will offer information at the point-of-sale to educate consumers on topics including different product types and starting consumption at low-doses, preventing youth access in the home, impaired driving, and smoke-free public spaces.”

Learn more about the Cannabis Reform Act and what to expect beginning July 1 at cannabis.maryland.gov. Individuals seeking additional information on upcoming education and outreach initiatives and the fall 2023 licensing round may also sign up for email updates at <https://mmcc.seamlessdocs.com/f/InformationForm>.

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