

Department of Legislative Services  
Maryland General Assembly  
2026 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 622

(Chair, Economic Matters Committee)(By Request -  
Maryland Cannabis Administration)

Economic Matters

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Cannabis - Licensees - Micro Dispensary Employees and Cannabis Agent  
Training Programs

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This departmental bill increases the number of employees a micro dispensary licensee may employ from 10 to 20 employees. The bill also (1) renames the responsible vendor training program to be the cannabis agent training program; (2) repeals some elements of the core curriculum requirements for the program and requires the Maryland Cannabis Administration (MCA) to adopt regulations specifying the core curriculum elements; and (3) makes conforming changes. **The bill takes effect July 1, 2026.**

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Fiscal Summary

**State Effect:** MCA can implement the bill with existing resources. The bill does not materially affect State revenues.

**Local Effect:** The bill does not affect local government finances or operations.

**Small Business Effect:** MCA has determined that this bill has a meaningful impact on small business (attached). The Department of Legislative Services concurs with this assessment.

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Analysis

**Bill Summary/Current Law:** Chapters 254 and 255 of 2023 established the adult-use cannabis industry in the State by, among other things, establishing MCA as an independent unit of State government responsible for the regulation of adult-use and medical cannabis. MCA's responsibilities generally include promulgating cannabis industry regulations,

licensing and registering cannabis businesses in the State, and enforcing the statutes and regulations related to the cannabis industry. For additional information and current law and information on the State's cannabis industry, see the **Appendix – Medical and Adult-use Cannabis**.

#### *Micro Dispensary Licenses*

*Under current law*, a micro dispensary license authorizes the licensee to operate a delivery service that sells cannabis or cannabis products without a physical storefront, provided that the licensee employs no more than 10 employees. *The bill* increases the authorized number of employees to 20.

#### *Responsible Vendor Training Program*

*Under current law*, MCA must adopt regulations establishing the responsible vendor training program (renamed to be the cannabis agent training program by *the bill*) and the minimum standards for the program. *Under current law*, before offering a specified responsible vendor training program, a person must submit an application that MCA must approve if the proposed training program meets specified minimum educational standards, including a core curriculum of relevant statutory and regulatory provisions.

*Current law* establishes several required elements of the core curriculum. *The bill* requires MCA to adopt regulations specifying the elements of the core curriculum and alters the required elements as follows:

- *the bill* repeals the requirement for the core curriculum to include information on required licenses, age requirements, patient registry cards issued by MCA, maintenance of records, privacy issues, and unlawful acts;
- *the bill* repeals the requirement for the core curriculum to include the statutory and regulatory requirements related to cannabis sale, transfer, and delivery, as well as acceptable forms of identification;
- *the bill* repeals the requirement for the core curriculum to include information on serving size, THC and cannabinoid potency, and impairment; and
- *the bill* requires the core curriculum to include public health and safety standards relevant to each license type.

The following existing required elements of the core curriculum are unchanged by the bill:

- the requirement for the core curriculum to include administrative and criminal liability, license and court sanctions, and statutory and regulatory requirements for employees and owners; and
- the requirement for the core curriculum to include State and local licensing and enforcement.

**Background:** MCA reports that it conducted listening sessions in 2025 for social equity licensees and conditionally licensed micro-dispensaries. These businesses requested that the State increase the statutory limit on the number of micro-dispensary employees allowed.

According to MCA, the intended purpose of the responsible vendor training program is to ensure cannabis agents are trained on critical job aspects and State laws and regulations relevant to their work. The goal is to ensure licensee compliance and the safety of medical cannabis patients, adult-use consumers, and cannabis agents. However, the current focus of the minimum core curriculum topics is on point-of-sale requirements that are not relevant to grower and processor employees. MCA notes that it has received feedback from both conditional and operational licensees that the current training program is irrelevant and burdensome to non-retail businesses. The bill's changes to the program are intended to improve the training program's relevancy and to ensure adequate cannabis agent training on safety, health, and compliance procedures relevant to different licensees.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland Cannabis Administration; Department of Social and Economic Mobility; Alcohol, Tobacco, and Cannabis Commission; Maryland Municipal League; Department of Legislative Services

**Fiscal Note History:** First Reader - March 2, 2026  
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## Appendix – Medical and Adult-use Cannabis

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Chapters 254 and 255 of 2023 established the adult-use cannabis industry in the State by, among other things, (1) attributing cannabis-related duties to the Alcohol and Tobacco Commission and renaming it the Alcohol, Tobacco, and Cannabis Commission (ATCC) and (2) establishing the Maryland Cannabis Administration (MCA) as an independent unit of State government responsible for the regulation of adult-use and medical cannabis. MCA's responsibilities generally include promulgating cannabis industry regulations, licensing and registering cannabis businesses in the State, and enforcing the statutes and regulations related to the cannabis industry. As required under Chapters 254 and 255, in June 2023, ATCC and MCA entered into a memorandum of understanding providing that both parties agree to collaborate on enforcing provisions regarding unlicensed cannabis operations in the State.

### *Adult-use Cannabis*

The sale of adult-use cannabis began on July 1, 2023. A person at least age 21 may use and possess the personal use amount of cannabis, while the possession of the personal use amount of cannabis by a person younger than age 21, as well as the possession of the civil use amount of cannabis, are subject to civil penalties. Possession of more than the civil use amount of cannabis by anyone is subject to a criminal penalty.

### *Medical Cannabis*

MCA is responsible for the State's medical cannabis program, which is intended to make medical cannabis available to qualifying patients in a safe and effective manner. There is a framework to certify health care providers, qualifying patients, and their caregivers to provide qualifying patients with medical cannabis legally under State law via written certification.

### *Social Equity in the Cannabis Industry*

The Office of Social Equity (OSE), originally an independent office functioning within MCA, was redesignated as a unit within the Department of Social and Economic Mobility (DoSEM), which was established by Chapter 605 of 2025. OSE is responsible for promoting and encouraging full participation in the regulated cannabis industry by people from communities that have been disproportionately impacted by the war on drugs in order to positively impact those communities. In this role, OSE is responsible for consulting with other agencies, providing recommendations to and working with MCA, assisting businesses to obtain financing through the Capital Access Program, and managing the

Social Equity Partnership Grant Program (established to promote qualifying partnerships between operational licensees and social equity licensees). OSE is also required to (1) with the assistance of the Comptroller, oversee the Community Reinvestment and Repair Fund (CRRF); (2) oversee the appropriation of funds and the training of recipients of funds from CRRF; and (3) by October 1, 2025, adopt regulations to carry out the statutory provisions related to CRRF as modified by Chapter 195 of 2025; OSE has not yet promulgated the regulations.

### *Cannabis Licensing*

To operate a cannabis business in the State, a person must obtain a cannabis license from MCA. A license is valid for five years on initial licensure and five years upon renewal. MCA must issue licenses for growers, processors, dispensaries, and incubator spaces. Additional licenses include micro licenses for growers, processors, and dispensaries, and on-site consumption licenses. Licensing and renewal fees are established by MCA and range from \$5,000 for social equity applicants for certain licenses to \$50,000 for standard grower licenses. Pursuant to Chapters 254 and 255, medical licensees (growers, processors, and dispensaries) were required to pay a conversion fee based on the licensee's gross revenues for calendar 2022 to convert to medical and adult-use cannabis business licensees of the same type. Essentially all medical licensees (18 grower, 23 processor, and 96 dispensary licensees) converted to cannabis business licensees.

*First- and Second-round Social Equity Licenses:* Social equity applicants are those with at least 65% ownership and control held by one or more individuals who meet certain criteria, such as living in or attending a public school in a disproportionately impacted area (*i.e.*, determined to have had above 150% of the State's 10-year average for cannabis possession charges). MCA conducted its first-round lottery on March 14, 2024, and a second-round lottery on June 28, 2024, awarding a total of 205 (174 in round one and 31 in round two) social equity cannabis business licenses across the micro and standard grower, processor, and dispensary categories.

*Subsequent Licenses:* MCA may issue additional cannabis licenses up to the maximum limit authorized per statute based on the results of a market demand study. Future applications for licenses may be limited to social equity applicants and employ remedial measures based on the results of the disparity study.

### *Advisory Board on Medical and Adult-use Cannabis*

Chapters 254 and 255 also established the Advisory Board on Medical and Adult-Use Cannabis. The advisory board must (1) consider all matters submitted to it by OSE, the Governor, MCA, or the General Assembly and (2) study and make recommendations on a number of issues related to the medical and adult-use cannabis industry in the State. The

advisory board began meeting in May 2024, and has established three subcommittees: Federal, Medical Cannabis, and Adult-use Cannabis.

### *Local Authority to Regulate Cannabis*

A “political subdivision,” defined as a county or municipality, is authorized to establish zoning requirements for cannabis businesses, allocate cannabis tax revenues, and adopt ordinances that reduce statutory requirements related to specified location restrictions for cannabis businesses. However, a political subdivision is prohibited from taking certain actions specific to cannabis businesses, including imposing a tax on cannabis and establishing restrictions related to transporting cannabis within the political subdivision or fees or requirements on cannabis businesses that are more burdensome than for other businesses. Statute also includes conditions for the operation of on-site consumption establishments; however, to date, MCA has not issued any on-site consumption licenses.

### *Public Health Actions Related to Adult-use Cannabis*

The Cannabis Public Health Advisory Council was established to study and report its findings and recommendations by December 1 each year on specified public health impacts of cannabis legalization. The Cannabis Public Health Fund (CPHF) was also established to generally support the council’s work. The fund receives 5% of the sales and use tax revenues from the sale of adult-use cannabis, which is discussed in more detail below.

### *Cannabis Sales and Use Tax Revenues*

Chapters 254 and 255 established a 9% sales and use tax on the retail sale of adult-use cannabis, and the Budget Reconciliation and Financing Act (BRFA) of 2025 (Chapter 604) increased the tax rate to 12% beginning in fiscal 2026. In the second year of adult-use cannabis sales (July 1, 2024, through June 30, 2025), retail sales generated approximately \$71.8 million in sales and use tax revenues. Adult-use cannabis sales and use tax collections for the first quarter of fiscal 2026, when the 12% sales and use tax rate went into effect, totaled \$26.9 million.

### *Distribution of Cannabis Sales and Tax Revenues*

Per statute, as amended by the BRFA of 2025, the Comptroller must distribute the first 25% of sales and use tax revenues from the sale of adult-use cannabis to the general fund. Of the remaining 75% of the sales and use tax revenues, the Comptroller must *first* distribute to the Cannabis Regulation and Enforcement Fund (CREF) and the DoSEM Fund an amount sufficient to defray the operating and administrative costs of MCA and OSE, respectively. Revenues remaining after those distributions to CREF and DoSEM are *then* distributed as follows: 50% to the State’s general fund (through fiscal 2028, after which

the general fund distribution increases to 55%); 35% to CRRF (through fiscal 2033 only), which is administered by the Comptroller with oversight assistance from OSE; 5% to CPHF, which is administered by the Maryland Department of Health; 5% to the Cannabis Business Assistance Fund (through fiscal 2028 only), which is administered by the Department of Commerce; and 5% as a separate direct allocation to counties.

## **ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES**

**TITLE OF BILL:** Cannabis - Licensees - Micro Dispensary Employees and Cannabis Agent Training Programs

**BILL NUMBER:** HB 622

**PREPARED BY:** Selena Rawlley, Senior Policy Analyst

### **PART A. ECONOMIC IMPACT RATING**

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

**OR**

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

### **PART B. ECONOMIC IMPACT ANALYSIS**

This bill will have a POSITIVE impact on small businesses. Both amendments will enable these small, social-equity businesses to be more operationally efficient, thus increasing their sales revenue.

MCA conducted two listening sessions specifically for social equity, conditionally licensed micro-dispensaries over summer 2025, and these businesses ubiquitously requested that the State increase the statutory limit on the number of micro-dispensary employees allowed. Additionally, as MCA continues to engage with its conditional and operational licensees, a recurring piece of feedback received is that the current RVT requirements in statute are irrelevant and burdensome to non-retail businesses; however, MCA still wants to ensure non-retail businesses and their employees are adequately trained on safety, health, and compliance procedures relevant to their license type.