



# Cannabis and Tobacco Legislative Update

**Healthy St. Mary's Chronic Disease Action Team Meeting  
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## General – Cannabis Tax Bills

- [HB 133](#): Income Tax and Sales and Use Tax – Rate Reductions and Alterations
  - Alters the cannabis sales and use tax from 12% to 3%.
- [HB 108/SB 61](#): Division of Correction – Release Preparation Program
  - Establishes the program for the purpose of providing access to formerly incarcerated individuals to state correctional facilities to assist incarcerated individuals; covers the cost of the program with the Cannabis Regulation and Enforcement Fund.
- These bills would ultimately reduce the share of cannabis tax revenue that goes to counties and to the Community Reinvestment and Repair Fund.

## HB 307/SB 217: Community Reinvestment and Repair Fund - Alterations

- Requires counties to develop a plan for the distribution of Community Reinvestment and Repair Funds (CRRF) that:
  - Identifies the geographic areas that were most impacted by the disproportionate enforcement of cannabis laws,
  - Describes how the funds will be used in compliance with the accepted uses for the fund,
  - Is made publicly available, and
  - Is developed in consultation with the Office of Social Equity.
- Restricts county expenditure of these funds to low-income communities disproportionately impacted by the War on Drugs.

## SB 594: Cannabis – Advertising - Alterations

- SB 594 defines therapeutic or medical claims and removing prohibitions on ads that indirectly target to be attractive to minors.
- Therapeutic or medical claims:
  - Current law: Therapeutic or medical claims in cannabis ads must be supported by evidence and include a warning about side effects.
  - SB 594 defines therapeutic or medical claim as “a claim that **explicitly** states a product can diagnose, treat, mitigate, cure, or prevent a disease or condition.”
  - Using this definition will narrow the types of advertisements that would be subject to the evidence or warning requirements.

## SB 594, continued.

- Removes prohibition against elements that indirectly appeal to or target underage individuals
    - Cannabis ads may not “directly ~~or indirectly~~ target individuals under the age of 21 years”
    - May not contain an element that “targets ~~or is attractive to~~ minors, including a cartoon character, a mascot, or any other depiction that is commonly used to market products to minors”
  - 27 states prohibit advertisements that indirectly advertise to children, whether by indirectly targeting children or using elements that are attractive to minors.
- Hearing 2/26 at 1 pm in the Finance Committee.

## HB 1519: Cannabis – Management Service Agreements, Advertising, and Penalties – Alterations (Cannabis Reform and Opportunity Act)

- In addition to the advertising changes proposed in SB 594, HB 1519 repeals the outdoor advertising ban in Maryland.
- Allows for outdoor advertising anywhere, including the premises of the business, except any location that is within 500 feet of:
  - A primary or secondary school,
  - A licensed child-care center or registered child-care home,
  - A playground, recreation center, library, or public park,
  - Place of worship, or
  - A facility that provides substance use treatment.
- Research shows that exposure to outdoor cannabis advertising as teenagers increases the risk of cannabis use disorder seven-fold.

□ Hearing 3/04 at 1 pm in the House Economic Matters Committee

## SB 249: Tobacco Product Licensees – Additional Licensure for Electronic Smoking Devices

- Requires that any entity that manufactures, distributes, or sells electronic smoking devices obtain a separate license, removing the provision that allowed cigarette or OTP licenses to manufacture, distribute, or sell ESDs under their cigarette or OTP license; provides that there is no fee for the separate license for those with a cigarette or OTP license
  - In the Senate – Third Reading Passed

## SB 279 / HB 918: Baltimore City - Cigarettes, Other Tobacco Products, and Electronic Smoking Devices - Local Laws Authorization

- Authorizes Baltimore City to enact and enforce local laws that are at least as stringent as state laws that regulate the sale and distribution of cigarettes, other tobacco products, and electronic smoking devices
  - SB 279: Hearing 2/05 at 1:00 p.m. – Finance
  - HB 918: Hearing 3/04 at 1:00 p.m. - Economic Matters

## HB 766 / SB 623: Retail Tobacco Businesses and Establishment of a Premium Cigar Lounge Alcoholic Beverages License (Maryland Premium Cigar Lounge Act of 2026)

- Establishes a Class C-PCL (premium cigar lounge) alcoholic beverages license for use by licensed tobacconists
  - Allows customers to consume alcohol brought onto the premises while smoking premium cigars or pipe tobacco
- Exempts qualifying establishments from the Clean Indoor Air Act, limits licenses to one per 150,000 county residents, and requires that at least 70% of daily receipts come from premium cigars, pipe tobacco, and related accessories

## HB 766 / SB 623 Cont'd.

- Prohibits the issuance of a tobacconist license at locations adjacent to health care or child care facilities and imposes reporting, ventilation, employee acknowledgment, and training requirements
  - SB 623: Hearing 2/25 at 1:00 p.m. – Finance
  - HB 766: Hearing 2/23 at 1:00 p.m. – Government, Labor and Elections

## SB 798 / HB 1264: Public Health – Maryland Medical Assistance Program – Tobacco Cessation

- Requires Medicaid to expand access to tobacco cessation services by mandating that Medicaid provide individual and group counseling for the purpose of tobacco cessation. The bill adds a new provision that prohibits Medicaid from requiring prior authorization of a person to utilize any product or service used to eliminate the person's dependence on tobacco
  - SB 798: Hearing 3/10 at 1:00 p.m. – Finance
  - HB 1264: Hearing 3/03 at 1:00 p.m. – Health

# [HB 1282](#): Tobacco Products, Other Tobacco Products, and Electronic Smoking Devices – Advertising to Minors- Prohibition

- Prohibits licensed sellers of tobacco products and electronic smoking devices from directly or indirectly advertising/marketing those products to individuals under 21, including by using cartoons, superheroes, video game references, youth-oriented imagery or trademarks, images of individuals appearing under age 27, advertising in publications or at events where at least 15% of the audience is under 21, or on billboards within 500 feet of a school

□ Hearing 3/04 at 1:00 p.m. — Economic Matters

## [HB 1576](#): Sales and Use Tax – Electronic Smoking Devices and Vaping Liquid – Maryland Pediatric Cancer Fund

- Increases the sales and use tax on electronic smoking devices from 20% to 30% and on small containers of vaping liquid (5 millimeters or less) from 60% to 90%, and directs a portion of the revenue from these taxes to the Maryland Pediatric Cancer Fund
- Hearing 3/03 at 1:00 p.m. - Ways and Means

# Questions?

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