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## **AMENDED REGULATIONS GOVERNING VIDEO SURVEILLANCE, INVENTORY CONTROL, AND INSPECTIONS**

The following guidance is provided to assist medical cannabis businesses to comply with state laws and regulations governing video surveillance, inventory control, and compliance inspections. This document is not legal advice. Please consult an attorney if you have any questions regarding the legal requirements that apply.

### **I. Video Surveillance** (Effective Date: September 1, 2020)

#### **New Video Surveillance Coverage Requirement:**

- **Growers:** maintain video surveillance at the entrance to and within each area where medical cannabis is trimmed, packaged, or stored.
- **Processors:** maintain video surveillance at the entrance to and within each area where medical cannabis is processed, packaged, and stored.
- **Dispensaries:** maintain video surveillance at the entrance to and within each area where medical cannabis is packaged, stored, or dispensed.

#### **Additional video surveillance changes:**

1. Licensees must retain video surveillance recordings for a minimum of 90 calendar days.
2. Licensees are no longer required to store the video surveillance recordings at both the licensed premises and at an off-site location. Instead licensees have the discretion to determine whether the recordings will be stored on the premises or off-site.
3. Any recording of security video surveillance must be made available to the Commission or law enforcement for just cause within 48 hours.
4. Each day that a licensee fails to provide a requested video surveillance recording within the minimum 90 calendar days that the recording must be retained constitutes a separate violation, subject to a fine of up to \$10,000 per violation.

### **II. Theft and Diversion** (Effective Date: May 18, 2020)

- Any evidence of theft or diversion must be reported to the Commission and the Maryland State Police within one (1) business day.
- Within 30 business days of discovering the theft or diversion, the licensee shall complete an investigation, amend the licensee's standard operating procedures if necessary, and send a report of the investigation to the Commission.

### III. Inventory Control and Entry (Effective Date: May 18, 2020)

#### Dispensing Medical Cannabis

- Each dispensary agent must have and use a separate METRC log-in to dispense medical cannabis.
- Prior to dispensing medical cannabis to a qualifying patient or caregiver, each dispensary must verify: 1) the qualifying patient or caregiver is currently registered; 2) a certifying provider has issued a valid written certification to the qualifying patient; and 3) the amount of medical cannabis that has already been dispensed pursuant to the written certification.
- **Note:** These new regulatory requirements will better enable the Commission to determine whether a specific dispensary agent has performed the required query of the Commission's data network and may dispense medical cannabis to a qualifying patient or caregiver.

#### Inventory Tracking and Wholesale and Retail Data

A licensee is required to enter data into METRC that identifies and tracks the licensee's stock of medical cannabis from the time it is propagated from seed or cutting, or delivered or produced to the time it is delivered to another licensee or a qualifying patient or caregiver. Pursuant to the new regulations:

- A licensee is also required to enter the data into METRC in a timely and accurate manner. This means that each licensee must enter into Metrc the actual quantity purchased and amount paid by a licensee or qualifying patient or caregiver. Failure to enter the accurate quantity and price may result in a fine, license suspension, or both.
- Each licensee is expected to enter this information into Metrc at the time of transfer or sale. Failure to enter accurate quantity and price data into Metrc within 24 hours of product transfer or sale may result in a fine, license suspension, or both.

### IV. Inspection and Plan of Correction Requirements (Effective Date: May 18, 2020)

During the course of an inspection or investigation:

- A material misstatement, omission, misrepresentation, or untruth made by a licensee or registrant may result in a fine, suspension/revocation or both.
- A licensee, registrant, agent, or employee shall comply with a Commission request to 1) appear for a sworn statement, or 2) submit specified records or files. Failure to comply may result in a fine, suspension/revocation, or both.
- A licensee must respond in writing to a demand for corrective action within 10 business days. Failure to respond may result in a fine, suspension/revocation, or both.

Questions about this guidance should be directed to the Bureau of Enforcement and Compliance at [enforcement.mmcc@maryland.gov](mailto:enforcement.mmcc@maryland.gov).