

All licensed and registered cannabis businesses and cannabis-related **advertising** must comply with the statutory requirements of Title 36, Subtitle 9, Alcoholic Beverages and Cannabis Article, Annotated Code of Maryland. This document summarizes the new statutory requirements.

Definition

Advertisement means **any** publication, dissemination, or circulation of any auditory, visual, digital, oral, or written matter, which is directly or indirectly calculated to induce the sale of cannabis or any cannabis-related product or service.

This includes but is not limited to:

- Event sponsorship
- Tabling an event
- Sponsored social media posts
- Email blasts
- Direct mail campaigns
- Radio, TV, or internet ads
- Any promotional items distributed for free, off-site
- Branded merchandise

Medical Claims

A cannabis advertisement may not include any medical or therapeutic claims unless it:

- 1. Is supported by competent and reliable scientific evidence (e.g., two or more blinded, well-controlled clinical trials) and
- 2. Includes information on the most serious and significant side effects or risks associated with the use of cannabis.

All Advertisements

A cannabis licensee, product, or service may not:

- Make false or misleading claims,
- Directly or indirectly target individuals under the age of 21 years, or
- Contain a design, illustration, picture, or representation that:
 - a. targets or is attractive to minors, including a cartoon character, mascot, or any other depiction that is commonly used to market products to minors,
 - b. displays the use of cannabis (smoking, vaping, or consuming),
 - c. encourages or promotes cannabis for use as an intoxicant, or
 - d. is obscene

Signs, Billboards, and Other Graphic Displays

An advertisement for a cannabis licensee, cannabis product, or cannabis-related service **may not** be placed on the side of a building or any other publicly visible location. This includes a:

- sign;
- poster;
- placard;
- device;
- graphic display;
- outdoor billboard; or
- freestanding signboard.

Exception: a cannabis business may display an advertisement on the premises of the business for the limited purpose of identifying the location of the business to the public.

Audience Composition

A cannabis advertisement **may not** be placed on television, radio, internet, mobile application, social media, or other electronic communication, event sponsorship, or print publication **unless** at least 85% of the audience is reasonably expected to be at least 21 years old as determined by reliable and current audience composition data.

MCA may require a licensed business advertising, or seeking to advertise, in any of these media formats to submit audience composition data in order to confirm any advertisement complies with this statutory requirement.

The MCA has additionally developed a tool for the submission of audience composition data. This submission form may be found here: <u>Audience Data Submission Form</u>

While use of this tool prior to the placement of an advertisement is optional, the MCA may require a licensed entity to submit audience composition data for any advertisement. Use of this tool will provide an opportunity for the MCA to advise the licensee if the data presented is sufficient under Alcoholic Beverages and Cannabis Article, 36-903(A)(2)(IV). Sufficient audience composition does not mean the advertisement is otherwise approved by the MCA. Use of this tool should not be considered as an advisory opinion or any other form of guidance by the MCA.

Website

Any cannabis-related website must employ a neutral age-screening mechanism that verifies a user as at least 21 years old, including by using an age-gate, age-screen, or age-verification mechanism **BEFORE** the (1) user may access or view any content and (2) website may collect any personal information, including address, email, phone number, or contact information.

A neutral age-screening mechanism is one that requires a person to enter their date of birth in order to gain access to the website. A neutral age-screening mechanism is <u>not</u> one that prompts a person to click "yes" or "no" as to whether they are at least 21 years old.

Exception: If a website is appropriate for a qualifying patient who is under the age of 21 years the website shall provide an alternative screening mechanism through which to

provide the qualifying patient with access to those portions of the website appropriate for such a patient.

Social Media

Any advertisement must include a notification that an individual must be at least 21 years old to view the content.

Third Party Advertisements

Licensees may not avoid these advertising requirements by employing third parties or otherwise outsource advertising. Further, licensees will be held responsible for third parties that use licensees' trademarks, brands, names, locations, or other distinguishing characteristics for advertisements that do not comply with these requirements.

Event Sponsorship

A cannabis business may sponsor, table at, or otherwise participate in an event if:

- The cannabis business demonstrates to the MCA that over 85% of event attendees will be over 21 years of age or older;
 - Demonstration of audience composition includes:
 - Ticket sales;
 - Age-restricted events;
 - Survey of event attendees;
 - Other attestations or confirmations from the event holder and the licensee that the attendance at the event will comply with statutory provisions.
- Any signage, displays, or other materials displaying information about the cannabis business is not visible to any individual not in attendance at the event; and
- Any promotion, flyers, or other advertisement of an event sponsored by the licensed entity must also comply with these existing advertising and audience composition restrictions.

Branded Merchandise

Branded merchandise may be sold at a fair market value to individuals 21 years old or older, at the licensed premises or at an event sponsored by the licensee that otherwise complies with advertising restrictions. However, these products may not directly or indirectly target individuals under the age of 21, display the use of cannabis, encourage cannabis as an intoxicant, or be obscene. This includes any cartoons, mascots, or any other image or design that appeals to minors. The prohibitions on advertisements in 36-903(A)(2)(ii) and 36-903(A)(2)(iii) apply to these materials as well.

Direct Mail Campaigns

Direct mail may be sent to homes only if addressed to individuals 21 years of age or older, in a sealed envelope, and any advertisement, promotion, or other branding is not visible from the outside of the envelope.

Advertising Violations

To encourage compliance, fines for advertising violations have been amended as follows:

- The fine for a second violation occurring within 24 months after the first violation has increased from \$5,000 to \$10,000.
- The fine for a third violation occurring within 24 months after the second violation is increasing from \$10,000 to \$25,000.
- A new, \$50,000 fine has been established for any subsequent violation beyond the third violation within 24 months.
- Any violation that occurred between May 3, 2023 and June 7, 2024 counts for the purpose of calculating the appropriate fine.

Questions?

Visit <u>cannabis.maryland.gov</u> or use the <u>MCA Policy Question Intake form</u> to submit policy questions related to cannabis regulations, legislation, issued guidance, or licensing. MCA will review submissions and publish an updated FAQ document on the <u>Laws & Regulations page</u> on the first day of each month.