

The following guidance is provided by the Maryland Cannabis Administration (MCA) to assist cannabis licensees comply with State laws and regulations governing the cannabis industry. This document is not legal advice. It is meant to highlight operational changes for **licensed dispensaries**. Please consult an attorney if you have any questions regarding the legal requirements that apply.

Highlighted Updates

Recent updates to statute make certain changes for dispensary licensees effective April 25, 2024, including but not limited to the following:

- Permission for standard dispensaries and delivery registrants to continue delivering medical cannabis to qualified patients and registered caregivers is extended through June 30, 2025. (Md. Code Ann., Alcoholic Beverages and Cannabis § 36-401(g))
- A qualifying patient may possess up to the amount of cannabis or cannabis-infused products that is authorized in their written certification. (Md. Code Ann., Alcoholic Beverages and Cannabis § 36-302(g))

Effective June 7, 2024, regulations under COMAR 14.17 replace existing medical program regulations under COMAR 10.62. Additionally, recent updates to regulations make certain changes for dispensary licensees. Except as otherwise specified, the following changes take effect immediately:

- Curbside pick-up is permitted for all consumers in accordance with operational requirements.
- Bulk transfer limits for dispensaries have been increased from 10 pounds to 50 pounds.
- Adult-use consumers may purchase concentrated products. Concentrated products for adult-use consumers may not exceed 1 gram total product weight.
 - Infused pre-rolls are exempted from this product weight requirement.
- Infused non-edible potency limits have been removed for the adult-use market.
- The 12-hour limit on hours of operation has been removed and allowable hours of operation have been extended by one hour to 11pm.
- The signature requirement for online orders has been removed; as of July 1, 2024, dispensaries must collect a customer's name and date of birth at the time of order submission and confirm that the information matches the customer's government issued identification at pick-up
- For home cultivation products, allowable plant size has increased from 6 to 8 inches.
- If a licensee identifies a discrepancy between the inventory of stock and the seed-to-sale tracking system outside of normal weight loss, they must begin an investigation of the discrepancy within 1 business day. If a discrepancy is not resolved within 30 days, the licensee must report it to the MCA. As of July 1, 2024, failure to report an unresolved discrepancy may be used as evidence of diversion. Note: This clarifies the discrepancy reporting provisions in COMAR 14.17.12.10A.

Version 5 - this document was updated on June 18th, 2024 and is current with the MCA's guidance, regulation, and compliance efforts. The MCA reserves the ability to alter guidance to align the State's cannabis program with Maryland law and policy.

Identification

<u>Adult Consumer:</u> Before dispensing cannabis to adult consumers, a dispensary must confirm that the consumer is at least 21 years old according to a valid government issued photo identification card.

<u>Patient or Caregiver:</u> Before dispensing cannabis to qualifying patients or caregivers, a dispensary must confirm the individuals' status and identity by asking them to present their Administration-issued patient or caregiver identification number and a valid government-issued photo identification. **Note: Patients and caregivers are no longer required to obtain or carry patient identification cards.**

Only the following forms of government-issued photo identification are acceptable:

- Driver's license or identification card issued by a U.S. state, territory, or the District of Columbia,
- U.S. passport or passport card,
- Foreign passport,
- U.S. military identification card, or
- Tribal card.

Note: University- or college-issued identification cards are not considered sufficient forms of identification.

Dispensaries must restrict the licensed premises to adult-use consumers, patients, and caregivers. The only exception is that a dispensary may choose to allow children younger than eight years old to enter the premises if they are accompanied by a patient or caregiver.

Dispensaries should employ identification checks prior to admission to the licensed premises to ensure compliance. Dispensaries are **not required** to purchase or employ identification scanners either at the point-of-sale or upon entry to the licensed premises to be in compliance.

Consumer Profiles Prohibited

As clarified in the <u>notice</u> issued on August 29, 2023, a dispensary may not create an adultuse consumer profile without the consumer's fully informed consent. Furthermore, a dispensary may not deny a consumer's adult-use cannabis purchase solely because they refused to allow the dispensary to create additional records of their visit by capturing a copy of the individual's identification card, name, address, or purchase history.

Medical Patients and Program Accommodations for Patients

A dispensary shall either provide (1) exclusive access to the licensed premises to patients and caregivers for at least one hour per day or (2) a dedicated service line to serve only patients and caregivers for the duration of the licensed premises' operating hours.

MCA encourages dispensaries to offer additional accommodations for patients and caregivers, including providing priority access to the service area, designated parking spaces, additional hours, or additional service lines.

As of July 1, 2024 a dispensary that chooses to provide a dedicated service line for patients and caregivers must make a good faith effort to prioritize patients and caregivers waiting in line over adult-use consumers. For example, if a dispensary has one agent tending to the designated line and multiple agents tending to adult-use customers in other lines, agents should make sure there are no patients or caregivers waiting to be served in the designated lines before tending to the next adult-use customer.

Certifying Provider Compensation

In accordance with Alcoholic Beverage and Cannabis Article, §36-301(f), Annotated Code of Maryland, which prohibits a certifying provider from receiving compensation from a licensee, MCA will no longer accept requests for approval of compensation of any kind.

Clinical Director Exemption for New Licensees

A standard dispensary is not required to appoint a clinical director until it has been operational for two years. A micro dispensary does not need to appoint a clinical director at any point.

Products

Product Reservations

Dispensaries must ensure adequate supply of medical cannabis products and reserve high potency products for medical patients. Dispensaries may only sell the following products to qualifying patients and registered caregivers:

- Concentrated cannabis products with a total product weight greater than 1 gram (g)
- Edible cannabis products, capsules, and tinctures containing more than 10 milligrams (mg) tetrahydrocannabinol (THC) per serving or 100 mg THC per package

Adult consumers may purchase:

- Cannabis vaporizing devices, of any product weight (e.g., vapes)
- Concentrated cannabis products with a total weight of 1 gram or less
- Infused pre-rolls of any product weight
- Infused non-edible cannabis products
- Home cultivation products
- Usable cannabis products (e.g., flower, pre-rolls)
- Edible cannabis products, capsules, and tinctures containing up to 10 mg THC per serving or 100 mg of THC per package

Hemp

Hemp-derived products containing more than 0.5 mg THC per serving or 2.5 mg THC per package may only be sold by licensed dispensaries if they have been manufactured, processed, and tested in accordance with MCA regulations. (Note: THC includes any THC isomers or derivatives, including delta-8 and delta-10). These products may only be displayed or offered for sale in the service area of a dispensary.

Hemp-derived products with less than 0.5 mg THC per serving and 2.5 mg THC per package, as well as certain full spectrum hemp tinctures and hemp-derived products that are not intended for human ingestion or inhalation, such as lotions, balms, salves, or pet CBD products, may still be sold in the public zone of a dispensary.

Liquid Edibles

For the purposes of producing a liquid edible product, one single container is a single serving of product, and it may not contain more than 10 mg of THC. Liquid edibles must also comply with the requirements of other edible products in terms of production, packaging, and labeling. This includes limiting the manufacture of these products to facilities with a valid edibles permit.

Home Cultivation Products

Home cultivation products are authorized for retail sale by dispensaries to consumers, patients, and caregivers. Home cultivation products include clones, seeds, seedlings up to 8 inches tall and 8 inches wide, stalks, roots, and stems of the cannabis plant. A dispensary may only obtain home cultivation products from a licensed grower.

Dispensing

Sales Limits

A dispensary may not knowingly dispense more than the personal use amount of cannabis in a single day. According to <u>Criminal Law Article</u>, §5-101, this means: (1) an amount of usable cannabis that does not exceed 1.5 ounces (oz); (2) an amount of concentrated cannabis that does not exceed 12 g; or (3) an amount of cannabis products containing delta-9-THC that does not exceed 750 mg. Note: A qualifying patient may possess up to the amount of cannabis or cannabis-infused products that is authorized in their written certification.

Concentrates Available for Adult-Use Consumers

Adult-use consumers may purchase concentrated cannabis products with a total product weight of 1 g or less. They may purchase up to 12 g of these products in a single transaction. Infused pre-rolls and cannabis vaporizing devices continue to be weighed as concentrated cannabis for the purposes of sales limits; however, they are not subject to the 1 g package weight limit.

The amounts that adult-use consumers may purchase align as follows with the criminal law possession limits:

- 1. An amount of usable cannabis that does not exceed 1.5 oz.
 - a. Usable cannabis products include:
 - i. Pre-rolls;
 - ii. Jarred, sealed or otherwise stored and prepackaged amounts of flower.
 - b. The combined weight of flower sold as a usable cannabis product to an individual may not exceed 1.5 oz or 42.5 g.
- 2. Concentrated cannabis that does not exceed 12 g.

- a. An adult-use consumer may purchase concentrated cannabis products with a total product weight of 1 g or less.
 - Infused pre-rolls and cannabis vaporizing devices are weighed as concentrated cannabis for purposes of adult-sales limits; however, they are exempt from the 1 g cap for adult-use consumers.
- 3. An amount of cannabis products containing a total amount of THC that does not exceed 750 mg.
 - a. Any other cannabis product providing it contains less than 10 mg per serving and 100 mg per package. This includes:
 - i. Edibles;
 - ii. Capsules;
 - iii. Tinctures.
 - b. Products under this category may not be combined to contain more than 750 mg of THC in a single transaction for adult-use consumers.
 - c. Any products with greater than 10 mg of THC per serving or 100 mg of THC per package *may not* be sold to adult-use consumers.

These are combined limits. For the purposes of dispensing cannabis, an individual purchasing the **MAXIMUM** amount of any one product type **MAY NOT** purchase any additional product type(s). See examples below for violations of the sales limits:

Sample Transaction	Clause for Violation
1.6 oz of flower product.	Total amount of usable cannabis sold exceeds the 1.5 oz restriction under the Personal Use Amount.
1.5 oz of flower product and a 1 g vape cartridge.	Total amount sold includes the maximum of the usable cannabis category and additional products.
Eight 1 g disposable vapes, seven 0.5 g concentrated cannabis containers, and a 1g infused pre-roll.	Total grams of vape products sold exceeds the 12 g restriction in the Personal Use Amount by 0.5 g (12.5 g of concentrated products being sold in total).
Seven packages of 100 mg THC edible products, a 50 mg THC tincture, and 3.5 grams of flower.	Total amount sold includes products containing exactly 750 mg of THC, and an additional amount of usable cannabis.
Six packages of 75 mg THC edible products, and three 100 mg THC tincture bottles and a container of ten-5 mg THC capsules.	The total amount of products containing THC sold is 800 mg, which exceeds the personal use amount of 750 mg.

A dispensary may sell up to two clones or seedlings to any adult who is at least 21 years old and up to four clones or seedlings to any qualifying patient who is at least 21 years old or a registered caregiver. A dispensary may sell up to seeds to any adult-use consumer, qualifying patient, or registered caregiver.

Agent Responsibilities,

A dispensary agent should decline to dispense cannabis to a consumer if they appear to be under the influence of alcohol or drugs, attempting to purchase cannabis products for resale or obtaining an amount of cannabis products greater than the personal use amounts.

Dispensary agents are required under regulations to deny sales to any consumer whose purchase patterns may reasonably be used for resale or product diversion. The MCA may query METRC for purchases that either: (a) violate the sales restrictions set forth in regulations; or (b) approach an amount of cannabis products that could reasonably be interpreted for resale or diversion.

Sales Tax

A dispensary must assess a 9% sales and use tax for the sale of cannabis to adult consumers in accordance with the $\underline{\text{Tax}}$ – $\underline{\text{General Article}}$, $\underline{\$11-104(K)}$, Annotated Code of Maryland. Cannabis sales to qualifying patients and caregivers are exempt from the sales and use tax.

Deliveries

Through June 30, 2025, a standard dispensary licensee or registered delivery service may continue to deliver cannabis to qualifying patients and registered caregivers **only**. Once operational, micro dispensaries may deliver cannabis to qualifying patients, registered caregivers, and adult-use consumers in accordance with COMAR 14.17.12.03.

Curbside Pick-up

Dispensaries may offer curbside pick-up for qualifying patients, registered caregivers, and adult-use consumers. To provide this option, a dispensary must:

- Develop and adhere to standard operating procedures for its curbside pick-up system
- Designate pick-up parking spots within 100 feet from any dispensary exit; agents may only deliver to those spots
- Capture the curbside pick-up on its video surveillance system
- Comply with all other requirements for dispensing and fulfilling online orders

Drive-through Dispensing

A dispensary may offer drive-through dispensing if the following requirements are met:

- Cannabis must be dispensed through a window or other opening in the exterior wall
 of a dispensary that enables a dispensary agent to serve a customer without the
 agent having to leave the dispensary service area or operations zone or the
 customer having to leave their vehicle.
- The dispensary's drive-through setup must meet a pre-operation inspection before use.
- The area inside the dispensary used for drive-through dispensing must meet all other requirements for a dispensary service area (i.e. prevent unauthorized entry, security lighting, alarms, etc.)

Online or Telephone Orders

A standard dispensary may use an online ordering system to conduct pre-orders for pick-up or delivery. At this time, adult consumers, qualifying patients, and caregivers are eligible to pre-order for pickup. Until micro dispensary licensees are operational, only qualifying patients are eligible for delivery.

If a dispensary uses an online ordering system, it **must** (1) verify the consumer is at least 21 years old or that the individual is a qualifying patient or registered caregiver, (2) include a notice that a valid, government-issued photo identification card is required to receive the order; and (3) collect the name and date of birth of the individual submitting the order. The dispensary agent may only collect payment after confirming that the consumer's, qualifying patient's, or registered caregiver's identification card displays a name and date of birth that matches the information collected at the time of the order.

Trade Practices

Previously licensed dispensaries, i.e. an operational business that holds a license issued prior to December 31, 2022, shall make a good faith effort to reserve 25% of products available for retail sale for products grown, manufactured, extracted, or otherwise produced by licensees that have no common ownership interest or control with the dispensary license holder and by social equity businesses once they are up and running. These licensees are required to prioritize products produced by social equity businesses.

Newly licensed dispensaries shall make a good faith effort to allow for 25% of product available to be produced by licensees with which they have no common ownership interest or control.

The MCA may query METRC for compliance with trade practice requirements.

Additional Operational Considerations

- If a licensee identifies a discrepancy between the inventory of stock and the seed-tosale tracking system outside or normal weight loss, they must begin an investigation of the discrepancy within 1 business day.
 - If a discrepancy is not resolved within 30 days, the licensee report the unresolved discrepancy to MCAto MCA.
 - As of July 1, 2024, failure to report an unresolved discrepancy within 30 days may be used as evidence of diversion.
 - Note: This clarifies the discrepancy reporting provisions in COMAR 14.17.12.10A.
- A dispensary may package, repackage, wrap, roll, or otherwise create usable cannabis products from usable cannabis in accordance with requirements in COMAR 14.17.13.11.
 - Regulations place additional health and safety restrictions on the repackaging of bulk cannabis products including:
 - Handwashing, scales, and sanitation protocols to be used by all licensees in the packaging and repackaging of cannabis flower.

- A 50-pound restriction on the amount of bulk cannabis a dispensary can receive in a single transfer or have at a given time.
 - Note: This only applies to flower product that has yet to be packaged/repacked into a "usable cannabis product", e.g. if a dispensary has 50 pounds on hand and repackages 25 pounds in the morning to create usable cannabis products for sale, they may obtain 25 additional pounds of bulk flower that evening, regardless of the amount of the repackaged 25 pounds that sold.
- A 1-pound restriction on the amount of bulk cannabis a dispensary can receive in a given package.
- A licensed dispensary *may not* sell or distribute cannabis through an unlicensed third party, intermediary business, broker, or any other business or entity.
- A dispensary may not be open for business before 8am or after 11pm.
 - A dispensary must make and record all sales between 8am and 11pm and should not allow any consumer or patient to enter the premises before or after those times. The dispensary should display its operating hours accordingly. The final sale of the day must be completed prior to 11pm.
 - These hours of operation do not prevent a dispensary from conducting setup, closing, or other business activities, such as receiving inventory or processing online orders, outside of those hours as long as they are closed to the public.
- Cannabis inventory must be stored in a secure room except while the dispensary is
 open for business and 2 hours before and 2 hours after. A dispensary may request
 an exemption for specific dates and times, i.e. not a blanket exemption, for purposes
 of conducting inventory review, but it must receive approval from the MCA before
 enacting each exemption.
- A dispensary must conspicuously display valid proof of licensure and may be required to display consumer education safety information provided by the MCA, and minimum purchase age and identification requirements.

Prior Regulations Recodified with Non-substantive Changes

- COMAR 10.62.27 Dispensary Premises → COMAR 14.17.12.02
- COMAR 10.62.30 Dispensing Medical Cannabis → COMAR 14.17.12.02 and .04

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.