



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 growers**. 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 grower licensees, including but not limited to the following:

Effective June 1, 2024, a local jurisdiction may not:

- Adopt an ordinance for exclusively outdoor growing facilities more restrictive than an ordinance that was in place for hemp farms as of June 30, 2024; or
- Prohibit outdoor growing on a facility previously authorized for outdoor cultivation.

(Md. Code Ann., Alcoholic Beverages and Cannabis § 36-405(f))

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 grower licensees. Except as otherwise specified, the following changes take effect immediately:

- As of July 1, growers, processors, and labs must notify MCA within 24 hours of learning that a batch does not meet specifications. **Note: This requirement will be satisfied providing a laboratory timely reports failed test results via METRC as required in the MCA's Technical Authority.**
- The limit on the amount of usable cannabis a grower may transfer to a dispensary has increased from 10 to 50 pounds in a single transfer.
- Growers may meet the trade practice requirements through distribution to both processors and dispensaries, as long as they distribute roughly equal amounts to each facility type. Additionally, previously licensed growers should prioritize distributions to social equity licensees over other licensees with whom they do not share common ownership.
- Growers may dispose of retention samples from each released lot 6 months after expiration date.
- Visitors to any operational areas of the premises must be continually, physically supervised at all times while on the premises. Video surveillance does not suffice for meeting supervision requirements. For growers and processors, individuals who are briefly on the premises for the narrow purposes of package delivery, or other services that do not involve areas of the premises used for cannabis cultivation or processing are exempted from this requirement.
- If a grower 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

Version 4 - this document was updated on June 7th, 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.

days, the grower must report the discrepancy to 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 14.17.10.08A.**

Canopy

A previously licensed grower, i.e. an operational business that holds a license issued prior to December 31, 2022, may expand its canopy from its maximum amount of canopy, as self-reported to the MMCC on or before December 1, 2022, beginning January 1, 2024. The total expanded canopy may not exceed the following limits prior to January 1, 2027:

Beginning on January 1, 2024, a licensee may expand the amount of canopy, only as follows:

- If the canopy is under 25,000 sq. ft., to 25,000 square feet or by 20%, whichever is greater;
- If the canopy is at or above 25,000 sq. ft., by 20%; or
- If the licensee has a sq. ft. expansion that was preapproved before December 31, 2022, the preapproved expansion or 20%, whichever is greater.

In addition, a licensee may only expand the amount of canopy, according to the following schedule:

- Beginning January 1, 2024, the licensee may expand its canopy of operations by not more than 50% of the total square footage authorized under the paragraph above (e.g., up to 50% of any preapproved expansion that was preapproved before December 31, 2022); and
- Beginning May 1, 2024, the licensee may expand its canopy of operations for the remaining total square footage authorized.

Home Cultivation Products

Home cultivation products include clones, seeds, seedlings, stalks, roots, and stems of the cannabis plant. Adult-use consumers and qualifying patients may purchase home cultivation products from licensed dispensaries, including seedlings up to 8 inches tall and 8 inches wide. At this time, a licensed dispensary may only obtain home cultivation products from a licensed grower.

Trade Practices

A previously licensed grower is required to make a good faith effort to allow for at least 10 percent of cannabis grown to be transferred to:

- A licensed processor or dispensary that has no common ownership interest or control with the grower licensee; and
- Upon licensure and operation of social equity businesses, a licensed processor or dispensary that is a social equity business

A **previously licensed grower** should prioritize social equity licensees. A **newly licensed grower** should make a good faith effort to allow for at least 10% of cannabis grown to be transferred to licensees with whom they have no common ownership interest or control. The MCA may query METRC for compliance with trade practice requirements.

Prior Regulations recodified with non-substantive changes

- COMAR 10.62.10 Grower Premises → COMAR 14.17.10.02
- COMAR 10.62.11 Growing Controls → COMAR 14.17.10.03 and .08
- COMAR 10.62.12 Inventory Controls → COMAR 14.17.10.03 and .07
- COMAR 10.62.15 Grower Quality Control → COMAR 14.17.10.03 and 14.17.08.05

Questions?

Visit cannabis.maryland.gov or use the [MCA Policy Question Intake form](#) 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 [Laws & Regulations](#) page on the first day of each month.