

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 **all licensed businesses**. 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 all licensees effective April 25, 2024, including but not limited to the following:

- MCA may issue a 90-day temporary agent registration if the licensee provides documentation (1) of a pre-employment screening completed by a third party vendor and (2) that an application has been submitted to the Criminal Justice Information System's Central Repository (Md. Code Ann., Alcoholic Beverages and Cannabis § 36-505(f))
- 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))
- Authorization for a cannabis nursery registration. (Md. Code Ann., Alcoholic Beverages and Cannabis § 36-409(a))
- Explicit authorization for event sponsorship by cannabis licensees, under certain circumstances. (Md. Code Ann., Alcoholic Beverages and Cannabis § 36-903(a))

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

General Operations

- Unless otherwise specified, the requirement for licensee record retention has been reduced from five years to two years.
- 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 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.
- MCA no longer needs to register or inspect vehicles used to transport cannabis.
- If a licensee identifies a discrepancy between the inventory of stock and the seed-to-sale 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 must report the discrepancy to MCA. As of July 1, 2024, failure to

Version 5 - this document was updated on June 7, 2024 to reflect recent updates 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.

- report an unresolved discrepancy may be used as evidence of diversion. **Note: This** clarifies the discrepancy reporting provisions in COMAR 14.17.10.08A, 14.17.11.18A, and 14.17.12.10A.
- Prior to making modifications or renovations to an area of a licensed premises used for functions directly related to the growing, processing, or dispensing of cannabis, a licensee must obtain approval from the MCA. This provision includes modifications or renovations that would require a licensee to obtain a local government permit. Note: This clarifies the requirements for modifications or renovations in COMAR 14.17.10.02C, 14.17.11.02B, 14.17.11.07C, and 14.17.12.02B.

Ownership Considerations

For more information on changes to ownership, review the Transfer of Ownership fact sheet on cannabis.maryland.gov.

- Except for stocks issued as part of an employee compensation plan, the MCA no longer needs to review or approve a transfer if it is for less than 5 percent of a cannabis licensee, and the proposed transfer will not result in the transferee holding 5 percent or more of the licensee.
- Updated regulations clarify and streamline the employee stock options process by requiring a one-time fee per employee issued stock in accordance with an MCAapproved employee compensation plan.

Products

- Adult-use consumers may purchase concentrated cannabis products with a total product weight of 1 gram (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 exempt from the 1 g package weight limit.
- Infused non-edible potency limits have been removed for the adult-use market.
- For home cultivation products, allowable plant size has increased from 6 to 8 inches.

Packaging & Labeling

Note: **Bolded** text indicates new regulatory provisions that take effect immediately.

General Packaging

Any product submitted into Metrc for approval must comply with all packaging and labeling requirements included in Title 36 of the Alcoholic Beverages and Cannabis Article and COMAR 14.17.

- All packaging must be tamper-evident and child-resistant. Regulations also specify criteria for soft sided and rigid container tamper evident packaging as follows:
 - Soft sided packaging must be sealed at the opening in a way that indicates if the container has been opened or tampered with. Once a package has been

- opened it must remain obvious that the package has previously been opened. Any soft sided package shall be four mil or greater in thickness.
- Any rigid container must have a tamper evident seal. Alternatively, the lid or enclosure can have an adhesive band or seal that, once opened, must remain obvious that the package has previously been opened.
 - Rigid containers include: Glass jars, tin cartons, metal tubes, etc.
- Any package containing multiple servings must be resealable.

General Labeling

- Label text must be printed in English. It must also be no smaller than six-point font or 1/12 inch. Except as otherwise specified, required label text must be printed directly on, or on a label or sticker affixed directly to, the marketing layer.
- The following warning statements are required on the general product labels:

"The contents may only be lawfully consumed by a consumer 21 years old or older, or a registered medical cannabis patient."

"Consumption of cannabis may impair your ability to drive a car or operate machinery. Please use extreme caution."

"There may be health risks associated with cannabis use, especially if pregnant or breastfeeding."

"This package contains cannabis. Keep out of reach of children and animals."

- Any product intended for topical application must include a statement identifying that the product is not intended for human consumption, ingestion, or inhalation.
- The following details are required on the label, when applicable to the product:
 - Net weight of the cannabis or cannabis product
 - Finished product lot number
 - Name of the licensee that packaged the product
 - o Name and phone number of the licensee that manufactured the product
 - A list of any solvents used to produce the product
 - o The date that product was harvested, packaged, or produced
 - Expiration or best-used-by date
 - An itemization, including weight, of all cannabinoid and terpene ingredients—
 may be printed on an inner layer or accessible via QR code
 - A list of all major allergens contained in and used to manufacture the cannabis finished product, specifically milk, eggs, fish, crustacean shellfish, tree nuts, peanuts, wheat and soybeans-may be printed on an inner layer or accessible via QR code
 - A list of all noncannabis ingredients-may be printed on an inner layer or accessible via QR code
- A certificate of analysis completed by a registered independent testing laboratory must be available on the package through a link or QR code.

- All packages shall display the universal symbol and the universal symbol must now appear:
 - On the front or most predominantly displayed area of the package;
 - In an area no smaller than ½ inch by ½ inch;
 - In the form provided by the Administration and may not be modified, recreated, stylized, stretched, or otherwise distorted; and
 - o On a background where the symbol is clearly distinguishable and identifiable.

The MCA issued additional guidance on how to remediate products under previously compliant labeling with the new regulatory requirements. This guidance may be found on <u>cannabis.maryland.gov</u>.

Medical Cannabis Product Packaging and Labeling

- All "General Packaging" and "General Labeling" requirements apply to products sold to patients and caregivers
- Existing requirements for packaging to maintain space for a licensed dispensary to attach a personalized label for the qualifying patient continue to apply to any product sold to a medical cannabis patient.
- A licensed dispensary should continue to apply a personalized label with the information currently required under COMAR 14.17.18.04.
- Medical cannabis product warning statements may be applied on a personalized label applied at the point of sale, rather than on the packaging applied by the grower or processor.
- For products that may be sold to either qualifying patients or adult-use consumers (i.e. concentrated cannabis products with a total weight of 1 gram or less), the medical cannabis product warning statements do not need to be applied to products sold to adult-use consumers.

Edible Cannabis Product Packaging

- A package containing multiple servings must (1) be resealable and (2) include a label that (i) identifies each cannabinoid and terpene compound and (ii) lists ingredients in descending order of prominence (unchanged).
- Emergency regulations add the following requirements:
 - Milligrams per single serving and per package of total THC, total CBD, and any other marketed cannabinoid;
 - The number of servings per package and, if applicable, the recommended size of a serving;
 - A warning label that states, "Effects of this product may be delayed by 4 or more hours.";
 - Multiple, individually packaged single serving products may be packaged together by a licensed processor using a marketing layer if the marketing layer contains the necessary labels, warnings, and standards set forth in regulation; and does not combine products the THC content of which exceeds 100 milligrams.
 - A nutritional fact panel This label text may be accessible via link or QR code or printed on an inner layer.

Packaging and Labeling Requirements of Cannabis Seeds, Clones, and Seedlings

- All Home Cultivation products (Cannabis Seeds, Clones, and Seedlings) must include the following on their label:
 - The name of the licensed facility where the product was derived or propagated;
 - The name of the licensed dispensary where the product is being sold;
 - The net weight of the product (or, if seeds, the number of seeds in the package); and
 - A warning label that states "For home cultivation only. Must be 21 years old or older or a registered patient for home cultivation."
- Additionally, the packaging for cannabis seeds must:
 - Keep cannabis seeds dry;
 - Prevent germination of the seeds in the packaging; and
 - Not impart any deleterious substances into the cannabis seeds.
- Outside of the requirements outlined above home cultivation products are exempt from packaging and labeling requirements for cannabis and cannabis products.

Prohibited Packaging and Labeling

- Product packaging and labeling *may not*:
 - Bear any image that may appeal to minors, including:
 - Resemblance to a commercially available candy, snack, baked good or beverage;
 - Images of food, candy, baked goods, cereal, fruit, beverages, or the words "candy" or "candies"
 - Display a cartoon, color scheme, image, graphic or feature that might make the package attractive to children.
 - Display artwork or design that could reasonably mislead any person to believe that the package contains anything other than a cannabis finished product;
 - Display a seal, flag, crest, coat of arms, or other insignia that could reasonably mislead any person to believe that the product has been endorsed, manufactured, or used by any state, county or municipality or any agency thereof;
 - Display false or misleading statements; and
 - Depiction of any form of consumption of cannabis or cannabis products
 - Depiction of overconsumption or intoxicating effects of cannabis or cannabis products
 - Claims regarding health or physical benefits to the consumer.
- A label, marketing layer or any other aspect of the product package obscuring any required warnings, statements, or information.

Other Operational Considerations

Prior to making any modification or renovations to certain areas of a licensed premises, licensees must

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 to the <u>Laws & Regulations</u> page on the first day of each month.