# **Cannabis Policy FAQs**



# Supplemental Applications & Conditional Licenses

# **NEW!** Where can I find a checklist of state and local requirements for my license type?

Each licensee's safety and security requirements are described in their licensee-specific regulations. An MCA investigator will use the provisions outlined in a licensee's regulations to guide their inspection.

For growers, <u>COMAR 14.17.10</u> For processors, <u>COMAR 14.17.11</u> For dispensaries, <u>COMAR 14.17.12</u>

For local zoning requirements, please contact the political subdivision where you are seeking to locate.

### NEW! Conditional licensees are interested in permissible ways to raise capital for their businesses. Where can they learn about their options?

The MCA conducted an informational webinar for conditional licensees on August 22nd. It covered a variety of topics, including adequate capitalization requirements, management service agreements, and access to capital. Watch the webinar recording or simply review the slides on the MCA's homepage.

### **NEW!** We saw the requirement to notify MCA of leases or LOI's. Are there other stages in the build-out or development process we need to notify MCA of?

A conditional licensee is encouraged, but not required, to contact their assigned investigator when building out their facility to ensure compliance with the relevant regulations. However, if aspects of the build out are not compliant, this may delay final licensure.

### Will micro licensees have access to incubator space facilities to assist with operating their businesses?

The Maryland Economic Development Corporation and MCA are in the process of identifying facilities in which to operate incubator spaces that micro licensees may use for their businesses. However, the incubator spaces may not be operational for selected applicants before they are required to become operational. Micro businesses should use the conditional license period to identify a physical location (if necessary for their license category) and establish legal control of the premises.

### Where can I find guidance on transfers and changes in ownership for preapproved or conditionally licensed business entities?

MCA has issued <u>guidance</u> to assist businesses that have been awarded a pre-approval for a cannabis license or a conditional license in navigating the requirements related to transfers of ownership and transfers of the conditional license prior to final licensure.

### May a conditional licensee locate their business in a different jurisdiction or region than the one in which the business applied and was awarded?

**UPDATED!** The location of a licensed cannabis business is limited to the region or jurisdiction in which the business applied and was awarded. For a map showing which parts of Maryland fall into each region, please review MCA's zoning guidance document on the Laws & Regulations page.



### Lottery Process & Licensing Rounds

## When will the next round of licensing occur?

At this time, the MCA does not have a date for the next licensing round. The MCA is required to evaluate the first round awards prior to announcing or holding the next licensing round. Once this evaluation is complete, it must conduct extensive outreach prior to the application round and announce any application round 60 calendar days prior to the beginning of the 30 calendar day application period.

### **All Licensees**

### **NEW!** Can a badged agent work for more than one licensee at the same time?

Yes. A badged agent may work for multiple licensees at one time, provided each licensee submits a new application for that agent through their OneStop portal.

Example scenario: A dispensary licensee wishes to get an individual badged so they can provide janitorial services without supervision. The individual is already badged to provide janitorial services for an independent testing laboratory. The individual may proceed with becoming an agent registered to work at the dispensary, but the dispensary licensee must submit a new agent application for the individual through the OneStop portal.

Note: The OneStop portal does not indicate whether an agent is already badged with another licensee or registrant. If a licensee does not want its agents working for multiple licensees, it should independently verify whether individuals currently work for any other licensees.

### NEW! What are the sample sizes required for cannabis products being sampled and tested?

Find detailed sample collection procedures in the MCA's Technical Authority, which is always on the right side of MCA's <u>'Industry Licensees & Registrants' page</u>, under the Independent Testing Labs header.

# **NEW!** Can a licensee transport cannabis to their facility to process and then transport their finished products to retailers?

Yes, a licensee may transport cannabis between licensed facilities, e.g. a processor may transport cannabis plants from a grower to its processing facility, and may transport its finished products to a dispensary. A licensee may not transport cannabis on behalf of another licensee. For example, a licensed grower may transport product to a licensed processor, but that licensed grower may not transport finished products from the processor to a dispensary. Alternatively, a licensee may contract with an MCA-registered secure transportation company to transport cannabis on their behalf. Transportation requirements are established in COMAR 14.17.09.03. Find a list of registered transporters on the MCA data dashboard.

**NEW!** If a licensee's operations outgrow its initial location, can it expand to multiple facilities? For example, can a grower have canopy at more than one location, provided the combined canopies do not exceed the statutory limit?

No. Each cannabis license authorizes a licensee to operate one licensed premises. However, once operational, a licensee may apply to change the location of its operation in accordance with <u>COMAR 14.17.06.03</u>.



### **UPDATED!** Are all agents required to complete the responsible vendor training (RVT)? Is there a deadline by which agents must complete the RVT?

Yes. See <u>COMAR 14.17.15.05C</u>. All registered agents employed by cannabis licensees (i.e., growers, processors and dispensaries) in Maryland must complete an MCA-approved RVT by January 1, 2025. Registered agents who are employed by cannabis registrants, i.e. independent testing laboratories, transporter businesses, security guard companies, or waste disposal companies, are not required to complete RVT.

MCA strongly recommends that businesses provide training within 90 days of hire.

# With RVT in place, do licensees still need to continue to provide their own training?

Yes. Licensees must train all agents on procedures specific to their operations and premises, including:

- Standard operating procedures;
- Security procedures; and
- Safety procedures, including responding to:
  - A medical emergency;
  - A fire;
  - A chemical spill; and
  - A threatening event such as an armed robbery, invasion, burglary, or other criminal incident.

### I hold a micro license, can I apply to transition to a standard license or otherwise grow the size of my business?

Yes. The Administration will reserve enough standard licenses to allow a limited number of micro licenses to convert to a standard license. Per COMAR 14.17.07.08, a micro licensee in good standing may apply to the MCA to convert to a standard license once it has been operational for at least 24 months. Once the conversion is approved, a micro licensee can expand growing, processing, or dispensing operations.

### What labeling information can be made available through a QR code or on a peel and reveal label?

Except as described below, information required under COMAR 14.17.18.03D and .05B must be placed directly on the outermost marketing layer of a product package and may not be made available through a QR code or on a peel and reveal label.

Peel and reveal labels or QR codes may be used to provide the following information:

- Nutrition facts
- Non-cannabis ingredients
- Itemization of cannabinoids/terpenes
- Allergens, if applicable

Additionally, a QR code may be used to display the Certificate of Analysis (COA), provided the QR code has a unique code that links directly to the product's COA. A QR code used to display nutrition facts, non-cannabis ingredients, cannabinoids/terpenes, and allergens must be separate from a QR code used to display the COA.

## Can a licensee give free cannabis product samples to employees?

Yes. A grower, processor, or dispensary licensee may give samples of cannabis or cannabis products to their own agents for the purpose of product education provided the following conditions are met:

- A licensee must establish a standard operating procedure for providing samples to employees and logging samples given in the seed-to-sale tracking system; and
- Cannabis and cannabis products given to employees as samples must be logged in the seed-to-sale tracking system in accordance with the standard operating procedure.



### Processors

### How is the 2,000 pound weight limit for micro processors being applied? Will the weight of dry flower be calculated the same as frozen flower?

The 2,000 pound weight limit applies to cannabis that has not yet been transformed into finished cannabis products. MCA will apply this statutory requirement using the total weight transferred into a licensee's facility. This means that dried flower and fresh frozen flower are treated the same, i.e. 1 pound of dried flower and 1 pound of fresh frozen flower apply equally toward the weight limit. There is no alternate calculation for cannabis transferred in this form as long as it is recorded accurately in the seed-to-sale tracking system.

#### Can a licensed processor transfer cannabis oil, distillate, or concentrate to another licensed processor?

Yes, a licensed process may transfer cannabis oil, distillate, or concentrate to another licensed processor. For purposes of input weight limits, concentrated or distilled cannabis is treated the same as dried or fresh frozen cannabis, i.e. 1 pound of dried flower, 1 pound of fresh frozen flower, and 1 pound of distillate apply equally toward the weight limit.

### Will micro growers and processors be required to submit testing to the State Cannabis Testing Laboratory, or will they also be permitted to use Independent Testing Laboratories?

All products must undergo independent third party testing prior to distribution to a licensed dispensary, caregiver, consumer, or patient. This includes products distributed by micro growers and processors. There is no longer any distinction between public and non-public zones for growers and processors. Does MCA's visitor policy apply to mail carriers or construction workers who are technically on the licensed premises of a grower or processor but not within any part of the facility that has cannabis or access to cannabis?

No. Individuals who are on the licensed premises for the narrow purpose of package delivery or other services that do not involve areas of the premises used for cannabis cultivation or processing are exempted from visitor requirements. For example, a worker who is installing a loading dock does not need to be physically supervised or logged as long as they are confined to areas that do not have cannabis or access to cannabis. Conversely, if a worker is repairing an HVAC system in a cannabis storage area, the licensee must log them in and out, retain a copy of their government-issued ID, and physically supervise them for the duration of their visit.

The regulations require a licensee to notify the MCA within 24 hours of learning that a lab has determined a batch does not meet specifications. What do licensees need to do to comply with this requirement?

This requirement applies to presumptive pathogen detection **only**. Provided that the registered independent testing laboratory who performed the test follows the steps established in the MCA's Technical Authority for presumptive positive pathogen detection, which include notification to the licensee, a licensee does not need to take any additional reporting steps.



### **Dispensaries**

## **NEW!** Are micro dispensaries required to have a secure room?

A micro dispensary that operates its own storage facility is not required to have a secure room per se within its storage facility. However, the storage facility must meet requirements in <u>COMAR 14.17.12.03C</u>. These include but are not limited to:

- A storage facility must be constructed to prevent unauthorized entry, securely locked and protected from entry
- In areas where cannabis is stored, there must be adequate lighting, ventilation, temperature, humidity, space, and equipment to maintain product quality
- Access limited to the micro dispensary owner and its agents
- Light fixtures to ensure proper surveillance
- Security alarm system that covers all perimeter entry points and portals, rooms that hold cannabis, and locations where records are stored on-site and off-site
- Motion activated video surveillance system

If a micro dispensary chooses to store its inventory at a standard dispensary, the storage facility must comply with standard dispensary requirements for secure storage under COMAR 14.17.12.02.

# What are a dispensary's obligations with regard to prioritizing patients in their designated line?

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

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.

### What can and can't a dispensary do outside of their posted hours of operation?

A dispensary must make and record all sales between the hours of 8am to 11pm and should not allow any consumer or patient to enter the premises outside of that window. Within that window, the dispensary may set and post operating hours for entering individuals into a lobby or the operations zone however it believes will best manage patient and consumer flow. A dispensary may conduct setup, closing, or other business activities, including receiving delivery orders, outside of those hours as long as the dispensary is closed to the public and cannabis inventory is locked in the secure room as required.

For inventory and repackaging purposes, the secure room may be open and cannabis inventory may be outside of the secure room during the two hours immediately before and after a dispensary's posted hours of operation. If a dispensary needs additional time to complete these activities, they may request an exemption via email to their MCA regional investigator.

# May children under 18 accompany parents or guardians into the service area of a dispensary?

A dispensary may choose to allow a patient or caregiver to bring children under 8 years old into the premises as long as the children are accompanied by the patient or caregiver for the duration of their visit.

## Are dispensaries required to scan identification cards?

No. A dispensary may scan an individual's driver's license or identification card to verify age or authenticity of the ID. However, it is not permitted to retain the information or to use the information for other purposes unless the licensee obtains the individual's consent.

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## Can a micro dispensary have multiple storage facilities?

Yes. Provided each storage facility complies with all requirements in COMAR 14.17.12.03A and C, a micro dispensary may maintain multiple storage facilities. A micro dispensary may additionally make arrangements with multiple growers, processors, incubator spaces, and/or standard dispensaries to use their storage facilities provided all applicable requirements are met.

### What is the process for a micro dispensary to petition to expand its authorized service area?

Once all micro dispensaries are operational, the MCA will inform businesses of the process by which they may petition to expand their authorized service area.

### **Products**

### What may be sold to adult-use consumers?

Adult-use 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 (no potency limit)
- Home cultivation products up to two plants
- 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

A dispensary agent may not knowingly dispense to an adultuse consumer an amount of cannabis or cannabis products greater than the personal use amount under Criminal Law Article, §5-101, Annotated Code of Maryland, in a single day.

### Does the 1 gram limit for concentrates sold to adult-use consumers apply to cannabis vaporizing devices?

No. The 1 gram limit for concentrates does not apply to cannabis vaporizing devices. However, for purposes of adultuse sales limits, cannabis vaporizing devices continue to be weighed as cannabis concentrates. This means an adult-use consumer may not purchase more than 12 grams of vape liquid or cannabis vaporizing devices in a single transaction.

### **Medical Program**

## What must a patient present at a dispensary?

Medical patients must present a valid government-issued photo identification and provide either their MCA-issued medical patient ID card or ID number.

#### Are patients subject to the personal use amount, i.e. 1.5 oz flower, 12 g concentrated cannabis, or cannabis products containing 750 mg delta-9 THC?

Patients may possess up to the amount of cannabis or cannabis-infused product established in their current written certification, even if it exceeds the personal use amount in Criminal Law, § 5-101, Annotated Code of Maryland.

### How do I give up my medical card?

To authorize MCA to deactivate your registration, you may submit the <u>Patient/Caregiver Inactivation Request Form</u>. Please note that if you have a physical ID card, you must send it back to the MCA at the following address: 849 International Drive, 4th Floor, Linthicum, MD 21090.



### Advertising

## Where can I find comprehensive advertising guidance?

Statutory guidelines for cannabis advertising can be found under Alcoholic Beverages and Cannabis, §§ 36-901–36-903, Annotated Code of Maryland. MCA advertising regulations can be found under <u>COMAR 14.17.14.06</u>. Finally, the MCA's advertising fact sheet on the <u>Laws and</u> <u>Regulation page</u> provides compliance guidance for licensees considering how to advertise.

#### Can a licensee sponsor an event?

Yes. 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 21 years of age or older;
  - Demonstration of audience composition includes:
    - Ticket sales;
    - Age-restricted events;
    - 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.

### Can a licensee sell branded non-cannabis merchandise at an event outside of the licensed premises?

A licensee may sell branded, non-cannabis merchandise at a fair market value at an off-site event that otherwise complies with advertising restrictions. These products may not directly or indirectly target individuals under the age of 21. This means they cannot include any cartoons, mascots, or any other image or design that appeals to minors. Additionally, merchandise may not display the use of cannabis, encourage cannabis as an intoxicant, or be obscene.

### Are there specific warnings that must be included in advertising related to cannabis?

It depends. If a cannabis advertisement includes any medical or therapeutic claims, those claims must be supported by competent and reliable scientific evidence and the advertisement must include information on the most serious and significant side effects or risks associated with the use of cannabis.



### Zoning

# What restrictions may a political subdivision impose on a cannabis business?

A political subdivision may exercise some authority to approve new cannabis facilities and to set reasonable distance requirements for new cannabis facilities in their jurisdiction. A political subdivision may determine what types of establishments are included in different use categories, as well as methods of measurement for setbacks from certain facilities or areas.

New cannabis dispensaries are subject to statewide zoning standards established in Alcoholic Beverages and Cannabis Article § 36-410(b). The table below identifies each statewide zoning standard and the corresponding local authority for each. A political subdivision may adopt an ordinance to alter the standard for their jurisdiction within the parameters listed below. **The distance requirements below do not apply to cannabis businesses that were properly zoned and operating prior to July 1, 2023**.

Statewide standards	Local authority
A dispensary may not locate within 1,000 ft. of another dispensary	May reduce this distance or increase to not more than one half-mile
A dispensary may not locate within 500 ft. of pre-existing sensitive areas*	May reduce but not increase this distance
Dispensaries in residential areas – no statewide standard	May establish limitation of up to 100 feet or the limitation in place for liquor stores in residential areas
Growers – no statewide standard	May establish standards for outdoor grow facilities in agricultural areas <i>equally or</i> <i>less restrictive</i> than zoning requirements that existed on June 30, 2023 for hemp farms.

\* Pre-existing sensitive areas include primary or secondary schools, licensed child care centers, registered family child care centers, playgrounds, rec centers, libraries, public parks, or places of worship. Local zoning codes define what areas constitute these use categories.

### What can't a local government do?

In general, a local government may not impose zoning standards more restrictive than the requirements established under <u>Alcoholic Beverages and Cannabis Article § 36-</u> <u>410</u>. Specifically, a local government may not increase any distance requirements beyond the local authorities outlined in the table above.

For growers, a local government may not impose a zoning requirement for a licensed grower cultivating cannabis exclusively outdoors in an area zoned only for agricultural use that is more restrictive than any zoning requirements that existed on June 30, 2023 governing hemp farms. Additionally, a local government may not prohibit outdoor cannabis cultivation on a premises that was properly zoned for outdoor cannabis cultivation on or before June 30, 2023.

# **NEW!** Are there statewide restrictions on where conditional processor and grower licensees can establish operations?

Provided a processor or grower licensee is located in the region or jurisdiction in which the business applied and was awarded, there are no additional statewide restrictions on where they establish operations. There may be local restrictions that impact conditional processor or grower licensees. Please contact the local zoning authority where you intend to locate for information specific to the political subdivision.



### How are zoning setbacks measured?

Use categories and methods of measurement for setbacks are determined by political subdivisions and may differ between counties and municipalities. The MCA is unable to provide guidance to selected applicants regarding zoning requirements in specific counties or municipalities. Please contact your local zoning authority for information specific to your political subdivision, including questions about:

- Methods of measurement
- Where a setback begins, i.e. does measurement begin at the front door of the proposed establishment or from any point of the property?
- What type of areas are included in different use categories, e.g. what constitutes a recreational area?

### **Other / General Interest**

#### Where can I smoke?

Find this and many other answers about how to consume cannabis responsibly on MCA's BeCannabisSmart page.

### Will my ID be scanned?

A dispensary may scan an individual's driver's license or identification card to verify age or authenticity of the ID, but this is not an MCA requirement. A dispensary is not permitted to retain the ID information or use the information for other purposes unless it obtains the individual's consent.

#### Are adult-use purchases being tracked?

A dispensary is required to log every cannabis purchase in the seed-to-sale tracking system as an adult-use sale, but the records do not identify any individual adult-use consumer or link any individual to their purchases. MCA does not maintain records of any individual adult-use consumer's purchases, as it does with patient purchases. A dispensary is not permitted to create a consumer profile for the purpose of tracking an individual's purchases without an individual's explicit consent, nor may it deny a cannabis sale solely because an individual refuses to have a consumer profile created for them.

#### How much can I purchase?

Adult-use consumers may purchase up to the personal use amount authorized under law. This amount is up to 1.5 ounces of cannabis flower (including joints and pre-rolls), 12 grams of concentrated cannabis, or a total amount of edible cannabis products that does not exceed 750 mg THC. These are combined limits. An individual purchasing the MAXIMUM amount of any one product type MAY NOT purchase any additional product type(s).

A qualifying patient may possess up to the amount of cannabis or cannabis-infused products that is authorized in their written certification.

### Are products tested?

Cannabis products purchased from licensed dispensaries undergo rigorous testing for potency and purity. Growers and processors are required to use an MCA-registered independent testing laboratory to test each batch of cannabis and obtain a certificate of analysis (COA). The COA reports concentrations of compounds, presences of contaminants, and whether the batch is within specifications for certain characteristics. The COA will be available on any cannabis product packaging via link or QR code.

## Can I sell my seeds and immature plants to cannabis licensees?

To provide a path for businesses to sell cannabis seeds, seedlings, immature plants, and clones to other cannabis licensees, MCA is creating a new ancillary business type for cannabis nurseries. Businesses that wish to sell these products will be required to register with MCA as a cannabis nursery. The MCA is in the process of developing this registration process and operating regulations for these entities. Only a licensed dispensary will be able to sell cannabis plants to patients and adult-use consumers.



## What's going to happen to delivery on July 1, 2025?

Through June 30, 2025, standard dispensaries and delivery registrants may continue delivering medical cannabis to qualified patients and registered caregivers *only*. Once the State's micro dispensaries are operational, they can deliver cannabis to patients and adult-use consumers. On July 1, 2025, only micro dispensaries may deliver cannabis to patients or adult-use consumers.

### Can places of business that do not sell cannabis allow cannabis consumption on site, including outdoor smoking?

No. A business must obtain an on-site consumption license from the MCA before operating a premises where cannabis may be consumed. At this time, no on-site consumption licenses have been awarded. The MCA anticipates awarding on-site consumption licenses in the next round of licensing. However, an on-site consumption establishment may only operate if the political subdivision where it is located expressly permits it operate.

# May a licensed dispensary carry CBD products? What about products derived from hemp?

Yes. A dispensary may sell CBD products and hemp-derived products containing more than 0.5 mg THC per serving or 2.5 mg THC per package in the restricted area of a dispensary. 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 area of a dispensary.

### Must hemp be produced in Maryland or produced in compliance with MCA standards/does the product have to be tested in Maryland?

A licensed dispensary may sell hemp products that were not produced in Maryland as long the products are manufactured, tested, packaged, and labeled in accordance with MCA's requirements.

Requirement	COMAR
Manufacturing	COMAR 14.17.13 Cannabis Products
Testing	COMAR 14.17.08 Laboratory Registration and Operations & Technical Authority
Packaging & Labeling	COMAR 14.17.18 Finished Product Packaging

## What if I have a question not answered here?

Please 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 release an updated FAQ document on the first day of each month.