# Co-Location Guidance



The following is provided by the Maryland Cannabis Administration (MCA) to assist cannabis licensees in complying with State laws governing the cannabis industry. This document is not legal advice. It is meant to highlight requirements for growers and processors seeking to co-locate. Please consult an attorney if you have any questions regarding the legal requirements that apply.

The current statute and regulatory scheme permits growers and processors to share locations, provided both licensees comply with existing requirements to limit theft and diversion, and prevent commingling. This may include multiple growers on one licensed premises, multiple processors on one licensed premises, or grower(s) and processor(s) sharing one licensed premises. A licensed premises must comply with all requirements for any license types seeking to locate on it before it may become operational. See, e.g., COMAR 14.17.11 & 12. Co-location may not be used to exempt or circumvent restrictions on ownership or control. Co-location requirements include but are not limited to:

#### **Sharing Equipment**

14.17.10.03 and COMAR 14.17.11.03, co-located licensees may share equipment and production materials, other than storage areas, provided they avoid commingling plants or products. Licensees should use equipment at separate times in a way that prevents cannabis plants or products commingling. Additionally, the MCA strongly recommends co-located licensees sanitize equipment and work spaces between each use to prevent cross-contamination.

To ensure compliance with COMAR

Example: If sharing a drying rack or kitchen equipment, licensees must avoid using it concurrently. Licensee A could use the drying rack on Monday and Licensee B should use it on Tuesday, with a cleaning between uses on Monday evening.

## No Commingling

Each licensee must store and keep separate all of its cannabis plants, seeds, seedlings, cannabis products and other precursor plants, plant material, and products at all times. Products cannot be commingled at any stage of the growth or production process.

If co-locating field grow operations, each licensee's plot(s) must be separated by fencing as described in <a href="COMAR">COMAR</a>
14.17.10.02B(2)-(4).

### **Security System & Access**

Grower and processor premises must have a security alarm system as required by COMAR 14.17.10.02F and 14.17.11.02E, respectively. At a colocated premises, each licensee must also independently and uniquely control access to its storage area(s), including the ability to add or remove its badged agents to access area(s) in which their plants or products are stored.

Note: Co-locating licensees may use the same security access provider as long as each licensee has the unique, independent control described above, e.g. licensees use the same security provider but each licensee has control over its unique zone.

#### **Independent Records**

Each licensee must maintain independent and accurate records within the seed-to-sale tracking system required by regulations for their license type.

See COMAR 14.17.02.02.

Video Surveillance & Access
Grower and processor premises
must have a motion-activated video
surveillance recording system as
required by COMAR 14.17.10.02G
and 14.17.11.02F, respectively.
At a co-located premises, each licensee's
video surveillance must be recorded and
saved separately, and each licensee must
have unique and independent access to
its video surveillance recordings.

#### MCA Notification

A conditional licensee must email a copy of the co-location agreement and any letter of intent (LOI) or lease, and any other documents relevant to the co-location, to their MCA investigator upon signing an agreement, LOI, or lease, whichever occurs first. An operational licensee may not make modifications or renovations to a premises without prior approval by the MCA. See COMAR 14.17.10.02 and 14.17.11.02.

# **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 to the Laws & Regulations page on the first day of each month.