

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 regulatory and legislative updates make certain changes for dispensary licensees, including but not limited to the following:

- Converted dispensaries may continue to deliver medical cannabis to patients and caregivers through June 30, 2026.
- MCA may request information from dispensaries regarding the utilization of clinical directors.
- Dispensaries may store cannabis in a clear, tamper-evident canister for display purposes, provided they follow certain security measures.
- Dispensaries must make required labeling information available for customers to review upon request. Dispensaries can comply in one of several ways.
- If a dispensary detects a discrepancy of greater than 0.5% of the manifested and documented stock of that product category reflected in Metrc, it must follow the investigation and reporting procedures established in COMAR 14.17.12.10.
- If a dispensary finds evidence of theft or diversion, it must still notify MCA within 1 business day but is no longer required to notify law enforcement of incidents of potential theft or diversion.
- Operational dispensaries must ensure that 25% of products available for retail sale are products grown, manufactured, extracted, or otherwise produced by (a) licensees that have no common ownership interest or control with the dispensary license holder and (b) social equity businesses. Social equity dispensaries must allow for 25% of product available for retail sale to be produced by licensees with which they share no common ownership interest or control.

Identification

Adult Consumer: 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.**

Version 8 - this document was updated on April 29, 2025 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.

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

A dispensary may not create an adult-use 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. On October 31, 2024, MCA released a <u>notice</u> requiring dispensaries to post an MCA-issued sign informing customers of these rights.

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.

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 flower and 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

NEW! Display Canisters

A dispensary may store cannabis in clear, tamper-evident canisters for display purposes provided that certain security measures and requirements are met:

- During hours of operation, the canister is:
 - Stored out of reach behind the service area counter when not being actively examined
 - Otherwise stored securely to prevent unauthorized removal of the canister
- Outside of hours of operation, the canister must be stored in the dispensary's secure room;
- Once the display is no longer in use, the dispensary should green waste the cannabis in accordance with its standard operating procedures;
- Product stored inside the display jars should not be easily accessible or removable by qualifying patients, registered caregivers, or adult-use consumers – in other words, customers may not touch the cannabis;
- Cannabis used for display must be recorded in accordance with seed-to-sale tracking system procedures.

NEW! Displaying Required Labeling Information

To assist customers who may have trouble reading small print or using a QR code, a dispensary must display <u>required labeling information</u> upon request. Dispensaries may comply with this requirement by keeping paper copies of information on hand for agents to show to consumers or by pulling the information up on an electronic device and presenting it to a customer upon request.

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>, $\S5-101$, 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.

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.
 - i. 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 q 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.

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.

Dispensary agents are required to complete responsible vendor training on an annual basis. Responsible vendor training programs must:

- Meets the minimum requirements under Alcoholic Beverages and Cannabis Article, §§36-1001—36-1003, Annotated Code of Maryland; and
- Be registered with the Administration in accordance with §E(3) of COMAR 14.17.15.05.

Sales Tax

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

Deliveries

Through June 30, 2026, 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.

<u>Curbside Pick-up</u>

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 entrance/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.

UPDATE! Trade Practices

Previously licensed dispensaries, i.e. an operational business that holds a dispensary license issued prior to December 31, 2022, shall reserve 25% of products available for retail sale for products grown, manufactured, extracted, or otherwise produced by (a) licensees that have no common ownership interest or control with the dispensary license holder **and** (b) social equity licensees. As supply becomes available, these licensees must prioritize products produced by social equity businesses.

Newly licensed dispensaries shall 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.

MCA will begin enforcing this requirement on July 1, 2025.

UPDATE! Inventory & Discrepancy Reporting

In accordance with <u>COMAR 14.17.12.04D</u>, a dispensary is required to conduct a monthly physical inventory and compare the physical inventory of cannabis with the stock reflected in METRC. <u>COMAR 14.17.12.10A(1)</u> establishes a threshold of 0.5%, i.e. one-half of 1 percent, for inventory discrepancy investigations. In other words, if at the time of its monthly physical inventory or rolling inventory count, a dispensary determines that a *total* discrepancy of items or weight in any one METRC product category amounts to more than 0.5% of the manifested and documented stock of that product category reflected in the seed-to-sale tracking system, the dispensary shall commence an internal investigation of the discrepancy within 1 business day. Finished product categories in Metrc include Buds, Concentrate (Each), Exempt Edible Product (Medical Only), Exempt Liquid Edible Product (Medical Only), Infused Edible, Infused Edible (Capsule Only), Infused Liquid Edible, Infused Non-Edibles, Tincture for Oral Administration, and Vape Cart.

If the dispensary cannot resolve a discrepancy greater than the 0.5% threshold, the licensee shall report the *unresolved discrepancy* to MCA by submitting an investigation report. Failure to report an unresolved discrepancy within 30 days may be used as evidence of diversion. *See COMAR 14.17.12.10A(2)*.

In accordance with COMAR 14.17.12.10D, if a dispensary detects a discrepancy between its physical inventory and the inventory recorded in METRC at the time of its monthly inventory which is less than 0.5%, the dispensary shall work internally to resolve the discrepancy and use METRC to record and explain package adjustments and *does not* need to submit its investigation report to MCA. In this case, a licensee is not required to submit any additional documentation to the MCA.

In both cases, a dispensary is required to maintain monthly physical inventory records and make them available to MCA upon request, including during an inspection. See COMAR 14.17.14.03E(3).

Example 1: A dispensary conducts daily, rolling inventory counts of each METRC product category in addition to its required monthly inventory. METRC indicates there are 1,000 vapes in stock. A discrepancy greater than 5 would require the dispensary to initiate an investigation within one business day $(1,000 \text{ vapes } \times 0.005 = 5 \text{ vapes})$. A hand count and the point-of-sale (POS) indicate that one is missing, amounting to a 0.1% discrepancy for the vape cart category (1 vape cart/1,000 vape carts = 0.001). In this case, the dispensary should follow its inventory control procedures to resolve the discrepancy and shall use METRC to explain and report the discrepancy without initiating an investigation. Provided the dispensary does not discover discrepancies more than 0.5% of each product category during their monthly inventory, they do not need to initiate an internal investigation.

Example 2: A dispensary is conducting its required monthly inventory. METRC indicates a dispensary has 10,000g buds in stock. If it identifies a discrepancy greater than 50g ($10,000g \times 0.005$), it must initiate an investigation within one business day. A hand count and the POS indicate a discrepancy of 51.25g. To calculate the total discrepancy for that category, the dispensary divides 51.25g by 10,000g (51.25/10,000). The total discrepancy,

0.51%, exceeds the 0.5% threshold for total product weight or items in the dispensary's manifested and documented inventory for the buds category. The dispensary must initiate an internal investigation within one business day. If the dispensary cannot resolve the discrepancy within 30 business days, the licensee shall report the unresolved discrepancy to the MCA.

MCA will begin enforcing this reporting threshold on June 1, 2025.

Additional Operational Considerations

- 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.

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>.