

## Supplemental Applications & Conditional Licenses

I'm a selected applicant, can I transfer any or all of my ownership or control of the applicant entity to another individual or entity?

No. If you are a selected applicant, the MCA is still reviewing and/or verifying your application. Applicants are not permitted to change the information in their application after submission, including information regarding ownership. If the ownership of a selected applicant does not match the ownership presented in the capitalization table of the application, the selected applicant will not be eligible for conditional licensure, and the application may be denied pursuant to COMAR 14.17.05.03.

#### I'm a conditional licensee, can I transfer the ownership or control of my conditional license to another individual or entity?

Conditional licensees may transfer a limited amount of equity (ownership). At least 51% of the ownership interest must be held by individual(s) who qualify as social equity applicants and who were listed on the application. Further, social equity applicants listed on the application must maintain control of the applicant entity. See <u>COMAR</u> 14.17.05.05A(5) and (6).

A conditional licensee that attempts to transfer a controlling ownership interest, or that attempts to transfer control from social equity applicant(s) listed on the application, will not be eligible for final licensure.

## 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 license-specific regulations. An MCA investigator will use the provisions outlined in the regulations for each licensed category to guide their inspection.

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

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

#### 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.

#### 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 might not be operational for selected applicants to use 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. The MCA also refers businesses to the pertinent regulations, in particular COMAR 14.17.05.03, 14.17.05.05 and COMAR 14.17.06.04.

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

Generally, 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.

A grower or processor may change location outside of the region it was awarded a license if the change is part of a co-location agreement submitted to MCA. MCA is in the process of promulgating regulations governing co-location agreements. Please review the Co-Location Guidance document on MCA's Laws & Regulations page. A licensee may apply and pay a fee to change the location of the licensee's operation but may not begin cultivation, processing, or dispensing of cannabis at a new location until the Administration approves the change. Furthermore, a dispensary may only change location within the county that the dispensary was awarded a license.

### 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 MCA license be held as collateral by a creditor?

Yes. A licensee, including a conditionally licensed entity, may use the value of a cannabis license as collateral to obtain a loan from an MCA-registered creditor. Creditors may register using this form. Find a list of MCA-registered creditors on the MCA's Industry Licensee's page here.

If a licensee becomes the subject of a court order requiring the appointment of a receiver, the license can be sold to an eligible bidder to satisfy the debt. In this case, a creditor must select, or a court may appoint, a receiver who will oversee the orderly transfer of the license and manage the cannabis business while it is in receivership. In order to minimize the time that a license is non-operational, a prospective receiver must register with the MCA to act as a receiver. COMAR 14.17.17 establishes the receivership process, including receiver registration requirements and receiver responsibilities for disposition of a license.

For more information on issues related to financing see MCA's Financial Options Guidance.

# **NEW!** What are the changes MCA has made to discrepancy, diversion, and theft regulations?

As of April 14, 2025, licensees are no longer required to notify local law enforcement if they discern a discrepancy due to theft or diversion. They may still do so if that is their standard operating procedure, but it is not required. Licensees must still notify MCA within 1 business day. As of June 1, 2025, a dispensary must initiate an investigation within one business day if it detects a total discrepancy of items or weight in any one Metrc product category greater than 0.5% of the manifested and documented stock of that product category reflected in Metrc. 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. Please visit the dispensary guidance document on the Laws & Regulations page for a more detailed explanation.

For growers and processors, the discrepancy threshold has not changed. Growers and processors are subject to discrepancy investigation and reporting requirements in COMAR 14.17.10.08 and COMAR 14.17.11.18.

#### NEW! Can one alarm system be used for all areas of a licensed premises that need security system coverage? If so, must that security system be split into different individual zones?

A licensee may use one alarm system for its entire premises provided it has unique zones for each area required to be protected by the alarm system. For example, a dispensary may use one overall security alarm system but establish unique zones for each perimeter entry point and portal, room that holds cannabis, and on- and off-site location where records are stored. The security system must meet all security alarm system requirements for each license type. See COMAR 14.17.10.02, 14.17.11.02, 14.17.12.02.

#### **NEW!** If space permits, can a licensee keep non-cannabis products, like a safe or business records, in the secure room?

Yes, provided the secure room meets all of the requirements in COMAR 14.17.12.02



#### NEW! Are there any restrictions on non-U.S. citizens holding ownership in a cannabis business?

No, not under Maryland law. An individual who holds any amount of ownership interest or control must comply with requirements detailed in COMAR 14.17.16.

### Does MCA still require licensees to submit the Annual Agent Verification Report?

No, this is no longer required. The MCA has removed this from its Reporting Requirements page.

#### When can medical licenses that were converted to dual licenses transfer ownership?

A converted license is not transferable for a period of at least 5 years following licensure and prior to July 1, 2028, except in the following cases:

- Transfers as a result of the disability, incapacity, or death of the owner of a cannabis license, bankruptcy, or receivership in accordance with a lending agreement of a cannabis licensee, or court order; and
- Transfers of ownership that are the subject of a legally binding settlement agreement resulting from litigation that commenced on or before January 1, 2023.

Note: If a proposed transfer is for less than 5% of a cannabis licensee and the proposed transfer will not result in the transferee holding 5% or more of the licensee, then the proposed transfer does not require MCA review and approval.

#### **UPDATED!** Do individuals who provide regular services, such as janitorial services, on a licensed premises need to be badged agents?

Individuals who provide regular (non-cannabis) services at cannabis facilities are not required to be registered as agents; however, many licensees choose to obtain agent badges for individuals who provide services on a regular basis in operational areas of the licensed premises. This is because MCA regulations require a licensee to follow specific procedures while a visitor is in an operational area of the premises. These include:

- Logging the visitor in and out;
- Retaining with the log a photocopy of the visitor's government-issued identification;
  - Note: Once a licensee has made an initial copy of a visitor's government-issued identification, they may retain the same copy of the visitor's governmentissued identification rather than make a new copy for a recurring visitor's identification, provided that they confirm the retained copy matches the visitor's valid government-issued identification card.
- Continuously, physically supervising the visitor while they are on the premises;
- Ensuring that the visitor does not touch any cannabis; and
- Maintaining a log of all visitors to the operations zone for 2 years.

Once individuals who provide janitorial or other regular services are badged, licensees no longer need to follow these procedures.



## 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. However, Alcoholic Beverages and Cannabis, §36-408, Annotated Code of Maryland prohibits a laboratory agent or employee from being employed by a cannabis licensee.

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 another, unaffiliated licensee. 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.

# 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.

# 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 <u>COMAR 14.17.09.03</u>. Find a list of registered transporters on the MCA data dashboard.

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>.

#### I am a badged dispensary agent but don't work day-to-day in the dispensary. Do I still need to complete RVT by January 1, 2025?

Yes. Any person badged as a dispensary agent, to any extent, is required to complete RVT by January 1, 2025.



#### I am a dispensary agent affiliated with multiple locations. Do I need to take the training each year for each location?

No. Only one training is required annually.

I was initially badged to work at a cultivation facility, but I am also badged for one or more processor and dispensary locations. Do I still need to take RVT by January 1, 2025?

Yes. Any person badged as a dispensary agent, to any extent, is required to complete RVT by January 1, 2025.

#### 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 at any licensed dispensary location must complete an MCA-approved RVT by January 1, 2025. MCA recently issued a <u>notice</u> granting an additional six months for registered grower and processor agents to complete an RVT course that best aligns with their assigned duties. During this extension, the MCA will be evaluating what training coursework is best suited to meet this goal. 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 some standard licenses to allow a limited number of micro licenses to convert to a standard license. Per <u>COMAR 14.17.07.08</u>, 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 <u>COMAR 14.17.18.03D</u> and <u>.05B</u> must be placed directly on the outermost marketing layer of a product package and may not be made available through a link, including a QR code, or on a peel and reveal label.

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

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

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

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

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

- A licensee must record samples given in the seed-to-sale tracking system in accordance with seed-to-sale tracking system guidance;
- Products given as samples must be tested, packaged, and labeled in accordance with MCA regulations;
- Employee samples may not be sold to another licensed business, caregiver, or consumer;
- Employee samples may not be consumed on any licensed premises; and
- Cannabis plants may not be given as employee samples.

#### See COMAR 14.17.20.02E(4)

MCA may request reports of sample distributions to employees to ensure that they are being provided for educational purposes only.

#### Growers

## **NEW!** What are the limits on canopy expansion for growers?

Per Alcoholic Beverages and Cannabis Article, § 36-402, beginning January 1, 2024 licensed growers that held a license issued prior to December 31, 2022, could expand their canopy based on their previously reported canopy space not to exceed as follows:

- 1. If the canopy is under 25,000 sq. ft., to 25,000 square feet or by 20%, whichever is greater;
- 2. If the canopy is at or above 25,000 sq. ft., by 20%; or
- 3. 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 licensed grower may only expand the amount of canopy, according to the following schedule:

- 1. 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
- 2. Beginning May 1, 2024, the licensee may expand its canopy of operations for the remaining total square footage authorized.

These restrictions and timelines are in place until January 1, 2027. After January 1, 2027, the increment and timeline restrictions no longer apply. A grower must notify MCA regarding a proposed canopy expansion that does not exceed the canopy size restrictions in Alcoholic Beverages and Cannabis Article, § 36-401(c)(1), and, if approved by MCA, proceed with the canopy expansion.

Example 1: Grower A has been licensed since July 1, 2022 and has a reported canopy of 22,000 sq/ft. Grower A plans to expand their canopy and submits to MCA a Request for Modification/Renovation of Premises form to expand its canopy to 26,000 sq/ft. This proposed expansion to 26,000 sq/ft amounts to a canopy expansion of 18.2% ((26,000 - 22,000) / 22,000 = .1818). This is within the canopy expansion limits as Grower A's previously reported canopy is under 25,000 sq/ft and thus can be expanded up to 25,000 or by 20%, whichever is greater. Grower A's canopy expansion timeline is unrestricted because the expansion will occur after May 1, 2024.

Version 5 - This document was updated on May 2, 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



Example 2: Grower B has been licensed and operational since July 1, 2023. The canopy expansion restrictions do not apply. Grower B must still report its canopy to MCA, submit a Request for Modification/Renovation of Premises form, and receive MCA approval prior to expanding its canopy.

### **NEW!** What are the micro grower canopy limits?

Per Alcoholic Beverages and Cannabis Article, § 36-401(c)(2) (i), a micro grower may not operate more than 10,000 square feet of indoor canopy or its equivalent, as calculated by the Administration.

For the purposes of calculating canopy, 1 square foot of indoor canopy is equal to 4 square feet of outdoor canopy. See Alcoholic Beverages and Cannabis Article, § 36-402(d) (1)(v). Additionally, canopy that is rented, leased, operated by a micro grower other than its owner shall only be attributed to the micro grower in control of the square footage. For example, if micro grower A leases part of their property to micro grower B for cannabis cultivation, the leased property used for cannabis cultivation by micro grower B would only be attributed to micro grower B and thus only need to be reported to MCA by micro grower B. See COMAR 14.17.07.05F.

Growers may not make any modifications or renovations without prior approval by the MCA or that exceed the canopy restrictions in Alcoholic Beverages and Cannabis Articles §36-401 and §36-402. Furthermore, growers must report to MCA the square footage of indoor and outdoor canopy by October 1 of each year.

### **Processors**

#### 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.

#### 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.



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#### 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! Do cannabis products have to be concealed in any way upon the sale to a customer and removal from a licensed premises?

All finished cannabis products must be packaged in accordance with COMAR 14.17.18.02, which requires all packaging of any cannabis product for retail sale to be tamper evident, child resistant, plain, and opaque. MCA does not require dispensaries to provide additional packaging, such as an opaque bag, for customers to carry their purchases out of the store. Dispensaries should make themselves aware and comply with any local laws that may place restrictions or requirements on businesses regarding the provision of certain bags (e.g. single-use plastic) to customers at the point of sale.

#### NEW! What are the labeling requirements that dispensaries must display upon request? How can dispensaries comply with this requirement?

Per COMAR 14.17.12.04E, upon request by a qualifying patient, registered caregiver, or adult-use consumer, a dispensary shall display any labeling information required under COMAR 14.17.18.03 in an easily readable format. The labeling information required under COMAR 14.17.18.03 includes:

- i. Warning statements (14.17.18.03C)
- ii. Product Information (14.17.18.03D)
- iii.Certificate of analysis (14.17.18.03E)

Dispensaries may comply with this requirement by keeping paper copies of label information on hand for agents to show to consumers, by pulling the information up on an electronic device and presenting it to a customer upon request, or any other way that enables a customer to easily read product information at the point-of-sale.



## **NEW!** Do micro dispensaries have a limit on the quantity of products they can sell?

No, there is no limit on the quantity of products a micro dispensary may sell or have in its inventory at any given time. The operational restrictions for a micro dispensary, relative to a standard dispensary, are that they may only operate a delivery service without a physical storefront and have no more than 10 employees. Specific regulations governing micro dispensaries are established in COMAR 14.17.12.03.

Does MCA require micro dispensaries to allow adult-use customers to shop [online] anonymously? If it does, how would the MCA like the micro dispensary licensee to accommodate the sale, if name, address, contact, age verification is required?

COMAR 14.17.12.08C requires a dispensary's online, telephone, or other remote ordering system to collect the name and birthdate of the individual submitting the order. The purpose of this data collection is to enable a dispensary agent to compare the customer's provided name and birthdate to the corresponding information on the individual's government-issued identification card at pickup. A dispensary's ordering system may offer to save the individual's name and birthdate to create a customer profile but may not create a record without their express consent.

### How can a dispensary obtain customer consent when creating a customer profile?

A dispensary may obtain consumer consent by providing a plain language consent form explaining the terms of consumer profile creation that the customer can sign, either digitally or by hand. Upon request, a dispensary must be able to produce proof of signed consent. As a reminder, the dispensary may not deny a sale on the basis that the customer does not consent to the storage and use of their personal information.

#### May a dispensary scan ID cards?

A dispensary may use a scanner to validate a consumer's identification card. However, it should inspect its identification card scanning system and disable any setting that automatically saves or transmits any personal data other than an adult-use consumer's first name. A dispensary's identification card scanning system may collect an adult-use consumer's first name for the limited purpose of identifying them at the point of sale. For more information please see the Administration's bulletin on customer profiles.

#### Can a dispensary accept the Maryland Mobile ID, digitized version of a customer's Maryland credential, as identification?

No. At this time, a dispensary may only accept a physical, government-issued identification card.



## 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 the 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.



### Can a micro dispensary have multiple storage facilities?

Yes. Provided each storage facility complies with all requirements in <u>COMAR 14.17.12.03A and C</u>, 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.

## Are dispensaries required to hire a clinical director?

Standard dispensaries are required to appoint a clinical director, as detailed in <u>COMAR 14.17.04.08</u>. A dispensary that was operational before October 1, 2022 and converted its license according to the Alcoholic Beverages and Cannabis Article,§36-403, Annotated Code of Maryland, is currently required to have a clinical director. A newly licensed standard dispensary does not need to hire a clinical director until it has been licensed and operational for at least 24 months. Micro dispensaries are not required to appoint a clinical director. See COMAR 14.17.04.08.

#### How can licensees demonstrate good faith effort in making products available that were produced by social equity licensees and licensees that do not share common ownership with a licensee?

Dispensaries can and should comply with the standards set forth in <u>COMAR 14.17.12.06</u>, which require at least 25% of available products to be produced by licensees that do not share common ownership with a licensee and by a social equity licensee. Once social equity growers and processors become operational, dispensaries should begin to prioritize those products over non-common ownership products. Licensees should be tracking shelf space devoted to licensees that do not share common ownership with a licensee or by a social equity licensee

<u>COMAR 14.17.10.06</u> applies a 10% threshold for growers to provide cannabis to social equity licensees or licensed processors or dispensaries that do not share common ownership with the licensee. When possible, growers should , again, prioritize social equity businesses. The regulation also specifies that the 10% share should be equally distributed between processors and dispensaries. At present, there are not enough unaffiliated processors to receive the total biomass that this requirement would yield. The MCA will begin monitoring and enforcing this provision when there are enough operational social equity processors to absorb the biomass, at which time the Administration will provide further guidance to ensure compliance.

## Is a dispensary required to keep a calibrated scale on their premises?

Per <u>COMAR 14.17.13.11C</u>, a dispensary is required to keep a National Type Evaluation Program (NTEP) approved scale that is calibrated and recertified annually if they repackage cannabis into usable cannabis products.

If a licensed dispensary uses a scale on their premises for other operational purposes outside of repackaging, the licensee should still ensure the scale is properly calibrated to ensure accuracy.



### **Products**

A dispensary can sell infused pre-rolls that weigh more than 1g to adult-use consumers. Can a dispensary sell infused flower that comes in 3.5g or 7g packages to adult-use consumers?

Yes. Like infused pre-rolls, infused flower may be sold to adult-use consumers in quantities larger than 1g provided the total amount of concentrated cannabis dispensed in any one transaction does not exceed the 12g personal use amount limit for concentrated cannabis.

Authorized	Not Authorized
A 3.5g bag of infused flower	A 15g bag of infused flower
5 packages of 2g infused pre-rolls	10 packages of 1.5g infused pre-rolls
5 1g vape cartridges, a 7g bag infused flower	A 7g bag of infused flower and two packages of 3g infused pre- rolls

#### There are several multi-serving edible cannabis products on the market in other states. What does the MCA permit?

The MCA permits the sale of multi-serving edible cannabis products provided all applicable regulations are met. Specific provisions pertaining to multi-serving edible cannabis products include:

- Each single serving is physically separated from one another, meaning each serving is contained in a separate piece of the product – demarcations or delineations on the product indicating a single serving do not suffice for this requirement.
- A product must be homogenized so that each serving contains the same THC concentration.
- For liquid edibles, a container may not hold more than a single, 10mg serving.
- Packaging must be resealable and maintain child resistance, contain no more than 10 mg per serving and 100mg per package, clearly indicate the serving size, and include within the package a measuring device appropriate for the product form.

Authorized	Not Authorized
A box of cannabis-infused sugar packets	A jar of cannabis-infused cannabis infused-sugar, whether or not it includes a single serving scoop
A bag of 10mg chocolates, individually wrapped or unwrapped	A solid chocolate bar, scored and imprinted to indicate individual servings
A package of individually wrapped brownies	A box of brownie mix, whether or not it includes a single serving scoop



### 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 <u>Criminal Law</u> 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 <u>Criminal Law, § 5-101, Annotated Code of Maryland</u>.

#### 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

# **NEW!** What are the changes to MCA's contested case hearing procedures for advertisement violations?

As a result of regulatory changes adopted on April 14, 2025, MCA has made several updates to the Administration's hearing procedures regulations in COMAR 14.17.22.These include clarifying that in a contested case hearing resulting from an advertisement alleged not to comply with Alcoholic Beverages and Cannabis Article, § 36-903(a)(1)(iv), that there is a rebuttable presumption that the advertisement at issue is prohibited unless a licensee demonstrates that it is permissible. This means that the advertisement in question will be presumed to not be compliant unless a licensee can prove otherwise. Licensees would have to provide reliable and current audience composition data as evidence that the audience of their advertisement was reasonably expected to be at least 21 years old in order for this presumption to be overturned.

## Where can I find comprehensive advertising guidance?

Statutory guidelines for cannabis advertising can be found under Alcoholic Beverages and Cannabis, <u>\$</u> 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. See Alcoholic Beverages and Cannabis Article § 36-902, Annotated Code of Maryland.



### 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 <u>Alcoholic Beverages and Cannabis</u> <u>Article § 36-410(b), Annotated Code of Maryland</u>. 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 – <i>no statewide standard</i>	May establish limitation of up to 100 feet <b>or</b> 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.

#### 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.

## 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 a periodic basis.