



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 regulatory changes for cannabis businesses. Please consult an attorney if you have any questions regarding the legal requirements that apply.

COMAR 14.17.06, .07, .10-.12, .17, .21 (Finance) Regulatory Proposal Summary

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On April 23, 2025, the Maryland Cannabis Administration (MCA) adopted amendments to COMAR 14.17.06, .07, .10-.12, .17, and .21 with nonsubstantive changes and anticipates they will be effective May 26 2025. The Notice of Proposed Action is printed in 52:2 Md. R. 122-125 (January 24, 2025). The MCA anticipates the Notice of Final Action to print in the Maryland Register on May 16, 2025. This document identifies regulatory changes that may impact operations for licensees and ancillary businesses, and may affect medical program participants. It is not legal advice. Please consult an attorney if you have any questions regarding the legal requirements that apply.

The purpose of this action is to ease certain business restrictions and provide needed policy clarifications. Specifically, it creates a framework for grower or processor licensees to enter into an agreement to share a licensed premise for their operations. It simplifies requirements for employee incentive programs and deletes the fee for transfers related to employee incentive programs. This action also provides needed clarity for dispensaries seeking to meet the MCA's product reservation requirements. Finally, it clarifies and streamlines the receivership process by establishing parameters for a security agreement, requiring a creditor to obtain a court order before appointing a receiver, specifying a receiver's role in disposing of the license, and limiting who qualifies as an eligible bidder.

This document is intended to provide guidance to licensees regarding how the MCA's revised regulations differ from [its current regulations](#) and on when new provisions should be implemented. Implementation dates in red text indicate a procedural change that requires operational licensee or registrant action.

COMAR 14.17.06 Standard Cannabis Licenses

- Regulation .03 Change of Location – In a new §E, MCA specifies that a grower or processor may only change location outside of the region in which they were awarded a license if the proposed location change is part of a co-location agreement. At least one of the co-located licensees must locate in the region in which they were awarded a license. Additionally, any change in location must conform to local zoning requirements and the MCA may deny a location change based on certain specified criteria. **Effective immediately.**

- Regulation .04 Transfer of Ownership Interest in a License – In §J, MCA updates terminology related to employee incentive programs to make language broadly applicable to various business types. The MCA is maintaining the requirement that a licensee establish a detailed plan for issuing incentive units. However, the plan no longer needs to be submitted to MCA prior to implementation. Instead, licensees will report any employee incentive units issued or transferred in its annual disclosure of ownership and control report. **Effective immediately.**
- Regulation .11 Licensee Co-Location – This new chapter establishes a framework for two or more grower or processor licensees to enter into a co-location agreement to share a licensed premises for their operations. Co-locating licensees may share equipment or production materials, provided they meet key conditions to prevent commingling or an unlawful transfer of control. Co-locating licensees must establish and follow standard operating procedures, avoid commingling of any cannabis at any time, and ensure each licensee has equal, independent, and unique control over access to storage, surveillance, security systems, and recordkeeping. All co-location agreements are subject to MCA approval. For further compliance guidance on this subject, please visit the [MCA's Laws & Regulations page](#). **Effective immediately.**

COMAR 14.17.07 Micro Cannabis Licenses

- Regulation .09 Licensee Co-Location – Adds a reference to the new co-location chapter established in COMAR 14.17.06.11 for micro cannabis licensees.

COMAR 14.17.10 Cannabis Grower Operations

- Regulation .09 Standard Operating Procedures – Requires co-locating grower licensees to establish written standard operating procedures for co-locating with another licensee, if applicable. **Effective immediately.**

COMAR 14.17.11 Cannabis Processor Operations

- Regulation .19 Standard Operating Procedures – Requires processor licensees to establish written standard operating procedures for co-locating with another licensee, if applicable. **Effective immediately.**

COMAR 14.17.12 Cannabis Dispensary Operations

- Regulation .06 Product Reservations and Trade Practices – MCA is updating the dispensary “shelf space” provision to clarify that a previously licensed dispensary, i.e. an operational business that holds a dispensary license issued prior to December 31, 2022, is required to reserve 25% of its shelf space for products grown, manufactured, extracted, or otherwise produced by (1) licensees that have no common ownership interest or control with the dispensary license holder **and** (2) social equity businesses. Once social equity grower and processor licensees are operational, previously licensed

dispensary licensees must prioritize products produced by those businesses. Social equity dispensaries must allow for 25% of product available to be produced by licensees with which they have no common ownership interest or control. **The MCA is advising that industry implement this process on or before July 1, 2025.**

COMAR 14.17.17 Receivership

Changes to this chapter expand upon existing regulations governing receivership. These provisions enable a licensee to use their license as collateral for a loan and establish a process for the orderly disposition of the license should it become the subject of a court order requiring appointment of a receiver. **Effective immediately.**

- Regulation .01 Security Interest in a Cannabis Licensee – MCA is repurposing this regulation to establish parameters for security agreements, including:
 - A creditor must register with the MCA prior to entering into an agreement that involves a security interest in a cannabis license.
 - A security agreement may not authorize certain creditor actions, including but not limited to restricting a licensee's ability to control the license.
 - A creditor must make the security agreement available to MCA upon request.
 - MCA may invalidate any provision of a security agreement that violates this regulation.
- Regulation .02 Notice of Receivership Action Involving Cannabis Licensee – Changes in this regulation specify procedures and timelines for notifying MCA of any receivership or trustee action.
- Regulation .03 Selection of an Eligible Receiver – MCA is amending the conditions under which a creditor may appoint a receiver to oversee the disposition of a cannabis license. Specifically, a creditor may only appoint a receiver if it obtains a court order appointing a receiver.
- Regulation .04 Receivership Registration
 - Simplifies and clarifies the receivership registration process by allowing prospective receivers to simply register with MCA instead of having to apply for approval.
 - Clarifies that a receiver may not initiate the license disposition plan until both the creditor and receiver are registered with MCA and the MCA has approved the disposition plan for the license and associated assets, including the licensee's cannabis inventory.
 - No subsequent modifications to the submitted disposition plan may be executed without MCA approval of the plan modifications.
- Regulation .05 Receiver's Responsibilities – Limits a receiver's engagement in growing, processing, and dispensing cannabis to only those activities necessary to execute the approved disposition plan.
- Regulation .06 Disposition of a Cannabis License – Prohibits a bidder from obtaining a cannabis license that is subject to disposition if the bidder has any security interest in the cannabis license in question.

COMAR 14.17.21 Fees

- Regulation .02 Fees – MCA is correcting drafting errors in the fees regulation related to the schedule of business registration fee payment and threshold for ownership transfer fees. **Already in effect; this is a technical correction.**