

14.17.01.01 Definitions

Authority: Alcoholic Beverages and Cannabis Article, §36-101, Annotated Code of Maryland

.01 Definitions.

A. (text unchanged)

B. Terms Defined

(1)—(9) (text unchanged)

(9-1) *“Cartoon” means any drawing, illustration, computer-generated image or other depiction that:*

(a) *Includes any of the following:*

(i) *The use of comically exaggerated or oversimplified features;*

(ii) *The attribution of human characteristics to animals, plants, or other objects, or the similar use of anthropomorphic technique;*

(iii) *The attribution of animal, plant, or other object characteristics to humans; or*

(iv) *The attribution of unnatural or extra-human abilities or characteristics to humans, plants, animals or other objects; or*

(b) *The Administration determines to be especially appealing to persons under the age of 21.*

(10)—(44) (text unchanged)

(45) Residence.

(a) *“Residence” means a house, condominium, apartment, or any other dwelling unit under [legal control] legal possession of an individual.*

(b) *“Residence” does not mean a dormitory or other on-campus college or university housing.*

[(c) *“Residence” does not mean a short-term rental, hotel, hostel, or other property being occupied for a period of less than 90 days.*]

(46)—(53) (text unchanged)

14.17.02 General Regulations

Authority: Alcoholic Beverages and Cannabis Article, §§36-201, 36-401, and 36-403, Annotated Code of Maryland

.04 Technical Authority.

The Maryland Cannabis Administration’s Technical Authority for Cannabis Testing [(Effective January 2024)] (*Effective February 2025*), or Technical Authority, is incorporated by reference.

.06 Pilot Authority.

Administration may require licensees to participate in pilot programs to test efficacy of proposed initiatives to improve regulation of cannabis, provided the following criteria are met:

A. *Pilot participants shall be selected according to objective criteria as determined by the Administration;*

B. *No documents produced by a licensee as part of the pilot program may be used to gather a compliance case against a licensee.*

14.17.04 Medical Cannabis Program

Authority: Alcoholic Beverages and Cannabis Article, §§36-201, 36-301, 36-302, 36-410, and 36-601, Annotated Code of Maryland

.05 Accommodations for Qualifying Patients.

A.—B. (text unchanged)

C. *To the extent practicable, a micro dispensary shall prioritize qualifying patients and registered caregivers for same-day delivery.*

14.17.05 Application Process and Issuance of Licenses

Authority: Alcoholic Beverages and Cannabis Article, §§36-202, 36-401, 36-404, and 36-505, Annotated Code of Maryland

.05 Issuance of a License or Rescission of a Conditional License.

A. Conditional License Period.

(1)—(2) (text unchanged)

[(3) *The Administration may approve a one-time extension of up to 6 months, if the Administration determines the conditional licensee has made consistent good faith efforts to establish a cannabis business.*

(4) *For purposes of determining consistent good faith effort in §A(3) of this regulation, the Administration:*

(a) *Will consider demonstrating legal control of a premises to indicate consistent good faith effort if the premises:*

(i) *Is suitable for the operations of the cannabis license; and*

(ii) *Complies with local planning and zoning requirements; and*

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(b) May use its discretion to determine that a conditional licensee has demonstrated consistent good faith effort if the conditional licensee provides adequate documentation that a political subdivision has unduly burdened its efforts toward becoming operational, as defined in Alcoholic Beverages and Cannabis Article, §36-405, Annotated Code of Maryland.]

[(5)] (3)—[(7)] (5) (text unchanged)

[(8)] (6) Any additional resources obtained by a conditional licensee made under [(A)(7)] §A(5) of this regulation may not violate this subtitle or Alcoholic Beverages and Cannabis Article, Title 36, Subtitle 4, Annotated Code of Maryland.

B. Good Faith Effort Extension. The Administration may approve an extension of up to 6 months, if the Administration determines the conditional licensee has made consistent good faith efforts to establish a cannabis business.

(1) To approve or deny a conditional licensee's initial extension request, the Administration will consider demonstration of the following to indicate consistent good faith effort:

(a) An approved co-location agreement or legal possession of a premises if the premises:

- (i) Is suitable for the operations of the cannabis license; and*
- (ii) Complies with local planning and zoning requirements; or*

(b) A co-location agreement submitted in the manner designated by the Administration is pending Administration approval where the premises proposed for co-location is:

- (i) Under the legal possession of one of the prospective co-located licensees; and*
- (ii) Suitable for operations of the cannabis license.*

(2) For any subsequent extension request, the Administration may approve an extension if the conditional licensee:

(a) Maintains the co-location agreement, legal possession of property or pending co-location agreement used to qualify for the initial extension request under §B(1); and

(b) Demonstrates its operations operations are delayed due to pending approvals by:

- (i) The Administration, as determined by the Administration; or*
- (ii) Another government agency.*

(3) The Administration may use its discretion to determine that a conditional licensee has demonstrated consistent good faith effort if the conditional licensee provides adequate documentation that a political subdivision has unduly burdened its efforts toward becoming operational, as defined in Alcoholic Beverages and Cannabis Article, §36-405, Annotated Code of Maryland.

[B.] C. Rescission of a Conditional License. The Administration may rescind a conditional license if a conditional licensee, or any individual or entity included in the supplemental license application:

(1)—(6) (text unchanged)

(7) Fails to comply with [(A)(5) and (6)] §A(3) and (4) of this regulation;

[C.] D. The Administration may award a license on a determination that:

(1) (text unchanged)

(2) The supplemental license application, including any individual or entity included in the application, does not violate

[(B)] §C of this regulation;

(3)—(5) (text unchanged)

[D.] E. A licensed business may not grow, process, distribute, dispense, or otherwise begin business operations without approval of written documentation under [(C)] §D of this regulation by the Administration.

[E.] F. (text unchanged)

[F.] (G.) The Administration may suspend, fine, restrict, or revoke a license, *including a conditional license*, if:

(1)—(4) (text unchanged)

14.17.06 Standard Cannabis Licenses

Authority: Alcoholic Beverages and Cannabis Article, §§36-202—203, 36-401, 36-405—36-407, 36-411, 36-503, and 36-802, Annotated Code of Maryland

.04 Transfer of Ownership Interest in a License.

A.—C. (text unchanged)

D. The Administration shall deny transfer of an interest for any proposed transferee:

[(1) If the payment of taxes due in any jurisdiction is in arrears;]

[(2)] (1)—[(4)] (3) (text unchanged)

E. The Administration may deny transfer of an interest for any proposed transferee if the [transferee]:

(1) Transferee or an individual with ownership or control of the transferee has been convicted of or pleaded nolo contendere to a crime involving moral turpitude, whether or not any appeal or other proceeding is pending to have the conviction or plea set aside[.];

(2) Payment of taxes due in any jurisdiction is in arrears.

F.—J. (text unchanged)

.05 Management Agreements.

A. Definition.

(1) In this regulation, the following [term has] *terms have* the meaning indicated.

(2) [Term] *Terms Defined*.

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(a) *Management agreement.*

(i) “Management agreement” means an arrangement between a management company and a licensee for the provision of services, including but not limited to consulting, advisory, or marketing services related to the licensee’s operations.

(ii) “Management agreement” does not include arrangements for legal, financial, or other services that do not delegate operational aspects of the business to the service provider.

(b) “Management company” means an entity that provides management services to a licensed entity.

B.—H. (text unchanged)

.11 Licensee Co-Location.

A.—B. (text unchanged)

C. [Two or more] A maximum of three grower or processor licensees may enter an agreement to share a licensed premises, provided at least one of the licensees operates in the region in which they were awarded a license.

D.—H. (text unchanged)

14.17.10 Cannabis Grower Operations

Authority: Alcoholic Beverages and Cannabis Article, §§36-202, 36-203, 36-401, 36-402, and 36-410, Annotated Code of Maryland

.03 Cannabis Grower Controls.

A.—C. (text unchanged)

D. Quality Controls.

(1)—(7) (text unchanged)

E. (text unchanged)

F. *Corrective and Preventive Action.*

(1) *If a grower’s test results indicate an overall failure rate as determined and published by the Administration, the grower shall:*

(a) *Conduct an investigation to determine the root cause of repeated tests outside action limits;*

(b) *Decontaminate all areas, including rooms, equipment and surfaces used for cultivation;*

(c) *Provide, in the manner designated by the Administration:*

(i) *A report of the investigation; and*

(ii) *The licensee’s plan to correct and prevent future contamination; and*

(d) *If applicable, update and implement standard operating procedures needed to ensure passing samples in the future.*

(2) *The Administration may require a grower to:*

(a) *Conduct further investigation; and*

(b) *Implement additional procedures to prevent future contamination.*

.07 Visitor to the Premises.

A.—C. (text unchanged)

D. *A firefighter, a rescue squad member, or emergency medical services personnel who is actively responding to a call for emergency services is not subject to §4(1)—(3) of this regulation.*

.09 Standard Operating Procedures.

A. A grower shall establish written standard operating procedures in accordance with this subtitle to include all aspects of:

(1)—(14) (text unchanged)

(15) Harvesting, drying, curing; [and]

(16) Research and development procedures[.];

(17) *Decontamination, including but not limited to:*

(a) *Preventing contamination;*

(b) *Investigating decontaminating after repeated tests falling outside action limits; and*

(c) *Remediation steps and resulting environmental analysis.*

(18) (text unchanged)

B. (text unchanged)

14.17.11 Cannabis Processor Operations

Authority: Alcoholic Beverages and Cannabis Article, §§36-202, 36-203, and 36-401, Annotated Code of Maryland

.03 Cannabis Processor Facility Operations.

A. (text unchanged)

B. Receipt of Products Containing Cannabis.

(1) (text unchanged)

(2) Hemp.

(a)—(b) (text unchanged)

(c) A licensed processor shall [follow]:

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(i) After placing an order to acquire hemp and before accepting delivery of hemp, submit a request for Administration approval to acquire hemp in the manner specified by the Administration.

(ii) Follow the process for receiving cannabis established in this regulation.

C.—E. (text unchanged)

.04 Cannabis Product Processing.

A.—D. (text unchanged)

E. Contamination Correction and Prevention.

(1) If a processor's test results indicate the presumptive presence of a pathogen, the processor shall:

(a) Conduct environmental swab testing as required by the Administration's Technical Authority;

(b) Conduct an investigation to determine the root cause of contamination;

(c) Decontaminate all areas, including rooms, equipment and surfaces used for cannabis product processing;

(d) Provide, in the manner designated by the Administration:

(i) A report of the investigation; and

(ii) The licensee's corrective action plan; and

(e) If applicable, update and implement standard operating procedures needed to ensure passing samples in the future.

(2) The Administration may require a processor to:

(a) Conduct further investigation; and

(b) Implement additional procedures to prevent future contamination.

.17 Visitor to the Premises.

A.—C. (text unchanged)

D. A firefighter, a rescue squad member, or emergency medical services personnel who is actively responding to a call for emergency services is not subject to §A(1)—(3) of this regulation.

.19 Standard Operating Procedures.

A. A processor shall establish standard operating procedures for all aspects of:

(1)—(10) (text unchanged)

(11) Decontamination, including but not limited to:

(a) Preventing contamination;

(b) Investigating decontaminating after presumptive positive pathogen detection; and

(c) Remediation steps and resulting environmental analysis.

[(11)] [(12)]—[(12)] [(13)] (text unchanged)

B. (text unchanged)

14.17.12 Cannabis Dispensary Operations

Authority: Alcoholic Beverages and Cannabis Article, §§36-202, 36-203, 36-401, and 36-410, Annotated Code of Maryland

.02 Standard Cannabis Dispensary.

A.—M. (text unchanged)

N. Visitors.

(1)—(3) (text unchanged)

(4) A firefighter, a rescue squad member, or emergency medical services personnel who is actively responding to a call for emergency services is not subject to (1)(a)—(c) of this section.

O. [To provide drive-through dispensing services, a standard dispensary shall:] *Drive-through or Walk-up Dispensing Services.*

(1) A dispensary providing drive-through or walk-up dispensing services shall:

(a) Dispense through a window or other opening in the exterior wall of a dispensary that enables a registered dispensary agent to serve an adult-use consumer, a qualifying patient, or a registered caregiver [who drives a vehicle to the dispensary] without a:

[(a)] (i) Registered dispensary agent leaving the dispensary service area; or

[(b)] Qualifying] (ii) If applicable, qualifying patient, registered caregiver, or adult-use consumer leaving their vehicle;

[(2)] (b) (text unchanged)

[(3)] (c) Meet all other requirements for a dispensary service area, including:

[(a)] (i)—[(d)] (iv) (text unchanged)

[(4)] (d) (text unchanged)

(2) A dispensary that provides both drive-through and walk-up dispensing services shall designate separate windows or openings for each type of service.

.03 Micro Dispensary.

A. A micro dispensary may store its inventory in up to three storage facilities:

(1) [A storage facility that] That it controls and operates, in accordance with [§C] §D of this regulation;

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(2) [A storage facility controlled] *Controlled* and operated by a licensed grower, processor, or incubator space, in accordance with [§C] §D of this regulation; or

(3) [A storage facility controlled] *Controlled* and operated by a licensed standard dispensary, in accordance with Regulation .02 of this chapter.

B. A micro dispensary storing inventory in a storage facility controlled and operated by another licensee shall:

(1) *Ensure each licensee's cannabis inventory is physically separated and only accessible to the licensee's agents and owners;*

(2) *Have equal, independent, and unique control over access to its storage area, including the ability to add or remove its badged agents to access any area in which their cannabis or cannabis products are stored; and*

(3) *Have equal independent and unique access to its video surveillance recordings, which shall be recorded and saved as required by §K of this regulation or COMAR 14.17.12.02L, whichever applies.*

[B.] C. (text unchanged)

[C.] D. [If a micro dispensary operates its own storage facility, the] *Except as specified in §A(3), a micro dispensary storage facility shall adhere to the following requirements:*

(1)—(2) (text unchanged)

[D.] E. Delivery Operations.

(1) A micro dispensary shall [verify]:

(a) *Verify that the individual placing the order is a consumer who is at least 21 years old, a qualifying patient, or a registered caregiver prior to order placement, using an ordering system that complies with Regulation .08 of this chapter[.]; and*

(b) *Obtain consent from patients, caregivers, and consumers to be captured on video during delivery.*

(2)—(4) (text unchanged)

(5) *Agents conducting deliveries shall wear a [body] camera that records video-only surveillance for the duration of the time they are operating a delivery vehicle that contains cannabis or cannabis products and making deliveries.*

(6)—(10) (text unchanged)

E. When purchasing cannabis from another licensee, a micro dispensary shall coordinate with the licensee to create an electronic manifest to record the chain of custody for each cannabis shipment in accordance with COMAR 14.17.09.03E and F.

F. A micro dispensary shall:

(1) (text unchanged)

(2) [At least daily, monitor video surveillance recorded by the delivery agent's body camera and the camera installed inside the delivery vehicle; and

(3)] At least daily, monitor the GPS records of all delivery vehicles, including stops made along the delivery route[.]; and

(3) *Ensure that all cannabis other than that being packaged or dispensed during hours of operation is kept in the storage facility.*

H. (text unchanged)

I. A micro dispensary owner shall be a registered agent *if they work or volunteer in any operational areas of the premises, including delivery vehicles.*

J. (text unchanged)

K. Visitors.

(1) *When a visitor is admitted to the operations zone of the premises, a registered dispensary agent shall:*

(a) *Log the visitor in and out;*

(b) *Retain with the log a photocopy of the visitor's government-issued identification;*

(c) *Continuously, physically supervise the visitor while they are on the premises; and*

(d) *Ensure that the visitor does not touch any cannabis.*

(2) *The dispensary shall maintain a log of all visitors to the operations zone for 2 years.*

(3) *An Administration investigator is not subject to the visitor requirements in this section.*

(4) *A firefighter, a rescue squad member, or emergency services personnel who is actively responding to a call for emergency services is not subject to (1)(a)—(c) of this section.*

14.17.14 Complaints, Enforcement, Record Keeping, and Inspections of Cannabis Businesses

Authority: Alcoholic Beverages and Cannabis Article, §§36-202, 36-203, and 36-901, Annotated Code of Maryland

.04 Discipline and Enforcement.

A.—C. (text unchanged)

D. The Administration may fine, suspend, restrict, revoke, or otherwise sanction any cannabis licensee [or], registrant, or agent for:

(1)—(5) (text unchanged)

14.17.15 Cannabis Business Agents

Authority: Alcoholic Beverages and Cannabis Article, §§36-202, 36-203, 36-501, and 36-1001—36-1003, Annotated Code of Maryland

MCA is posting this unofficial draft for informal review, in accordance with State Government Article § 10-110(c)(3).**.02 Registration.**

A.—D. (text unchanged)

E. The Administration may:

(1) Disqualify as an agent an individual who has been convicted of or pleaded nolo contendere to a crime involving moral turpitude, whether or not any appeal or other proceeding is pending to have the conviction or plea set aside; [and]

(2) Revoke the registration of an agent who is convicted of or pleads nolo contendere to a crime involving moral turpitude, whether or not any appeal or other proceeding is pending to have the conviction or plea set aside[.]; and

(3) *Disqualify as an agent an individual who previously had a registration revoked under Alcoholic Beverages and Cannabis Article §36-202(a)(7) or for good cause.*

F. (text unchanged)

.05 Training.

A.—B. (text unchanged)

C. [On an annual basis] *Within 90 days of employment start date and annually thereafter*, a registered agent employed by a cannabis licensee shall complete a responsible vendor training program that:

(1)—(2) (text unchanged)

D.—E. (text unchanged)

14.17.18 Finished Product Packaging

Authority: Alcoholic Beverages and Cannabis Article, §§36-202, 36-203, and 36-203.1, Annotated Code of Maryland

.01 Definitions.

A. (text unchanged)

B. Terms Defined.

[(1) “Cartoon” means a drawing showing the features of the subject in a simplified or exaggerated way.]

[(2)] (1)—[(6)] (5) (text unchanged)

14.17.21 Fees.

Authority: Alcoholic Beverages and Cannabis Article, §§36-202, 36-205, and 36-403, Annotated Code of Maryland

.02 Fees.

A.—B. (text unchanged)

C. Registration fees:

(1) Cannabis agent fees:

(a) Registration fee to be paid every 2 years — [50] \$25; and

(b) (text unchanged)

(2) Independent testing laboratory fees:

(a) Laboratory registration fee to be paid every 2 years — [5,000] \$500;

(b) Employee registration fee to be paid every 2 years — [50] \$25; and

(c) (text unchanged)

(3) Registrant:

(a) (text unchanged)

(b) Agent registration fee to be paid every 2 years — [50] \$25; and

(c) (text unchanged)

(4) Research and development fees:

(a) Academic research institution fees:

(i)—(ii) (text unchanged)

(iii) Academic research representative registration fee — [50] \$25; and

(iv) (text unchanged)

(b) Research and development entity fees:

(i)—(ii) (text unchanged)

(iii) Research and development representative registration fee — [50] \$25; and

(iv) (text unchanged)

(5) (text unchanged)

D.—E. (text unchanged)

F. Edible cannabis product permit [fees:

(1) Application fee — \$1,000; and

(2) Annual permit fee] *fee* — \$500.

G.—H. (text unchanged)

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