



Maryland Cannabis
Administration's

FY2024 ANNUAL REPORT

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About this Report

The Maryland Cannabis Administration (MCA) fiscal year (FY) 2024 Annual Report provides a comprehensive review of MCA’s operational and financial performance. This report highlights Maryland’s nascent adult-use market which has seen record sales in its first year of cannabis legalization as well as groundbreaking accomplishments including launching the nation’s first workforce development initiative designed by a cannabis regulatory agency which prioritizes individuals with a history of cannabis-related offenses; serving as the first in- the-nation run to establish a reference laboratory ran by a cannabis regulatory agency and administering a first in-the-nation social equity-only licensing round, which resulted in a diverse group of 205 selected applicants across standard and micro grower, processor, and dispensary license categories. These endeavors showcase MCAs commitment to facilitating a safe, equitable, and accessible market that benefits all Marylanders.

A Message from the Director



Greetings

On behalf of the Maryland Cannabis Administration (MCA), I would like to welcome you to the Maryland Cannabis Administration (MCA) FY2024 Annual report.

In 2023, the Maryland Cannabis Administration (MCA) was established – transitioning from Maryland Medical Cannabis Commissions (MMCC) – as cannabis was legalized for adult consumers in Maryland. Since then, the agency has expanded the medical and adult-use market while serving as a model for other states by maintaining a safe, inclusive, and secure market.

I would be remissed if I didn’t acknowledge the foundational hard work and meaningful contributions from MCA’s previous leadership. It’s truly an honor to build upon the agency’s regulatory infrastructure which has established a thriving and groundbreaking cannabis market in the State of Maryland.

During FY 2024, the Maryland Cannabis Administration has focused on upholding its mission while achieving several milestones and accomplishments:

\$1.1 Billion in Total Sales

In the first full-calendar year of sales the market significantly exceeded expectations, surpassing \$1.1 billion in total retail sales.

Largest medical cannabis patient survey

The MCA completed the largest-to-date two-phase medical cannabis patient survey in the nation, with more than 30,000 responses.

Social Equity Cannabis Business Licenses

The MCA administered a first-in-the-nation social equity-only licensing round, which resulted in 205 selected applicants across standard and micro grower, processor, and dispensary license categories. This pool of selected applicants is the most diverse group in any cannabis licensing round conducted to date.

“The Maryland Cannabis Administration has focused on upholding its mission while achieving several milestones and accomplishments.”

Conditional Licensing Process

The Division of Regulatory Affairs within the Office of Compliance and Regulation conducted reviews of all 205 selected applicants and issued a final determination (conditional license award or denial) to more than 190 selected applicants. This thorough and timely work will help ensure the integrity of the social equity licensing round, and place conditional licenses on the path to success.

Establishment of the State Reference Laboratory

MCA proudly established a state reference laboratory – the first in the nation run by a cannabis regulatory agency – that will set new standards for the cannabis industry, ensuring the accuracy and integrity of testing. With the assistance of the reference laboratory and our great lab staff, Maryland will continue to lead on health, safety, and innovation.

Workforce Development Program

The Office of Resource, Enterprise and Diversity Investment Division launched the nation’s first workforce development initiative designed by a cannabis regulatory agency, prioritizing individuals with a history of cannabis-related offenses. This program is paving the way for education, training, and empowerment in the industry. The first cohort of in-person training was attended by more than 90 participants, and similar enrollments are expected in future months.

BeCannabisSmart Campaign

The Office of Public Health, Data, and Education launched the BeCannabisSmart campaign in collaboration with the Maryland Department of Health. This campaign will move cannabis education forward and build on the 140 million impressions achieved through the initial adult-use education campaign (June 2023 through February 2024).

Permanent Regulations

The Office of Policy and Government Affairs conducted a series of listening sessions with stakeholders to inform the next round of regulations. The Office then promulgated emergency and permanent regulations that have been applauded by industry stakeholders for their clarity and focus on reducing administrative burdens.

As the MCA continues to reflect on its groundbreaking contributions to the medical and adult-use cannabis market, we look forward to continuing to serve the needs of Marylanders and industry stakeholders.

In service,
Tabatha Robinson

About the Maryland Cannabis Administration

The Maryland Cannabis Administration (MCA) is the state agency responsible for regulating the cultivation, manufacture, testing, and distribution of medical and adult-use cannabis in Maryland. The primary responsibilities of the MCA include:

- **Licensing** – license and register cannabis businesses, agents, providers, patients, and caregivers.
- **Compliance** – conduct routine announced and unannounced inspections of licensed and registered businesses to ensure compliance with laws, regulations and policies to ensure safety and security requirements are in effect.
- **Education and Outreach** – develop educational resources to help inform applicants, licensees, patients, consumers, policymakers, and partners across the state on cannabis laws and regulations and safe and responsible cannabis use.
- **Policy and Research** – adopt regulations that govern all industry activities, including establishing health, safety, and security standards for the cultivation, manufacture, testing, and distribution of cannabis.

The MCA comprises the following offices: Budget and Procurement, Communications and Outreach, Compliance and Regulation, Human Resources, Information Technology, Laboratory Services, Policy and Government Affairs, Patient and Consumer Services, Public Health, Data, and Education, and Resource, Enterprise, and Diversity Investment Division. Each office provides critical support to the agency and helps to facilitate a safe, equitable and accessible market that benefits all Marylanders.

Key Events

2024

July 1

A new media campaign launched under the BeCannabisSmart umbrella. This statewide campaign focused on encouraging Marylanders to be respectful of smoke-free public spaces- including parks, playgrounds, beaches and boardwalks- keeping public areas vibrant and enjoyable for all.

June 27

The Cannabis Workforce Development Program launched. The first-in-the-nation program is a partnership between MCA and the Department of Labor's Employment Advancement Right Now (EARN) program. It seeks to reduce barriers to employment and create paths to sustainable jobs in the cannabis industry.

April 18

MCA, in partnership with the Maryland Department of Health, launched a public health and safety campaign related to cannabis use in Maryland under the umbrella of BeCannabisSmart. The first ads focus on the hazards of consuming cannabis while, or before, driving. The ads ran statewide on billboard, transit, TV/streaming TV, paid socials, in bars (jukebox, drink coasters) and on Spanish-language radio, achieving 70 million impressions.

2024

March 14

The Maryland Cannabis Administration held a lottery for 174 social equity business licenses across micro and standard grower, processor and dispensary categories. The lottery is the first application round in the nation designated exclusively for social equity applicants across all license types and categories.

March 13

The Maryland Cannabis Administration announced the opening of its cannabis reference laboratory. The laboratory will be responsible for auditing the results from independent testing laboratories to ensure accuracy, assisting with illicit product investigations, and determining standardized testing methods for the industry. Maryland joins only a handful of other states with a cannabis reference laboratory, and it is the first reference laboratory in the country dedicated exclusively to cannabis oversight and managed by a state cannabis regulatory agency.

March 7

The Maryland Cannabis Administration announced the lottery drawings for social equity applicants, to select up to 179 applicants across micro and standard grower, processor and dispensary categories. Over 1,500 applications were entered into the lottery pools and eligible for selection.

2023

December 15

MCA launched its Medical and Adult-Use Data Dashboard, providing public access to key program and industry metrics, including sales, median consumer price per gram, the number of plants harvested and total weight sold, the number of active licensees along with an interactive map of dispensary locations, and patient-related data including the number of certified patients, caregivers, and certifying providers.

September 8

The Maryland Cannabis Administration announced the opening of the first application round exclusively for social equity applicants for cannabis business licenses. MCA received over 1,700 applications for cannabis business licenses.

July 17

Governor Wes Moore appointed an Executive Director to the Office of Social Equity. The Office of Social Equity, an independent agency established by the Cannabis Reform Act of 2023, is charged with providing resources and support for historically disadvantaged individuals and businesses seeking to enter the adult-use cannabis market.

July 1

Purchase and possession of cannabis for personal adult-use becomes legal in Maryland for adults 21+. Existing medical dispensaries permitted to pay a conversion fee and sell both adult-use and medical cannabis. Outreach begins for next round of licensing- first-in-the-nation to focus exclusively on social equity applicants.

Medical Cannabis Program

Maryland continues to have a robust medical cannabis program, with 115,356 certified medical patients at the end of FY24. Since the legalization of broad adult use in Maryland on July 1, 2023, Maryland has seen a nearly 30% decrease in certified patients over the first year, down from 162,401 at the end of FY23. This decrease falls in line with what several other states experienced in the transition from medical-only to medical and adult-use. Despite the overall decline in patients, MCA received 27,045 applications during FY24.

The patient population continues to be engaged with the program, as evidenced by a high level of participation rates in MCA’s Maryland Medical Cannabis Patient Survey, which was conducted in the fall of 2023 (MMCPs-23). Similar to the previous year, for the inaugural MMCPs-22, conducted in the fall of 2022, approximately 15,000 patients completed the survey, hitting capacity within the first week of launch during both waves. As discussed elsewhere in this report, medical patients provided key insights on the medical program through this survey, in areas including product preference, certifying conditions, frequency of use, and additional behavioral elements that help inform and improve public health, policy, and programmatic efforts. In the MMCPs-23, medical patients reported satisfaction with the safety of medical cannabis products, product availability, and product price following expanded legalization. Patients value the medical program’s wider availability of cannabis products and strains, potencies, patient accommodations especially priority service lines, and tax exemption on products for patients.

MCA remains committed to the medical program, patients, caregivers, and providers. In October 2022, MCA extended the patient registration term from three to six years and effective July 1, 2024, MCA removed the registration fee and ID card requirement (patients and caregivers still wishing to obtain a physical ID card can do so for a \$25 fee).

The new ID card policy aligns with COMAR regulations requiring dispensaries and enforcement agencies to use a patient’s government-issued ID to cross-reference their identity electronically in centralized databases. During FY2024, MCA printed and distributed 8,780 medical patient ID cards.

Who is eligible to become a medical cannabis patient in Maryland?
Any individual living in Maryland whose certifying medical cannabis provider recommends medical cannabis as a treatment option for a qualifying medical condition is eligible.

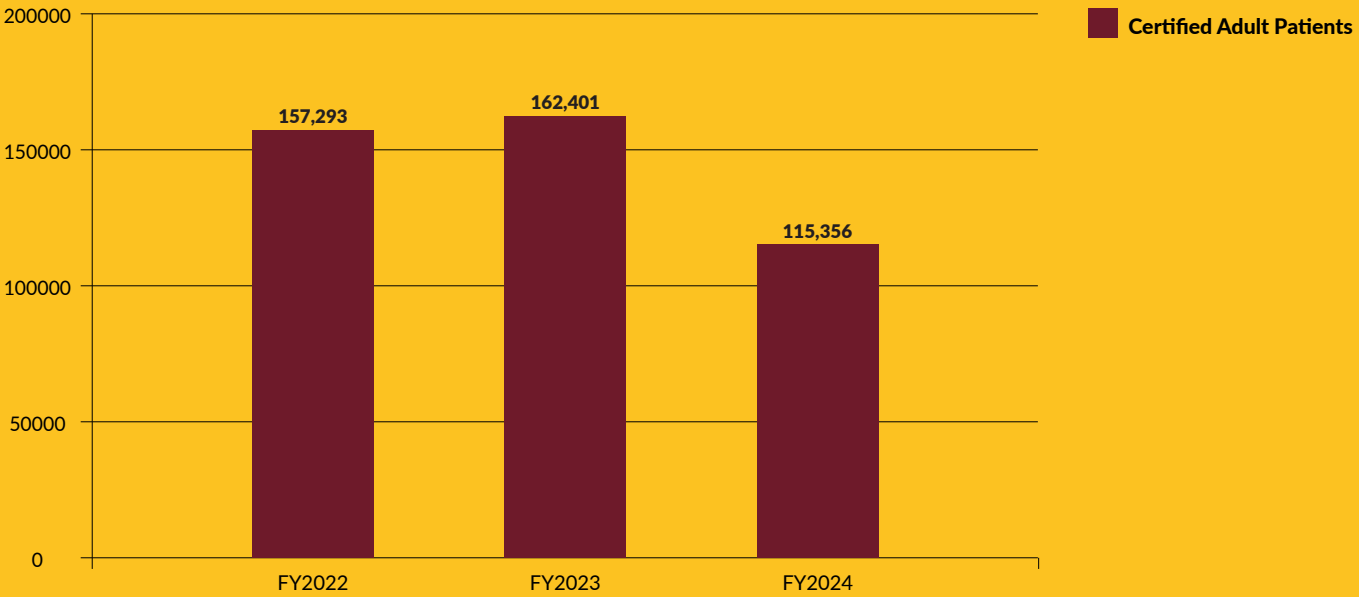
What is a medical cannabis caregiver?
A caregiver is an individual who is aged 21 years or older, registered with the MCA and is authorized by a certified medical cannabis patient to purchase medical cannabis on behalf of the patient, as well as assist with the patient’s administration of medical cannabis. A patient aged 18 years or older may designate up to two caregivers. A minor patient must have a caregiver, and at least one caregiver must be a parent or legal guardian. A minor patient is authorized to have up to two parent/guardian caregivers, and up to two other adults designated by a parent/guardian.

Who is Eligible to Provide a Certification for Medical Cannabis?
A physician, physician assistant, dentist, podiatrist, certified nurse practitioner or nurse midwife who is licensed and in good standing in the State of Maryland is eligible to serve as a certifying provider. The MCA Provider registry currently has more than 2,500 certifying providers located throughout the state who may certify patients with a qualifying condition to obtain medical cannabis.

FY 2024 Certified Patients and Caregiver Statistics:



Comparison FY2022 - FY2024



Stakeholder Engagement

The Office of Communications and Outreach remains committed to transparency and effective communication with stakeholders through various channels like media relations, internal communications, social media platforms, and public outreach. The Office of Communications and Outreach efforts display our communication strategies undertaken throughout the year. Strategies that include key messaging, targeted audiences, and communication channels used.

Conferences and Community Outreach

In FY 2024, the Office of Communications and Outreach participated at two unique and informative conferences, Maryland Municipal League (MML) and Maryland Associations of Counties (MACo) summer conferences in Ocean, City, MD. These conferences promote and facilitate networking opportunities, educate attendees on the role and functionality of MCA, and allow MCA personnel to engage with more than 160 attendants from state, local and county municipalities. Our goal during these conferences is to engage with the various government agencies and promote the programs and services offered by MCA.



Maryland Public Information Act (PIA)

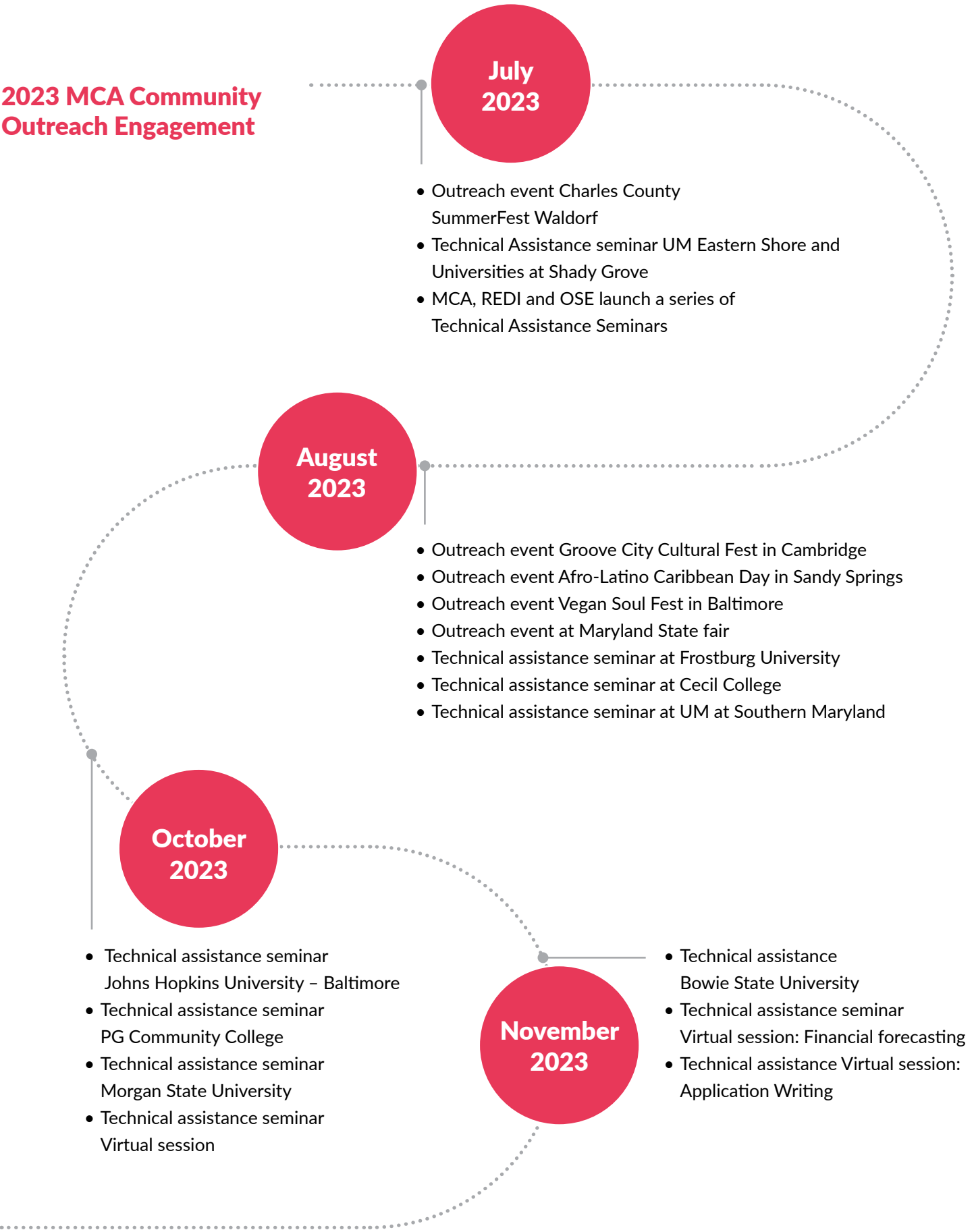
In FY 2024, MCA's Office of Communications and Outreach executed one hundred percent legal compliance in MCA's PIA response (response provided within 30 days, or 60 days with permission of requestor); managed three successful mediations with the Office of the Ombudsman due to minor disputes with requesters or bad faith requesters; researched and helped draft a section of MCA regulations to define sociological information under GP § 4-330; and, developed a PIA submission portal/form to facilitate PIA requests and assist with organization.

The Maryland PIA was enacted in 1970 and allows anyone access to Maryland government public records (documents collected during public business). The PIA calls for the release of documents without any unnecessary costs or delays. The MCA is legally obligated to release the requested document unless the requested documents or records fall within certain exceptions.



Members from the Office of Communications and Outreach attended various state conferences

2023 MCA Community Outreach Engagement



Public Health and Safety

Office of Laboratory Services

The scope of the Office of Laboratory Services (OLS) is to ensure that products are compliant with packaging and labeling regulations as well as product testing requirements to provide cannabis products to patients and consumers in a safe and effective manner. This work is completed by three subdivisions:

- 1.Registration and Inspections,
- 2.State Reference Laboratory, and
- 3.Packaging, Labeling, and Product Approvals

Registration and Inspections

The Registration and Inspections Subdivision is primarily responsible for auditing the four independent testing laboratories (ITLs) registered with the MCA ensuring compliance with the The Maryland Cannabis Administration’s Technical Authority of Cannabis Testing (TA) and COMAR 14.17.08. This group supports the Office of Compliance and Regulation (OCR) for cannabis product complaints and testing failures by reviewing data and requesting testing of cannabis products. Finally, this group supports the Office of Public Health Data and Education with the investigation of adverse events. Thirty seven inspections and investigations were completed by the team in 2024.

In addition to the inspection and investigation responsibilities the Registration and Inspection Subdivision interfaces with Marijuana Enforcement Tracking Regulation and Compliance system (Metr) support team to resolve inquiries about laboratory testing status for final products and handles hemp acquisitions by licensees. The team has assisted with 132 Metr tickets and processed 73 hemp acquisitions.

State Reference Laboratory

The State Reference Laboratory opened its doors on March 1, 2024. The laboratory contains a microbiology suite equipped to perform culture and molecular identification of microbial contaminants and common food pathogens listed in the TA; and an analytical chemistry suite that contains state of the art instrumentation to perform potency, terpene, and containment analysis listed in the TA. The laboratory has achieved ISO/IEC 17025:2017 accreditation, with potency and loss on drying included on the current scope of accreditation. Ongoing efforts are focused on method development and validation for the remaining required contaminants listed in the technical authority, with the goal of having all tests added to the scope of accreditation by the end of the 2026 fiscal year. The laboratory is tasked with developing methods to standardize cannabis testing, supporting testing for the Alcohol, Tobacco, and Cannabis Commission (ATCC), conducting testing to review the results from the independent testing laboratories, and providing testing support for cannabis product complaints.

Packaging, Labeling and Product Approvals

Packaging, Labeling, and Product Approvals Subdivision is responsible for the review and approval of packaging, labeling and products that are orally administered. The team has processed a total of 1,304 cannabis products in 2024. Additionally, the team reviews the edible cannabis products exemptions required for licensees to have in order to produce high potency cannabis products for medical patients. The team has processed a total of 45 high potency edible cannabis products in 2024.

Table 1:
OLS Registration and Inspections Activity for FY2024

Inspection Activity	Number completed
Routine	5
Complaint-Driven	18
Metr/Virtual Audit	11
Renewal Registration	3

Figure 1:

Annual number of reviewed cannabis products for packaging, labeling, and product approval

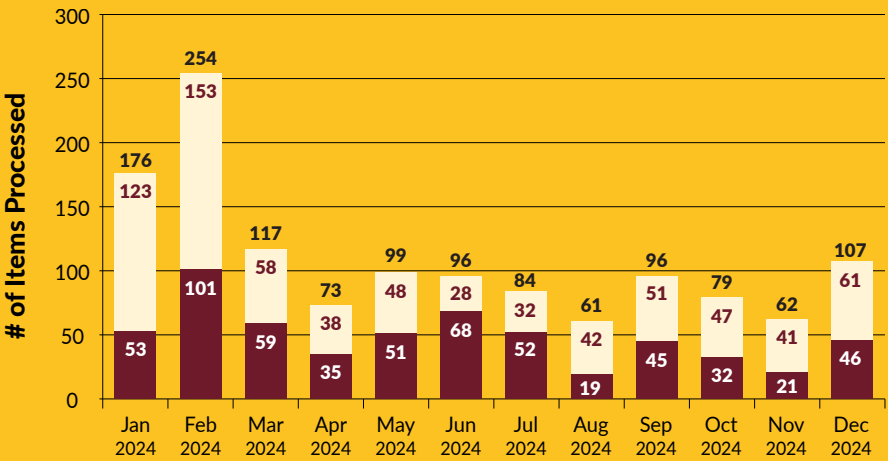
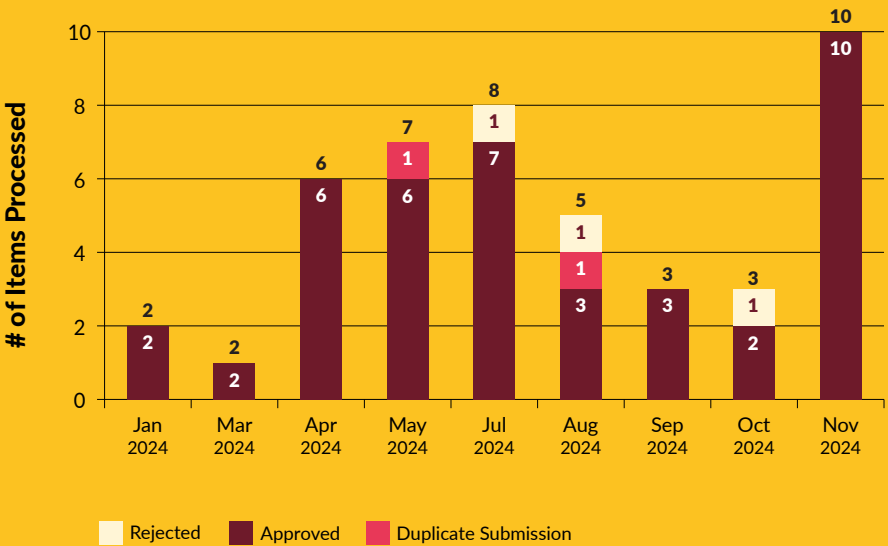


Figure 2:

Annual number of high potency edible medical cannabis products reviewed



Public Health and Safety (continued)

Reports

The Administration was required to submit various mandated reports during FY24, spanning topics such as on-site consumption, wholesale licenses, current operating canopy, supply and demand of cannabis, the safety and security of micro-delivery, and demographic details of the cannabis licensees and registrants.



On-Site Consumption

The Cannabis Reform Act of 2023 (CH 254/255) required the MCA to conduct a study on on-site consumption of cannabis and cannabis products at retail premises of cannabis licensees and report on several items, including: the regulation and trade practices for on-site consumption in other states and countries; authorizations and restrictions on the use of cannabis distributed at cannabis premises; the removal of unconsumed products and/or greenwaste; operational procedures and controls for on-site consumption; training requirements and safeguards for employees of premises with an on-site consumption license; and recommendations for policies to implement on-site consumption, including legislative and regulatory changes.

The report summarized existing state law; frameworks adopted in other jurisdictions; potential business models for implementation; statutory changes that would be required for the MGA to adopt in order to make those various implementation models viable; and, the MCA’s recommendations to the General Assembly for the further development of the on-site consumption license category.



Wholesale

The Cannabis Reform Act of 2023 (CH 254/255) requires the MCA to contract with an independent consultant to complete a study on wholesale cannabis licenses. To that end, Cannabis Public Policy Consulting (“CPPC”) completed a study to consider the necessity and costs of creating a wholesale cannabis business license.

CPPC used Maryland’s three-tiered distributor system for alcohol as a baseline comparison to the cannabis industry. They found that at present, there is no need for wholesale cannabis licensing generally, nor to alleviate supply and demand. However, opportunities exist in the form of facilitating an equitable marketplace for suppliers and retailers—and more specifically, smaller businesses or social equity licenses like micro dispensaries who may use their services for storage of product.

In the future, cannabis wholesale licenses in Maryland would be of great value for local and interstate cannabis markets, especially following the rescheduling of cannabis and the introduction of interstate commerce.



Canopy

The Cannabis Reform Act requires the MCA to submit an annual report on: (1) the amount of canopy area reported to the administration by licensed growers; and (2) the amount of cannabis cultivated, processed, and dispensed by standard and micro licensees; and whether the supply of cannabis is adequate to meet the demand for cannabis and cannabis products. The MCA determined that these two reporting requirements are related and therefore presented the following research and findings concurrently.

The report summarized the total reported canopy of the licensed market in fiscal year 2024—which surpassed a collective 730,000 square feet of flowering canopy. This resulted in over 489,000 pounds of total weight harvested and subsequently 168,212 pounds of flower sold. The MCA found that current production only minimally exceeds current demand and, assuming production efficiency remains constant, an estimated 1.2 million square feet of canopy must be added to current market demand alone.

The report also examined the demand study completed by Cannabis Public Policy Consulting, which estimated total adult-use sales to be roughly \$450 million in the first year of operation. In actuality, the State outperformed this estimate, with over \$700 million in the first year of adult-use sales alone.

By the MCA’s estimate, there will need to be an increase of 200,000 to 1 million of flowering canopy to be grown and developed by the second round of licensees, in which the MCA is authorized to award up to 25 standard and 70 micro grower licenses.



Micro Delivery

The MCA is required to submit an annual report to the Maryland General Assembly regarding the ability of Maryland’s micro-dispensary licensees to dispense cannabis safely and securely, pursuant to Sec. 36 of the Cannabis Reform Act of 2023 (CH 254/255).

Following the first round lottery in early 2024, the MCA awarded all 10 micro-delivery licenses allocated in statute.

From July 2023 to October 2024, the State’s seed-to-sale tracking system (METRC), showed over 57,000 cannabis deliveries were made to medical cannabis delivery patients. The MCA believes that with expanded delivery access, demand for delivery services will likely increase, indicating a strong demand for delivery services, particularly in the medical cannabis sector. Medical cannabis sales have increased steadily, reaching \$8.4 million in total sales from July 2024 to October 2024. This trend is expected to grow as adult-use cannabis consumers gain access to new micro-delivery services.

The CRA and MCA regulations are shaping a controlled, secure framework for cannabis delivery in Maryland, with micro-dispensaries set to be central to delivery operations after June 2026. The report underscores the importance of clear regulations, continuous evaluation, partnerships, and robust security protocols to meet the rising demand for cannabis delivery. The MCA anticipates that the operationalization of micro-dispensaries will help meet the demand for cannabis delivery services, ensuring access for both medical patients and adult-use consumers while maintaining public health and safety standards. Ultimately, the MCA believes that the current statutory and regulatory regime will allow for the successful implementation of a safe, secure, and expanded cannabis delivery market.



Minority Participation

The Administration is required to collect information from each cannabis licensee or registrant and submit a report to the Governor and General Assembly on: (1) the number of minority and women owners of the cannabis licensee or cannabis registrant; (2) the ownership interest of any minority and women owners of the cannabis licensee or cannabis registrant; and (3) the number of minority and women employees of the cannabis licensee or cannabis registrant.

Mission

The mission of the Maryland Cannabis Administration is to provide a safe, equitable, and accessible medical and adult-use cannabis industry for qualifying patients and adult consumers.

Public Health and Safety (continued)

Office of Public Health, Data and Education

In 2024, the first full calendar year after expanded adult-use legalization, OPHDE focused on multiple educational efforts to support knowledge of adult-use laws, compliance with those laws and regulations, and responsible use for those who choose to consume, including a commitment to protect youth from potential harms posed by adult-use legalization.

BeCannabisSmart

In partnership with the Maryland Department of Health (MDH), OPHDE launched a comprehensive “BeCannabisSmart” campaign series to promote public health and safety related to cannabis use in the State. Advertisements focused on preventing (1) drugged driving, (2) accidental consumption by children and pets, and (3) smoking in public spaces, including outdoor public places. Advertisements ran on multiple digital and print platforms, achieving more than 130 million impressions across the three campaigns. OPHDE developed resources in Spanish and provided a digital toolkit of assets to local health departments (LHD) to support coordinated statewide messaging. OPHDE also created a new [landing page](#) to serve as a hub for cannabis-related public health and safety content, which continues to be developed.



Samples of social media posts shared as part of the BeCannabisSmart Campaign

Video Series

BeCannabisSmart Newsletter

Also in support of licensee education, OPHDE launched the BeCannabisSmart industry newsletter in June 2024, which provides timely updates, tips, and other relevant information to Maryland’s licensed cannabis industry to promote patient, consumer, and worker safety. MCA sends the newsletter each quarter via email to all licensed agents (grower, processor, dispensary, lab, and conditional licensees). Archived reports are available [here](#).

Data Dashboard

Other highlights include continued maintenance to MCA’s Medical and Adult-Use Data Dashboard, which provides public access to key program and industry metrics, including sales (by revenue and volume), consumer price per gram, active licensees with an interactive map of dispensary locations, and medical program data including the number of certified patients, caregivers, and certifying providers. The dashboard is updated monthly on the 15th of each month. [Click here](#) to view the dashboard.

Medical Cannabis Patient Survey

Finally, OPHDE continued to build on its successful 2022 Medical Cannabis Patient Survey (“MMCPs-22”) by conducting equally robust follow up surveys in 2023 and 2024. The three surveys and reports provide key insights into patterns of use and medical program interactions from certified medical cannabis prior to or “pre-legalization” of adult-use in 2022, “mid-legalization” in 2023, and “post-legalization” in 2024. With more than 40,000 completed responses across the three waves, the MMCPs is one of the largest, repeated, cross-sectional datasets of medical cannabis patients. Report findings provide important public health, policy, and programmatic insights. Read the full report [here](#).

Fiscal

The Maryland Cannabis Administration is primarily funded by special funds through the Cannabis Regulation and Enforcement Fund (CREF). The CREF is primarily funded through cannabis sales tax revenues but also includes revenues from licensing and fees. Cannabis sales tax revenues are deposited into the fund on a quarterly basis by the Comptroller as provided by statute.

FY 2024 Closing Numbers

Revenue	
Licensing Fees	\$31,458,513
Agent Badges	\$625,400
Patient and Caregivers	\$474,550
Interest and Fees	\$474,550
Total Revenue	\$34,508,534
Expenses	
Personnel Cost	\$11,306,490
Contract & Services 08	\$11,931,305
Total Expenses	\$23,237,795

Advisory Groups

Task Force and Advisory Board

The Maryland General Assembly (“MGA”) has tasked the Administration with the participation and facilitation of two bodies: the Task Force on the Responsible Use of Natural Psychedelic Substances and the Advisory Board on Medical and Adult-Use Cannabis.

The Task Force on the Responsible Use of Natural Psychedelic Substances (“Task Force”) consists of Subject Matter Experts (SMEs) reflecting the socioeconomic, ethnic, and geographic diversity of the State. The Task Force was established to study and make recommendations on the responsible use of psychedelics with a requirement to submit its findings and recommendations to the Governor and the MGA on or before July 31, 2025.

The Advisory Board on Medical and Adult-Use Cannabis is chartered with studying and providing recommendations on various aspects of the legal medical and adult-use cannabis industry in the state, particularly in the context of state regulatory matters as well as potential federal regulatory changes.



Task Force and Advisory Board Meetings

8

Task Force on the Responsible Use of Natural Psychedelic Substances

9

Advisory Board on Medical and Adult-Use Cannabis

Laws, Regulation, and Guidance

During FY24, the MCA executed its social equity exclusive licensing round, implemented several legislative initiatives, adopted and improved its regulatory framework, facilitated the two advisory bodies, and prepared numerous legislative reports. As illustrated below, Policy and Government Affairs was successful in several key areas: a successful initial round of licensing adult-use businesses in the 2024 legislative session featuring several significant pieces of legislation; new regulatory requirements as outlined in our permanent regulations; staffed two task forces and boards; and submitted several statutorily-mandated reports to the General Assembly.

2024 Legislative Session

During the 2024 legislative session, the General Assembly passed the following bills that have clarified, streamlined, and strengthened the State's cannabis regulatory framework. The MCA was proud to support these legislative efforts and has already begun to implement many of the key provisions.

- Chapter 241 of 2024 made alterations and clarifications related to the Alcoholic Beverages and Cannabis Article, after review of the authorizing legislation under the Cannabis Reform Act. This included a streamlined process for a temporary agent registration to expedite the time in which it takes for the MCA to authorize new cannabis employees.
- Chapters 792 and 793 of 2024 established the Task Force on Responsible Use of Natural Psychedelic Substances to study and make recommendations related to the use of natural psychedelic substances. The MCA has the staffing responsibilities for this body and is represented on the Task Force.

- Chapter 244 of 2024 further clarified the authority of political subdivisions to alter certain distance requirements of cannabis licensees and established a process for the protest of renewal of a licensed cannabis business.
- Chapter 242 of 2024 prohibits an individual from applying for or holding a cannabis license if an ownership interest in the license is limited to the purpose of satisfying the requirements of licensure. It requires the MCA to deny an application or revoke a cannabis license if the applicant or licensee is convicted of a violation of the Act.

Regulations

In 2024, MCA promulgated permanent regulations to govern the cannabis program. The permanent regulations were based on the emergency regulations that operated the program from July 2023, the start of adult-use sales. This package additionally repealed and recodified many of the prior medical cannabis statutes to streamline all of the agency regulations into one title. This recodification included an extensive review by MCA of the pre-existing medical cannabis regulations to identify opportunities for policy improvement and to recodify unchanged regulations under MCA's new subtitle. In the development of its current regulatory framework, MCA revised and improved its rules by eliminating certain provisions and tightening requirements as needed. It also implemented certain new initiatives. Highlighted changes include:

- Establishing and clarifying rules for the license award process and terms of licensure;
- Providing a framework for the operations of micro dispensaries and other micro licenses;
- Protecting health and safety for Maryland cannabis consumers by codifying the MCA's Technical Authority so that its requirements for cannabis safety and potency testing requirements carry the force of regulations;
- Establishing parity between publicly and privately held entities by eliminating the requirement to report a transfer of five percent or less;

- Securing qualifying patients' ability to obtain medical cannabis by:
 - Removing the 12-hour maximum on hours of operation;
 - Establishing guidelines for curbside pick-up & drive-through operations so that dispensaries may better assist patients with mobility limitations;
 - Strengthening patient accommodation requirements to encourage dispensaries to prioritize medical cannabis patients waiting in their designated lines;
 - Removing the fee for patient registration by making the patient id card optional; and,
 - Implementing the legislature's extension of medical cannabis delivery for previously operating dispensaries to July 1, 2025
- Providing flexibility to dispensaries through a number of measures, including:
 - Allowing them to choose whether they wish to admit children younger than 8 years old;
 - Extending the amount of time cannabis may be outside of the secure room;
 - Eliminating signatures for online order pickups; and,
 - Increasing bulk order limits.
- Protecting consumer privacy by prohibiting consumer profiles without explicit informed consent.

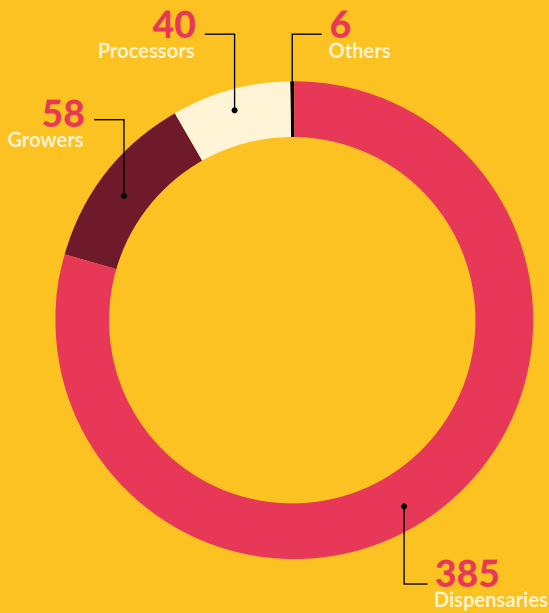
In FY 2024, the MCA drafted two additional regulatory packages building on the established programmatic provisions. Both of these packages, which the MCA anticipates being in take effect spring of 2025, aim to assist and provide clarity for new social equity licenses as they move forward in becoming operational.

Vision
To collaborate with stakeholders in fostering a high-quality and inclusive cannabis industry that serves as a national model.

Office of Compliance and Regulation

Office of Compliance and Regulation (OCR) is responsible for overseeing the licensing, inspection, and discipline of licensed growers, processors, and dispensaries to ensure compliance with Maryland's cannabis statutes and regulations. OCR is also tasked with providing safeguards to ensure and protect public health and ensure a level playing field for industry. OCR is also responsible for conducting all background investigations and reviews for cannabis licensing.

FY24 Inspection Activities



Access to the Marketplace

Social Equity Licensing Round

On November 8, 2022, Maryland voters passed a ballot referendum legalizing cannabis use for individuals over 21 beginning on July 1, 2023. The Cannabis Reform Act of 2023 was signed into law by the Governor in May, functionally creating a framework for adult-use cannabis in Maryland. Shortly thereafter, from November 13 through December 12, 2023, the MCA held its first application round exclusively designated for prospective social equity licensees. Over the application period, there were over 1,700 applications with over 1,500 accepted for lottery events and eligible for selection.

By mid-March 2024, the Maryland Cannabis Administration held lottery events for 174 social equity business licenses across micro and standard grower, processor, and dispensary categories. This was the first lottery of its kind in the nation, designated exclusively for social equity applicants across all license types and categories. Later, in late June 2024, an additional set of lottery events were conducted following the completion of litigation which brought the total of chosen applicants to 205. Both drawings collectively represent the maximum number of licenses the MCA was authorized to award for the first round of licensing as established under §36-404(d) of the Alcoholic Beverages and Cannabis Article.

Social Equity Licensing

205

applicants were selected across the micro and standard grower, processor, and dispensary categories.

Office of Resource, Enterprise and Diversity Investment Division

Overview of the Ancillary Business & Workforce Development Conference

In March, the MCA Ancillary Business & Workforce Development Conference successfully gathered industry professionals and job seekers to address critical issues in the cannabis sector. The event featured panel discussions with notable cannabis businesses, including District Cannabis, Culta LLC, Trilogy, SunMed, Peake Releaf, and GTI, alongside ancillary service providers such as Green Analytics, Pinnacle, Green Team Transport LLC, and Police Protection Services LLC. Contributions also came from state resource organizations, including the University of Maryland Eastern Shore (UMES), Maryland Department of Transportation (MDOT), Maryland Department of Assessment and Taxation (SDAT), Governor’s Office of Small, Minority, & Women Business Affairs (GOSBA), and the Cannabis HR Council. Key topics included strategies for attracting and retaining talent, workforce development opportunities, pathways to employment, and initiatives to enhance diversity, equity, and inclusion in hiring practices.

Attendees engaged in The Learning Lab, where licensed operators provided hands-on training in cannabis cultivation, processing, and dispensary operations, offering valuable insights into Maryland’s cannabis supply chain and business workflow. The conference also featured an Exhibitor Hall, allowing participants to connect with various stakeholders, fostering collaboration within the industry. A dynamic Speed Job Networking session facilitated meaningful connections through quick, 10-minute interactions with multiple employers. With 308 in-person attendees and 309 participating virtually, the event highlighted a strong interest in the expanding opportunities within the cannabis industry.

Support for Social Equity Licenses

The MCA played a vital role in providing social equity licenses to qualified applicants through the Office of Social Equity (OSE). To support the application process, OSE organized Technical Assistance seminars aimed at equipping social equity applicants with essential tools and insights. The Resource, Enterprise and Diversity Investment Division (REDI) unit contributed to these sessions, addressing critical topics such as business formation and structure, partnership agreements, finance and taxes, raising capital, and working with investors. By tackling these important issues, the seminars helped applicants navigate the complexities of the licensing process.

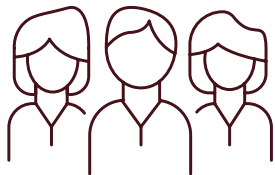
Throughout October and early November, OSE, supported by the REDI team, conducted several seminars at various institutions to assist applicants further. At Johns Hopkins University on October 9, 391 individuals attended the event out of the 400 that signed up. Prince George’s Community College attracted 248 attendees on October 16, while Morgan State University hosted 185 participants on October 23. A virtual seminar on October 30 drew 357 attendees, and Bowie State University capped off the series on November 6th with full attendance of 260 attendees. These sessions demonstrated strong interest and engagement from prospective applicants eager to navigate the licensing process.

Workforce Development Program

To prepare for our Workforce Development Program, The REDI Office participated in several key events throughout the spring and summer of 2024 to prepare for our Workforce Development Program. Notable events included the Melanin Market, held on April 13 and 14; Benzinga, on April 16 and 17; NECANN, on May 3 and 4; the Maryland Career Consortium (MCC) Career Fair, on June 10th; the Maryland Municipal League (MML) conference, on June 23rd-24th; and the Maryland Association of Counties (MACo), from on August 14 through the 17. At these gatherings, we distributed flyers and engaged in discussions with the public about the program, emphasizing its key elements and the importance of providing education and job placement assistance at no cost.

To apply to the program, participants were able to visit the MCA website or scan the QR code that was passed out during outreach events. On September 1, we opened applications for the Workforce Development Program. By September 4, we received an impressive 1,261 applications. This overwhelming response underscores the community’s interest in the program and the critical need for accessible workforce education and support. Overall, these initiatives reflect our commitment to fostering a knowledgeable and inclusive workforce in the cannabis industry.

Seminar Attendees October–November, 2024



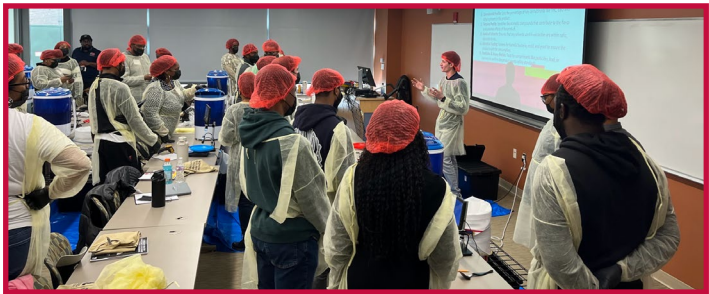
75%

were in person at various universities and community colleges



24%

were virtual



Attendees participating in various presentations during the Workforce Development Program

Notes

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