

ANCILLARY BUSINESSES AND SECURITY GUARD AGENCIES PROPOSAL

Summary

This proposal codifies the Maryland Medical Cannabis Commission's (the "Commission") existing practices concerning ancillary business and security guard agency registration. The proposal will enable staff to review and approve third-party registrations. The proposal:

- Establishes a regulatory framework for the registration of ancillary businesses (meaning 3rd party businesses registered with the Commission to transport, deliver, or dispose of medical cannabis or medical cannabis waste) and security guard agencies;
- Specifies requirements for ancillary business and security guard agents as well as for the shipping/receipt and delivery of medical cannabis;
- Establishes ancillary business and security guard agency fees; and
- Makes certain conforming changes.

10.62.01 Definitions

.01 Definitions.

A. (text unchanged)

B. Terms Defined.

(1) (text unchanged)

(2) *"Ancillary business agent" means an owner, a member, an employee, a volunteer, an officer, or a director of an ancillary business that is registered with the Commission to transport, deliver, or dispose of medical cannabis or green waste.*

[(2)] (3) – [(32)] (36) (text unchanged)

[(33)] (36) "Secure medical cannabis transport vehicle" means a vehicle owned or leased by a licensee or [a secure transportation company] *an ancillary business as defined in COMAR 10.62.18.01B(1)* for the purpose of transporting medical cannabis that:

(a) – (d) (text unchanged)

[(34)] (37) – [(35)] (38) (text unchanged)

[(36) "Transportation agent" means an owner, a member, an employee, a volunteer, an officer, or a director of a registered secure transportation company.]

[(37)] (31) – [(40)] (47) (text unchanged)

10.62.16 Independent Testing Laboratory Registration

.06 Transportation of Products Containing Medical Cannabis.

A. (text unchanged)

B. (text unchanged)

(1) (text unchanged)

(2) Using a [secure medical cannabis transport] vehicle [as defined in COMAR 10.62.01.] *that meets the criteria specified in COMAR 10.62.18.05-.06; and*

(3) *Is registered with the Commission.*

10.62.18 [Shipment of Products Between Licensees] Registration of Ancillary Businesses and Security Guard Agencies

.01 Definitions.

A. (text unchanged)

B. Terms Defined.

(1) *“Ancillary business” means a third-party business that is registered with the Commission to transport, deliver, or dispose of medical cannabis or green waste.*

[1)] (2) *“Receiving licensee” means the licensee that receives [the] a shipment.*

[2) *“Secure transportation company” means a business that is registered with the Commission, whose employees are bonded, and that provides highly secure vehicles for the transportation of valuables, and can assure that medical cannabis is secured at all times during transport.]*

(3) *“Security Guard Agency” means a business that is licensed with the Maryland State Police to provide security guard services; and*

[3)] (4) *“Shipping licensee” means the licensee that initiates [the] a shipment.*

.04 [Transportation] Agents Transporting, Delivering, or Disposing of Medical Cannabis or Green Waste.

A. A registered grower agent, processor agent, dispensary agent, or [transportation] *ancillary business agent who transports, delivers, or disposes of medical cannabis or green waste [driving a secure medical cannabis transport vehicle] shall have a current driver’s license.*

B. While in transit, a registered grower agent, processor agent, dispensary agent, or [transportation] *ancillary business* agent may not wear any clothing or symbols that may indicate ownership or possession of cannabis.

.05 Transportation of [Products Containing] Medical Cannabis Between Licensees.

A. [Either a secure transportation company or a licensed grower, processor, or dispensary shall transport products containing medical cannabis.] *A licensed grower, processor, dispensary or registered ancillary business shall use a secure medical cannabis transport vehicle to transport medical cannabis between licensees.*

B. A [secure transportation company] *licensed grower, processor, dispensary or registered ancillary business that transports or delivers medical cannabis* [or a licensed grower, processor, or dispensary] shall comply with all of the following:

(1) Each secure medical cannabis transport vehicle shall be operated with at least one registered grower, processor, dispensary, or [transportation] *ancillary business* agent; and

(2) All medical cannabis shall be transported in one or more locked and secure storage containers and may not be accessible while in transit.

C. *The requirements of this regulation do not apply to a registered ancillary business that only transports or disposes green waste.*

.06 [Secure Medical Cannabis Transport Vehicle] Vehicles That Transport or Dispose of Medical Cannabis or Green Waste.

A secure medical cannabis transport vehicle, *a vehicle used to transport samples of medical cannabis for laboratory testing, and a vehicle that transports and disposes of green waste:*

A. Shall have and display current registration from the State;

B. Shall be insured as required by law; and

C. May not display any sign or illustration related to medical cannabis or a licensee.

.07 Registration.

A. [A secure transportation company] *An ancillary business and security guard agency* shall register with the Commission.

B. To register, [a secure transportation company] *an ancillary business or security guard agency* shall submit:

(1) A completed [secure transportation company] registration form;

(2) The name, address, and date of birth and Social Security number of each [transportation] *ancillary business or security guard agent*; [and a copy of the registration form completed by each transportation agent;]

(3) A security plan, including protocol in case of emergency; [and]

(4) *A copy of the articles of incorporation and authorization to do business in Maryland;*

(5) *The registration fee specified in COMAR 10.62.35.01; and*

[(4)] (6) Any secure medical cannabis transport vehicle for inspection by the Commission.

C. A registration for an ancillary business or security guard agency shall be approved by the Commission if the ancillary business or security guard agency:

(1) *Submits a complete and accurate registration form;*

(2) *Is authorized to do business in Maryland; and*

(3) *Pays the required fee specified in COMAR 10.62.35.01;*

D. Notwithstanding §C of this regulation, the Commission shall deny a registration for an ancillary business or security guard agency if:

(1) *The payment of taxes due in any jurisdiction is in arrears; or*

(2) *Any agent or individual investor 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.*

[C.] (E) (text unchanged)

[D.] (F) The registration may be renewed by submitting to the Commission:

(1) A copy of the [secure transportation company] registration form;

(2) Proof that fingerprints have been submitted to CJIS and the FBI for every [transportation] *ancillary business or security guard agent*; and

(3) (text unchanged)

.08 [Transportation] *Ancillary Business and Security Guard Agent Registration and Criminal History Record.*

A. Each [transportation] *ancillary business and security guard agent* shall be registered with the Commission before the *ancillary business or security guard agent* may volunteer or work for [a secure transportation company] *an ancillary business or a security guard agency.*

B. A registered [secure transportation company] *ancillary business or security guard agency* shall apply to register [a transportation] *an ancillary business or a security guard agent* by submitting to the Commission:

- (1) The name, address, date of birth, and Social Security number of [a transportation] *the ancillary business or security guard agent*;
- (2) Documentation of the submission of fingerprints of the [transportation] *ancillary business or security guard agent* to the Central Registry; and
- (3) The request for the criminal history record information of the [transportation] *ancillary business or security guard agent* to be forwarded to the Commission.

C. A prospective [transportation] *ancillary business or security guard agent* may not be registered if the prospective [transportation] *ancillary business or security guard agent* has ever been convicted of a felony drug offense, except as provided in Health-General Article, §13-3310(d), Annotated Code of Maryland.

D. The Commission, after review of the criminal history record information, may disqualify from registration any prospective [transportation] *ancillary business or security guard 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.

.09 Registered [Transportation] *Ancillary Business and Security Guard Agent Identification Cards.*

A. The Commission shall issue to each registered [transportation] *ancillary business and security guard agent* an identification card which includes a photograph of the face of the registered [transportation] *ancillary business and security guard agent* taken no more than 6 months before the date of the application.

B. While transporting medical cannabis, every registered [transportation] *ancillary business and security guard agent* shall visibly wear the identification card issued to the registered [transportation agent] *ancillary business or security guard agency* by the Commission.

C. (text unchanged)

D. If a registered [transportation] *ancillary business or security guard agent's* identification card is lost, destroyed, or stolen, within 24 hours of becoming aware of the loss, destruction, or theft, the [secure transportation company] *ancillary business or security guard agency* shall:

(1) – (3) (text unchanged)

E. (text unchanged)

F. If a registered [transportation] *ancillary business or security guard* agent's identification card is lost, destroyed, or stolen, a copy of notification to the Commission shall be evidence of registration until a new card is obtained from the Commission.

.10 Termination.

A. As soon as possible upon termination of a registered [transportation] *ancillary business or security guard* agent's association with [a secure transportation company] *an ancillary business or security guard agency*, the [secure transportation company] *the ancillary business or security guard agency* shall:

(1) Take custody of a terminated registered [transportation] *ancillary business or security guard* agent's identification card;

(2) Obtain any keys or other entry devices from a terminated registered [transportation] *ancillary business or security guard* agent; and

(3) Ensure a terminated registered [transportation] *ancillary business or security guard* agent can no longer gain access to the premises of the [secure transportation company] *ancillary business or security guard agency*.

B. Within 1 business day of a termination of a registered [transportation] *ancillary business or security guard* agent's association with [a secure transportation company] *an ancillary business or a security guard agency*, [a secure transportation company] *the ancillary business or security guard agency* shall:

(1) Notify the Commission:

(a) (text unchanged)

(b) Whether a terminated registered [transportation] *ancillary business or security guard* agent has returned the agent's identification card; and

(2) Initiate delivery of a terminated registered [transportation] *ancillary business or security guard* agent's identification card to the Commission.

C. The Commission shall revoke a registration of [a transportation] *an ancillary business or a security guard* agent upon receiving notification that [a transportation] *the ancillary business or security guard* agent is no longer associated with [a secure transportation company] *an ancillary business or a security guard agency*.

D. If a registered [transportation] *ancillary business or security guard* agent did not return the agent's identification card within 30 *calendar* days of the termination[,], the Commission shall notify the Maryland State Police [and place a notice in the register of that fact].

10.62.22 Medical Cannabis Processor Operations

.03 Receipt of Products Containing Cannabis.

A. – C. (text unchanged)

[C.] *D.* Upon arrival of a secure medical cannabis transport vehicle, the [transportation] agent *who delivers the shipment* shall notify an appropriate registered processor agent to continue the chain of custody of the shipment of products containing *medical* cannabis.

[D.] *E.* An agent of the receiving licensee shall:

(1) – (2) (text unchanged)

(3) Confirm that:

(a) The [transportation] agent *who delivers the shipment* is carrying appropriate identification;

(b) – (c) (text unchanged)

(4) (text unchanged)

(5) Obtain in the electronic manifest the signature or identification number of the [transportation] agent who delivers the shipment;

(6) – (10) (text unchanged)

[E.] *F.* The [transportation] agent *who delivers the shipment* shall provide a copy of the electronic manifest for the shipment to the receiving licensee.

[F.] *G.* The [transportation] agent *who delivers the shipment* shall provide the completed electronic manifest to the shipping licensee.

[G.] *H.* (text unchanged)

[H.] *I.* Discrepancy in the Shipment.

(1) A discrepancy between the electronic manifest and the shipment, identified by either a [transportation] agent *who delivers the shipment* or a receiving agent, shall be reported by each agent to [each] *the agent's* supervisor.

(2) – (3) (text unchanged)

(4) The shipping licensee shall submit to the Commission:

(a) Within 7 [business] *calendar* days of the observation of the discrepancy, a preliminary report of an investigation of a discrepancy; and

(b) Within 30 [business] *calendar* days a final report of the investigation.

10.62.28 Licensed Dispensary Operations

.03 Receipt of Products Containing Cannabis.

A. – C. (text unchanged)

[C.] *D.* Upon arrival of a secure medical cannabis transport vehicle, the [transportation] agent *who delivers the medical cannabis* shall notify an appropriate registered dispensary agent or registered grower agent to continue the chain of custody of the shipment of products containing cannabis.

[D.] *E.* An agent of the receiving licensee shall:

(1) – (2) (text unchanged)

(3) Confirm that:

(a) The [transportation] agent *who delivers the shipment* is carrying appropriate identification;

(b) – (d) (text unchanged)

(4) (text unchanged)

(5) Obtain in the electronic manifest the signature or the identification number of the [transportation] agent *who delivers the shipment*;

(6) – (10) (text unchanged)

[E.] *F.* The [transportation] agent *who delivers the shipment* shall provide a copy of the electronic manifest for the shipment to the receiving licensee.

[F.] *G.* The [transportation] agent *who delivers the shipment* shall provide the completed electronic manifest to the shipping licensee.

[G.] *H.* (text unchanged)

[H.] *I.* Discrepancy in the Shipment.

(1) (text unchanged)

(2) Within 30 [business] *calendar* days of discovering the discrepancy, the licensee shall:

(a) – (c) (text unchanged)

(3) The shipping licensee shall submit to the Commission:

(a) Within 7 [business] *calendar* days of the observation of the discrepancy, a preliminary report of an investigation of a discrepancy; and

(b) Within 30 [business] *calendar* days a final report of the investigation.

10.62.30 Dispensing Medical Cannabis

.04 Delivery of Medical Cannabis to a Qualifying Patient or Caregiver

A. – F. (text unchanged)

G. A registered agent shall deliver medical cannabis using a [secure medical cannabis transport] vehicle that:

(1) (text unchanged)

(2) Shall be insured as required by law; [and]

(3) May not display any sign or illustration related to medical cannabis or a licensee [.];

(5) *Is registered with the Commission; and*

(6) *Meets the criteria specified in COMAR 10.62.18.*

10.62.35 Fee Schedule

.01 Fees.

A. – J. (text unchanged)

K. Ancillary Business and Security Guard Agency fees:

(1) Ancillary business and security guard agency:

(a) Registration fee – \$100

(b) Renewal fee – \$100

(2) Ancillary business and security guard agency agent:

(a) Registration fee – \$200

(b) Replacement identification card fee – \$100

[K] L. – [L.] M. (text unchanged)

Conforming Amendments to Change “Medical Cannabis Waste” to “Green Waste”:

10.62.08 Medical Cannabis Grower License

.02 Application for a Medical Cannabis Grower License.

A. – B. (text unchanged)

C. In addition to the application form, the applicant shall submit the following documents to be included as addenda to the application form:

(1) – (12) (text unchanged)

(13) A disposal plan for [medical cannabis] *green* waste.

D. – G. (text unchanged)

10.62.08 Medical Cannabis Grower License

.05 Application Review.

A – H. (text unchanged)

I. The Commission, or a Commission independent contractor, shall review for a pre-approval for a license the submitted applications as described in Regulations .02B and .05E of this chapter. The applications shall be ranked based on the following weighted criteria:

(1) – (3) (text unchanged)

(4) Production control factors will be afforded 15 percent weight, including:

(a) – (b) (text unchanged)

(c) A detailed [medical cannabis] *green* waste disposal plan;

(5) – (6) (text unchanged)

J. – K. (text unchanged)

10.62.19 Medical Cannabis Processor License

.02 Application.

A. (text unchanged)

B. An application on a form developed by the Commission shall be completed and submitted to the Commission for consideration. In addition to the application form, the applicant shall submit the following documents to be included as addenda to the application form:

(1) – (9) (text unchanged)

(10) A plan for inventorying, safekeeping and tracking medical cannabis from entry into inventory to sale or disposal of [medical cannabis] *green* waste;

(11) A plan for the disposal of [medical cannabis] *green* waste;

(12) – (14) (text unchanged)

C. – F. (text unchanged)

.04 Application Review.

A. – H. (text unchanged)

I. The Commission, or a Commission independent contractor, shall review for a pre-approval for a license the submitted applications as described in Regulations .02B and .04E of this chapter. The applications shall be ranked based on the following weighted criteria:

(1) – (3) (text unchanged)

(4) Production control factors will be afforded 15 percent weight, including:

(a) – (b) (text unchanged)

(c) A detailed [medical cannabis] *green* waste disposal plan;

(5) – (6) (text unchanged)

J. (text unchanged)

10.62.22 Medical Cannabis Processor Operations

.02 Standard Operating Procedures.

A. A licensee shall:

(1) Establish standard operating procedures for all aspects of the receipt, processing, storage, packaging, labeling, handling, tracking and shipping of products containing cannabis and [medical cannabis] *green* waste;

(2) – (3) (text unchanged)

B. (text unchanged)

10.62.25 Licensed Grower Dispensary Facility

.02 Application.

A. (text unchanged)

B. An application on a form developed by the Commission shall be completed and submitted to the Commission for consideration. In addition to the application form, the applicant shall submit the following documents to be included as addenda to the application form:

(1) – (9) (text unchanged)

(10) A plan for inventorying, safekeeping and tracking medical cannabis from entry into inventory to sale or disposal of [medical cannabis] *green* waste;

(11) A plan for the disposal of [medical cannabis] *green* waste;

(12) – (14) (text unchanged)

C. – E. (text unchanged)

.05 Application Review.

A. – H. (text unchanged)

I. The Commission, or a Commission independent contractor, shall review for a pre-approval for a license the submitted applications, as described in Regulations .02B and .05E of this chapter, for each Senatorial district. The applications shall be ranked based on the following weighted criteria:

(1) – (3) (text unchanged)

(4) Retail management factors will be afforded 15 percent weight, including:

(a) – (c) (text unchanged)

(d) A detailed [medical cannabis] *green* waste disposal plan;

(5) – (6) (text unchanged)

J. – K. (text unchanged)

10.62.28 Licensed Dispensary Operations

.02 Standard Operating Procedure.

A. A licensee shall:

(1) Establish a standard operating procedure for all aspects of the receipt, storage, packaging, labeling, handling, tracking and dispensing of products containing medical cannabis and [medical cannabis] *green* waste;

(2) – (3) (text unchanged)

B. (text unchanged)

10.62.36 Academic Research

.01 Definitions.

A. (text unchanged)

B. Terms Defined.

(1) – (3) (text unchanged)

(4) “Research protocol” means a written plan for conducting a bona fide research project relating to the health effects, medical uses, properties, or composition of medical cannabis that includes the following information:

(a) – (c) (text unchanged)

(d) Standard operating procedures for the safe and secure receipt, storage, packaging, labeling, handling, tracking, and dispensing of products containing medical cannabis and [medical cannabis] *green* waste.