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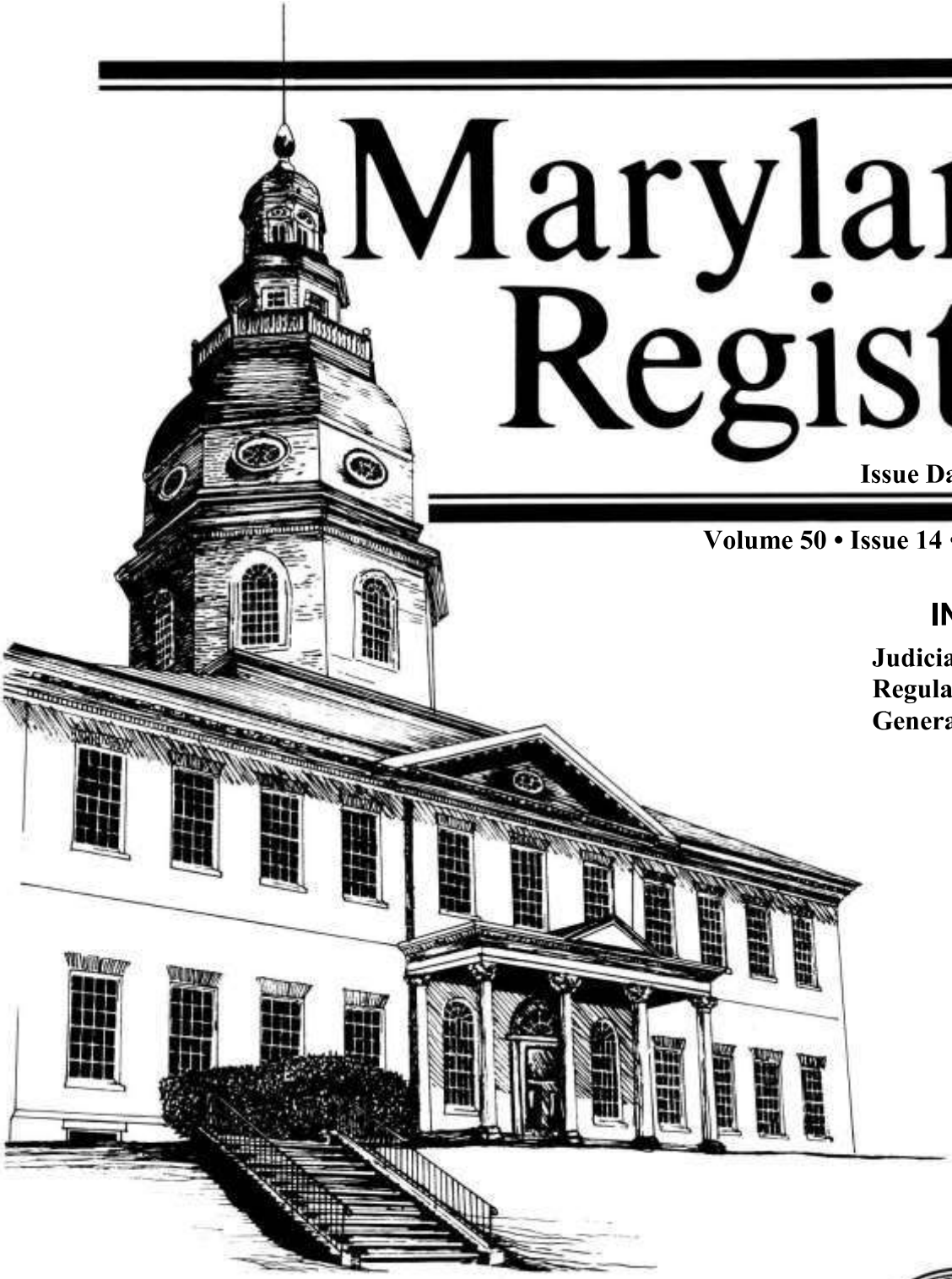

IN THIS ISSUE

Judiciary
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Pursuant to State Government Article, §7-206, Annotated Code of Maryland, this issue contains all previously unpublished documents required to be published, and filed on or before June 26, 2023, 5 p.m.

Pursuant to State Government Article, §7-206, Annotated Code of Maryland, I hereby certify that this issue contains all documents required to be codified as of June 26, 2023.

Gail S. Klakring
Administrator, Division of State Documents
Office of the Secretary of State

Emergency Action on Regulations

Symbol Key

- Roman type indicates text existing before emergency status was granted.
- *Italic type* indicates new text.
- **[**Single brackets**]** indicate deleted text.

Emergency Regulations

Under State Government Article, §10-111(b), Annotated Code of Maryland, an agency may petition the Joint Committee on Administrative, Executive, and Legislative Review (AELR), asking that the usual procedures for adopting regulations be set aside because emergency conditions exist. If the Committee approves the request, the regulations are given emergency status. Emergency status means that the regulations become effective immediately, or at a later time specified by the Committee. After the Committee has granted emergency status, the regulations are published in the next available issue of the Maryland Register. The approval of emergency status may be subject to one or more conditions, including a time limit. During the time the emergency status is in effect, the agency may adopt the regulations through the usual promulgation process. If the agency chooses not to adopt the regulations, the emergency status expires when the time limit on the emergency regulations ends. When emergency status expires, the text of the regulations reverts to its original language.

Title 14
INDEPENDENT AGENCIES

Subtitle 17 MARYLAND CANNABIS ADMINISTRATION

Notice of Emergency Action

[23-103-E]

The Joint Committee on Administrative, Executive, and Legislative Review has granted emergency status to:

(1) New Regulation **.01** under a new chapter, **COMAR 14.17.01 Definitions**;

(2) New Regulations **.01—.03** under a new chapter, **COMAR 14.17.02 General Regulations**;

(3) New Regulations **.01—.04** under a new chapter, **COMAR 14.17.03 Social Equity**;

(4) New Regulations **.01—.10** under a new chapter, **COMAR 14.17.04 Medical Cannabis Program**;

(5) New Regulations **.01—.08** under a new chapter, **COMAR 14.17.05 Application Process and Issuance of Licenses**;

(6) New Regulations **.01—.10** under a new chapter, **COMAR 14.17.06 Standard Cannabis Licenses**;

(7) New Regulations **.01—.08** under a new chapter, **COMAR 14.17.07 Micro Licenses**;

(8) New Regulations **.01—.07** under a new chapter, **COMAR 14.17.08 Laboratory Registration and Operations**;

(9) New Regulations **.01—.05** under a new chapter, **COMAR 14.17.09 Other Cannabis Businesses**;

(10) New Regulations **.01—.05** under a new chapter, **COMAR 14.17.10 Cannabis Grower Operations**;

(11) New Regulations **.01—.07** under a new chapter, **COMAR 14.17.11 Cannabis Processor Operations**;

(12) New Regulations **.01—.09** under a new chapter, **COMAR 14.17.12 Cannabis Dispensary Operations**;

(13) New Regulations **.01—.11** under a new chapter, **COMAR 14.17.13 Cannabis Products**;

(14) New Regulations **.01—.06** under a new chapter, **COMAR 14.17.14 Complaints, Enforcement, Record Keeping, and Inspections of Cannabis Businesses**;

(15) New Regulations **.01—.06** under a new chapter, **COMAR 14.17.15 Cannabis Business Agents**;

(16) New Regulations **.01—.05** under a new chapter, **COMAR 14.17.16 Cannabis Business Owners**;

(17) New Regulations **.01—.08** under a new chapter**, COMAR 14.17.17 Secured Creditors and Receivership**;

(18) New Regulations **.01—.08** under a new chapter, **COMAR 14.17.18 Finished Product Packaging**;

(19) New Regulations **.01—.05** under a new chapter, **COMAR 14.17.19 Cannabis Research**;

(20) New Regulations **.01—.02** under a new chapter, **COMAR 14.17.20 Prohibited Acts**;

(21) New Regulations **.01—.02** under a new chapter, **COMAR 14.17.21 Fees**; and

(22) New Regulations **.01—.12** under a new chapter, **COMAR 14.17.22 Hearing Procedures**.

Emergency status began: July 1, 2023.

Emergency status expires: June 30, 2024.

Estimate of Economic Impact

I. Summary of Economic Impact. In Fiscal Year (FY) 2024, this emergency action will have a $52,292,152 net positive economic impact on the Maryland Cannabis Administration budget. This amount represents revenue increases incurred through application and licensing fees collected from new growers, processors, and dispensaries, as well as tax revenue collected from cannabis sales, less statutorily mandated fund allocations and expenditures used for salaries and other operating expenses needed to implement the adult use cannabis market. $19,727,152 of this amount will be returned to the General Fund.

II. Types of Economic Impact.

Impacted Entity	Revenue (R+/R-) Expenditure (E+/E-)	Magnitude
A. On issuing agency:		
(1) Maryland Cannabis Administration	(E+)	$14,545,696
(2) Maryland Cannabis Administration	(R+)	$66,837,848
B. On other State agencies:		
(1) Maryland Department of Health	(E+)	$1,972,715
(2) Department of Commerce	(E+)	$1,972,715
C. On local governments:		
Local jurisdictions	(E+)	$48,642,997

	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:		
Cannabis businesses	(-)	$65,426,275
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	NONE	

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

A(1). Due to the additional staff and operational costs needed to support implementation, less retained fund balance, the Administration anticipates $14,545,696 in new expenditures. Note: The retained fund balance from the former Maryland Medical Cannabis Commission fund may offset FY 2024 expenses and increase subsequent General and Special Fund distribution.

A(2). The Administration is projecting $600M in first year adult use sales. According to statute, adult use cannabis sales are subject to a 9% tax rate. As such the Administration anticipates adult use sales will generate $54M in revenue.

In FY 2024, the Administration will solicit applications for first and second round licenses and will collect $32,200,000 in application fees.

The Administration anticipates the first round of licensure in January 2024 will yield 30 micro growers, 30 micro processors, 10 micro dispensaries, and four incubators. Due to the likelihood of delayed startup for new standard cannabis businesses, no new standard licensed cannabis businesses will be fully operational before the end of FY 2024. Therefore, the Administration will collect a total of $365,000 in license fees from operational micro licensees in FY 2024.

B(1). After the Administration's costs are subtracted from the sales tax revenue, fifty percent of the remaining funds, or $19,727,152, will be distributed to certain funds. 5 percent ($1,972,7157) is allocated to the Cannabis Public Health Fund to be administered by the Maryland Department of Health.

B(2). After the Administration's costs are subtracted from the sales tax revenue, fifty percent of the remaining funds, or $19,727,152, will be distributed to certain funds. 5 percent ($1,972,715) is allocated to the Cannabis Business Assistance Fund to be administered by the Maryland Department of Commerce.

C. After the Administration's costs are subtracted from the sales tax revenue, fifty percent of the remaining funds, or $19,727,152, will be distributed to certain funds. 35 percent plus the revenue from conversion fees, as discussed below ($13,809,006 + $32,861,275) is allocated to the Community Reinvestment and Repair Fund to be administered to local jurisdictions by the Comptroller. An additional 5 percent ($1,972,715) will also be allocated to local jurisdictions.

All currently licensed medical cannabis businesses will convert to licenses to operate medical and adult use cannabis businesses. The Administration will collect license conversion fees from these businesses, which include 18 growers, 17 processors, and 97 dispensaries. Standard license conversion fees are based on Calendar Year (CY) 2022 total gross revenue. Growers and processors are charged 10% of CY 2022 total gross revenue, and dispensaries are charged 8% of CY 2022 total gross revenue. The amount of any licensing or renewal fee paid by a business in FY 2023 will be credited against the amount of the conversion fee due. The Administration will allow businesses to pay in four installments over a period of 18 months. If all businesses elect this option, the Administration will collect $32,861,275 of a total $65,722,550 from existing businesses during FY 24 and remit that amount to the Community Reinvestment and Repair Fund.

D. All currently licensed medical cannabis businesses will convert to licenses to operate medical and adult use cannabis businesses. The Administration will collect license conversion fees from these businesses, which include 18 growers, 17 processors, and 97 dispensaries. Standard license conversion fees are based on Calendar Year (CY) 2022 total gross revenue. Growers and processors are charged 10% of CY 2022 total gross revenue, and dispensaries are charged 8% of CY 2022 total gross revenue. The amount of any licensing or renewal fee paid by a business in FY 2023 will be credited against the amount of the conversion fee due. The Administration will allow businesses to pay in four installments over a period of 18 months. If all businesses elect this option, the Administration will collect $32,861,275 of a total $65,722,550 from existing businesses during FY 24.

In FY 2024, the Administration will solicit applications for first and second round licenses and will collect $32,200,000 in application fees.

The Administration anticipates the first round of licensure in January 2024 will yield 30 micro growers, 30 micro processors, 10 micro dispensaries, and four incubators. Due to the likelihood of delayed startup for new standard cannabis businesses, no new standard licensed cannabis businesses will be fully operational before the end of FY 2024. Therefore, the Administration will collect a total of $365,000 in license fees from operational micro licensees in FY 2024.

Economic Impact on Small Businesses

The emergency action has a meaningful economic impact on small businesses. An analysis of this economic impact follows.

Approximately half of cannabis business licensees, or 57 licensees, qualify as small businesses. This represents half of licensed businesses. To the extent small businesses participate in the Maryland cannabis industry, they will share in the revenue from newly legal adult use sales. They will also be subject to the various requirements for businesses in this industry, including conversion and license fees.

14.17.01 Definitions

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

.01 Definitions.

A. In this subtitle, the following terms have the meanings indicated.

B. Terms Defined.

(1) "Administration" means the Maryland Cannabis Administration established under Alcoholic Beverages and Cannabis Article, §36-201, Annotated Code of Maryland.

(2) "Advisory Council" means the Cannabis Public Health Advisory Council established under Health-General Article, §13–4502, Annotated Code of Maryland.

(3) "Agent" means an employee, a volunteer, or any other authorized person who acts for or at the direction of a cannabis licensee or cannabis registrant.

(4) "Ancillary business" means a business that is registered with the Administration to deliver, transport, or dispose of cannabis or green waste or provide security guard services to a cannabis licensee.

(5) Cannabis.

(a) "Cannabis" means the plant cannabis sativa l. and any part of the plant, including all non-synthetically derived, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta–9–tetrahydrocannabinol concentration greater than 0.3 percent on a dry weight basis.

(b) "Cannabis" includes cannabis products.

(c) "Cannabis" does not include hemp or hemp products, as defined in the Agriculture Article, §14–101, Annotated Code of Maryland.

(6) Cannabis Product.

(a) "Cannabis product" means a product that is composed of cannabis, cannabis concentrate, cannabis extract, or any other ingredient and is intended for use or consumption.

(b) "Cannabis product" includes any product produced and regulated under this subtitle, including:

(i) Cannabis vaporizing devices;

(ii) Concentrated cannabis products;

(iii) Edible cannabis products; and

(iv) Usable cannabis products.

(c) "Cannabis product" does not include a home cultivation product.

(7) Cannabis Vaporizing Device.

(a) "Cannabis vaporizing device" means a device that can be used to deliver aerosolized or vaporized cannabis or cannabis products to an individual inhaling from the device.

(b) "Cannabis vaporizing device" includes:

(i) A vape pen;

(ii) Vaping liquid; and

(iii) Any component, part, or accessory of such a device regardless of whether it is sold separately, including a concentrated or infused cannabis liquid, for the purposes of heating and producing a vapor.

(8) Canopy.

(a) "Canopy" means the total square footage of space used by a licensee to produce flowering cannabis plants.

(b) "Canopy" includes each layer of flowering cannabis plants grown on any rack or shelving.

(c) "Canopy" does not include square footage used for:

(i) Mother stock;

(ii) Propagation;

(iii) Immature or nonflowering plants;

(iv) Processing;

(v) Drying;

(vi) Curing;

(vii) Trimming;

(viii) Storage;

(ix) Offices;

(x) Hallways;

(xi) Pathways;

(xii) Work areas; or

(xiii) Other administrative and nonproduction uses.

(9) "Capsules" means a solid preparation containing a single serving of tetrahydrocannabinol or other cannabinoid that:

(a) Is intended to be swallowed whole;

(b) Not formulated to be chewable, dispersible, effervescent, orally disintegrating, used as a suspension, or consumed in a manner other than swallowed whole; and

(c) Does not contain any added natural or artificial flavor or sweetener.

(10) Caregiver.

(a) "Caregiver" means an individual who has agreed to assist with a qualifying patient's medical use of cannabis.

(b) "Caregiver" means, for a qualifying patient younger than 18 years old:

(i) A parent or legal guardian; and

(ii) Not more than two additional adults designated by the parent or legal guardian.

(c) "Caregiver" does not include any designated school personnel authorized to administer medical cannabis to a student in accordance with the guidelines established under Education Article, §7-446, Annotated Code of Maryland.

(11) "Certifying provider" has the meaning stated in Alcoholic Beverages and Cannabis Article, §36-101, Annotated Code of Maryland.

(12) Concentrated Cannabis Product.

(a) "Concentrated cannabis product" means a product derived from cannabis that has undergone a process to concentrate one or more active cannabinoids.

(b) "Concentrated cannabis product" includes:

(i) Kief;

(ii) Hashish;

(iii) Bubble hash;

(iv) Oil;

(v) Wax;

(vi) Shatter;

(vii) Resin; or

(viii) Any other product produced by extracting cannabinoids from the plant using solvents, carbon dioxide, heat, screens, presses or steam distillation.

(c) "Concentrated cannabis product" does not include any cannabis vaporizing device as defined in this regulation.

(13) "Conditional license" means a temporary preapproval for a cannabis license issued pending satisfactory completion of the requirements for licensing under COMAR 14.17.05.

(14) "Consumer" means an individual 21 years old or older who purchases cannabis or a cannabis product from a licensed dispensary or on-site consumption establishment.

(15) Control.

(a) "Control" means:

(i) The decision-making authority over the management, operations, or policies that either guide a business or guide authority over the operation of the technical aspects of a business; or

(ii) Authority over the operation of the technical aspects of the business.

(b) "Control" includes:

(i) Holding a right to veto significant events;

(ii) The right or authority to make or veto decisions regarding operations and strategic planning, capital allocations, acquisitions, and divestments;

(iii) The right or authority to appoint or remove directors, corporate-level officers, or their equivalent;

(iv) The right or authority to make major marketing, production, and financial decisions; and

(v) The right or authority to execute exclusive contracts or significant contracts in the aggregate of $10,000 or greater on behalf of the licensee.

(16) "Clinical director" means an individual who:

(a) Is appointed by a licensed dispensary to provide information on medical cannabis to qualifying patients, registered caregivers, and dispensary agents;

(b) Meets the requirements of COMAR 14.17.04.09; and

(c) Is registered with the Administration.

(17) "Criminal history record check" means a State and national criminal history records check in accordance with Alcoholic Beverages and Cannabis Article, §36-505, Annotated Code of Maryland.

(18) "Delivery service" means a licensee authorized to deliver cannabis in accordance with a micro license to operate a dispensary.

(19) Dispensary.

(a) "Dispensary" means an entity licensed under this title that acquires, possesses, repackages, transports, sells, distributes, or dispenses cannabis or cannabis products, including tinctures, aerosols, oils, and ointments, related supplies, and educational materials for use by qualifying patients, caregivers, or consumers through a storefront or through a delivery service, based on license type.

(b) "Dispensary" includes standard and micro license types.

(20) "Disproportionately impacted area" means a geographic area identified by the Office of Social Equity that has had above 150

percent of the State's 10-year average for cannabis possession charges.

(21) Edible Cannabis Product.

(a) "Edible cannabis product" means a cannabis product intended for human consumption by oral ingestion, in whole or in part.

(b) "Edible cannabis product" includes a cannabis product that dissolves or disintegrates in the mouth.

(c) "Edible cannabis product" does not include any concentrated cannabis products, infused non-edible cannabis products, or capsules or tinctures that do not contain any food or food ingredients.

(22) "Green waste" means unauthorized, misbranded, contaminated, unused, surplus, returned, or out-of-date cannabis or product containing cannabis.

(23) Grower.

(a) "Grower" means an entity licensed under Alcoholic Beverages and Cannabis Article, §36-401, Annotated Code of Maryland, that cultivates or packages cannabis and is authorized by the Administration to provide cannabis to other licensees and registered independent testing laboratories.

(b) "Grower" includes standard and micro license types.

(24) High Potency Product.

(a) "High potency product" means a product that exceeds the maximum potency for consumers, as established by the Administration, and may only be sold or distributed to a qualifying patient or registered caregiver.

(b) "High Potency Product" includes:

(i) A concentrated cannabis product; and

(ii) An edible cannabis product, capsule, tincture, or infused non-edible product that exceeds 10 milligrams THC per serving or 100 milligrams THC per package.

(25) Home Cultivation Product.

(a) "Home cultivation product" means the clones, seeds, seedlings, stalks, roots, and stems of the cannabis plant for home cultivation.

(b) "Home cultivation product" does not include any plant that is:

(i) Wider than 6 inches;

(ii) Taller than 6 inches; or

(iii) Otherwise in a vegetative or flowering state.

(26) "Incubator space" means a facility where a micro licensee may operate in accordance with Alcoholic Beverages and Cannabis Article, §36-406, Annotated Code of Maryland.

(27) "Independent testing laboratory" means a facility, entity or site that is:

(a) Registered with the Administration to perform tests on cannabis or cannabis products;

(b) Independent of any entity licensed under Alcoholic Beverages and Cannabis Article, §36-401, Annotated Code of Maryland, to grow, process or dispense cannabis; and

(c) Accredited as operating to International Organization for Standardization (ISO) standard 17025 by an accreditation body:

(i) Operating in accordance with ISO standard ISO/IEC 17011; and

(ii) That is a signatory to the International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Arrangement (MRA).

(28) "Infused non-edible cannabis product" means ointment, salve, suppository, dermal patch, cartridge, or any other product containing cannabis that has been processed so that the dried leaves and flowers are integrated into other material that is not intended for human consumption by oral ingestion.

(29) "Law enforcement agency" means a governmental police force, sheriff's office, security force, or law enforcement organization of the State, a county, or a municipal corporation that by statute, ordinance, or common law is authorized to enforce the general criminal laws of the State.

(30) Licensee.

(a) "Licensee" means a business licensed by the Administration in accordance with Alcoholic Beverages and Cannabis Article, §36-401, Annotated Code of Maryland.

(b) "Licensee" includes any:

(i) Micro grower;

(ii) Micro processor;

(iii) Micro dispensary;

(iv) Standard grower;

(v) Standard processor;

(vi) Standard dispensary;

(vii) Incubator space; and

(viii) On-site consumption establishment.

(31) Liquid Edible Product.

(a) "Liquid edible product" means an edible cannabis product that is a liquid beverage or liquid food-based product for which the intended use is oral consumption.

(b) "Liquid edible product" excludes a tincture as defined in this section.

(32) "Micro license" means a license to operate a cannabis business that does not exceed the limits established in Alcoholic Beverages and Cannabis Article, §36-401(c)(2), Annotated Code of Maryland.

(33) "On-site consumption establishment" means an entity licensed by the Administration to distribute cannabis or cannabis products for on-site consumption other than by smoking indoors.

(34) "Owner" means a person with an ownership interest in a cannabis license.

(35) "Ownership interest" means a direct or indirect equity interest in a cannabis license, including in its shares or stock.

(36) "Passive investor" means an individual or an entity that:

(a) Holds an aggregate ownership interest of less than 5 percent in a cannabis licensee; and

(b) Does not have control of the cannabis licensee.

(37) "Personal use amount" means an amount of:

(a) Cannabis that does not exceed 1.5 ounces;

(b) Concentrated cannabis that does not exceed 12 grams;

(c) Cannabis products containing no more than 750 milligrams of delta-9-tetrahydrocannabinol;or

(d) Two or fewer cannabis plants.

(38) "Principal officer" means a board member, a president, a vice president, a secretary, a treasurer, a partner, an officer, a managing member, or any other individual with a profit sharing, financial interest, or revenue sharing arrangement, including an individual with the authority to control a cannabis license.

(39) "Processing" means the manufacture of usable cannabis into a cannabis concentrate or manufacture of a cannabis-infused product.

(40) Processor.

(a) "Processor" means an entity licensed by the Administration in accordance with Alcoholic Beverages and Cannabis Article, §36-401, Annotated Code of Maryland, that:

(i) Transforms cannabis into another product, or an extract, and packages and labels the cannabis product; and

(ii) Is authorized by the Administration to provide cannabis to licensed dispensaries and registered independent testing laboratories.

(b) "Processor" includes standard and micro license types.

(41) "Qualifying patient" means an individual who:

(a) Has been provided with a valid written certification by a certifying provider in accordance with a bona fide provider–patient relationship; and

(b) If younger than 18 years old, has a caregiver.

(42) Registrant.

(a) "Registrant" means a business registered by the Administration to operate in the cannabis industry.

(b) "Registrant" includes:

(i) Independent testing laboratories;

(ii) Transporter businesses;

(iii) Security guard company; and

(iv) Waste disposal company.

(43) "Seed-to-sale tracking system" means a software system procured by the Administration that tracks cannabis from either the seed or immature plant stage, until the cannabis is sold to a patient, caregiver, or consumer.

(44) Serious Adverse Event.

(a) "Serious adverse event" means an undesirable experience associated with the use of cannabis where the outcome was death, life-threatening, hospitalization, disability or permanent damage, congenital anomaly or birth defect or any other important medical event.

(b) "Serious adverse event" includes an experience that required intervention to prevent permanent impairment or damage.

(45) "Social equity applicant" means an applicant for a cannabis license or cannabis registration that:

(a) Has at least 65 percent ownership and control held by one or more individuals who:

(i) Have lived in a disproportionately impacted area for at least 5 of the 10 years immediately preceding the submission of the application;

(ii) Attended a public school in a disproportionately impacted area for at least 5 years; or

(iii) For at least 2 years, attended a 4-year institution of higher education in the State where at least 40 percent of the individuals who attend the institution of higher education are eligible for a Pell Grant; or

(b) Meets any other criteria established by the Administration.

(46) Social Equity Licensee.

(a) "Social equity licensee" means a social equity applicant who has been awarded a cannabis license.

(b) "Social equity licensee" includes a grower, processor, or dispensary that:

(i) Held a Stage One Preapproval for a license before October 1, 2022; and

(ii) Was not operational before October 1, 2022.

(47) "Social Equity Partnership Grant" means a program within the Office of Social Equity that awards grants to promote qualifying partnerships between operational licensees and social equity licensees.

(48) "Standard license" means a license to operate a cannabis business that complies with the limits established in Alcoholic Beverages and Cannabis Article, §36-401(c)(1), Annotated Code of Maryland.

(49) "State cannabis testing laboratory" means a laboratory operated by the Administration in accordance with Alcoholic Beverages and Cannabis Article, §36-204, Annotated Code of Maryland.

(50) "Tetrahydrocannabinol" or "THC", unless otherwise specified, means any:

(a) Tetrahydrocannabinol, including delta-8-tetrahydrocannabinol, delta-9-tetrahydrocannabinol, and delta-10-tetrahydrocannabinol, regardless of how derived;

(b) Other cannabinoid, other than cannabidiol that the Administration determines to cause intoxication; and

(c) Other chemically similar compound, substance, derivative, or isomer of tetrahydrocannabinol, as identified by the Administration.

(51) "Tincture" means a solution that is:

(a) Dissolved in alcohol, glycerin, or vegetable oil; and

(b) Distributed in a dropper bottle of four ounces or less.

(52) Usable Cannabis.

(a) "Usable cannabis" means the dried leaves and flowers of the cannabis plant.

(b) "Usable cannabis" does not include seedlings, seeds, stems, stalks, or roots of the plant or the weight of any noncannabis ingredients combined with cannabis, such as ingredients added to prepare a topical administration.

(53) Usable Cannabis Product.

(a) "Usable cannabis product" means a prepackaged product containing usable cannabis.

(b) "Usable cannabis product" includes:

(i) A pre-rolled amount of usable cannabis;

(ii) Securely stored, sealed, and labeled amount of usable cannabis; and

(iii) Any other type or amount of usable cannabis that has been wrapped, rolled, or otherwise encased for the purposes of smoking.

(54) "Written certification" means a certification that:

(a) Is issued by a certifying provider to a qualifying patient with whom the provider has a bona fide provider–patient relationship;

(b) Includes a written statement certifying that, in the certifying provider's professional opinion, after having completed an assessment of the patient's medical history and current medical condition, the patient has a condition:

(i) That meets the inclusion criteria and does not meet the exclusion criteria of the certifying provider's application; and

(ii) For which the potential benefits of the medical use of cannabis would likely outweigh the health risks for the patient; and

(c) May include a written statement certifying that, in the certifying provider's professional opinion, a 30–day supply of medical cannabis would be inadequate to meet the medical needs of the qualifying patient.

14.17.02 General Regulations

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

.01 Succession of the Maryland Medical Cannabis Commission.

A. The Maryland Cannabis Administration is the successor entity to the Natalie M. LaPrade Medical Cannabis Commission.

B. The Maryland Cannabis Administration has the authority of the Natalie M. LaPrade Medical Cannabis Commission set forth in COMAR 10.62.01—10.62.37.

C. Any bulletin, final order, notice of violation, or formal changes issued by the Natalie M. LaPrade Medical Cannabis Commission remains valid and stands as authorized by the Maryland Cannabis Administration.

D. Except as otherwise provided in this subtitle or Alcoholic Beverages and Cannabis Article, Title 36, Annotated Code of Maryland, a registration issued by the Natalie M. LaPrade Medical Cannabis Commission shall be valid until the stated expiration date for each:

(1) Patient or caregiver;

(2) Certifying provider;

(3) Clinical director;

(4) Agent;

(5) Independent testing laboratory; and

(6) Other ancillary business registrations.

E. This subtitle shall be considered supplemental to the Maryland Medical Cannabis Commission regulations set forth in COMAR 10.62.01—10.62.37.

F. If any regulation in COMAR 10.62.01—10.62.37 conflicts or is inconsistent with any regulations in this subtitle, this subtitle prevails.

G. The Maryland Cannabis Administration may rescind, revoke, correct, or reissue any bulletin, final order, notice of violation, or formal changes issued by the Natalie M. LaPrade Medical Cannabis Commission.

.02 Single Supply Chain for Cannabis Products.

Except as otherwise provided in this subtitle, all cannabis grown, harvested, processed, transported, delivered, produced, manufactured, or sold in Maryland shall follow the regulations in this subtitle.

.03 Conversion of Medical Cannabis License.

A. This regulation applies to each licensee required to pay a conversion fee under Alcoholic Beverages and Cannabis Article, §36-403, Annotated Code of Maryland.

B. The conversion fee shall be based on the gross revenue of a licensee and calculated by the Administration using the State's seed-to-sale tracking system for calendar year 2022.

C. Licensees choosing to convert their license shall, on or before July 1, 2023:

(1) Pay the conversion fee as calculated by the Administration in full; or

(2) Enter into a payment plan with the Administration.

D. The payment plan under §C(2) of this regulation shall establish:

(1) The conversion fee as calculated by the Administration;

(2) The exact payment amount required under each payment installment; and

(3) Payment due dates as directed by the Administration for four equal payment installments over an 18-month period.

E. On or before January 1, 2025, a licensee shall pay the installment payment in full in accordance with §D of this regulation.

F. A licensee that does not meet a payment deadline is subject to:

(1) An administrative hold on their ability to transfer cannabis or cannabis products to another licensee or distribute or dispense cannabis or cannabis products to a qualifying patient, registered caregiver, or consumer until payment is remitted to the Administration; and

(2) After a period of 30 days, license suspension or revocation.

G. A converted license shall be valid for a period of 5 years, beginning on July 1, 2023.

H. A converted license is not transferrable prior to July 1, 2028, except as provided under Alcoholic Beverages and Cannabis Article, §36-503, Annotated Code of Maryland.

I. A licensee may not register with the State Department of Assessment and Taxation using a legal name that:

(1) Uses the terms "cannabis", "marijuana", or other synonym related to controlled substances;

(2) Suggests the use of cannabis as an intoxicant; or

(3) Incorporates any copyrighted material or trademark or service mark attributable to another entity.

14.17.03 Social Equity

Authority: Alcoholic Beverages and Cannabis Article, §1-309.1, Annotated Code of Maryland

.01 Scope.

A. This chapter applies to the Office of Social Equity, an independent office that functions within the Maryland Cannabis Administration, whose mission is to promote and encourage participation in the regulated cannabis industry by people from communities that have previously been disproportionately impacted by the war on drugs.

.02 Definitions.

A. In this chapter, the following terms have the meanings indicated:

B. Terms Defined.

(1) "Operational cannabis licensee" means a licensee that was operational prior to October 1, 2022.

(2) "Qualifying partnership" means a meaningful partnership between a social equity licensee and an operational cannabis licensee that supports or advises the social equity licensee.

.03 Social Equity Partnership Grant Program.

A. The Social Equity Partnership Grant Program shall promote qualifying partnerships between operational cannabis licensees and social equity licensees.

B. The Office of Social Equity shall implement and administer the grant program, including approving qualifying partnerships.

C. The Office of Social Equity may approve a qualifying partnership where a cost or other fee is imposed by an operational cannabis licensee, if the cost or other fee is substantially reduced from the market value.

D. If an operational cannabis licensee has a license that was converted under Alcoholic Beverages and Cannabis Article, §36-401(b)(1)(ii), Annotated Code of Maryland, the total amount of any grant issued to the licensee may not exceed the lesser of:

(1) The cost of the conversion fee that was paid by the licensee; or

(2) $250,000 per year per qualifying partnership.

E. Qualifying partnerships under this regulation may not:

(1) Explicitly or implicitly transfer, including through convertible debt, any ownership or control from the social equity licensee to the operational cannabis licensee;

(2) Require the social equity business to conform with any branding, messaging, standard operating procedures, or other infringement on the social equity licensees' operations; or

(3) Otherwise restrict, hinder, exploit, or unfairly treat the social equity licensee to benefit the operational cannabis licensee.

F. In addition to any other applicable penalties established in this subtitle and COMAR 10.62, including suspending, fining, restricting, or revoking a license, an operational cannabis licensee found in violation of §E of this regulation may be subject to any of the following sanctions:

(1) Restriction, revocation, or invalidation of any qualifying partnership approved by the Office of Social Equity;

(2) Rescission or invalidation of any attempted transfer of ownership or control; or

(3) Repayment of any grant funding received by the operational cannabis licensee.

.04 Reporting Requirements.

Within 30 days of a written request, a cannabis licensee shall provide any data and information required by the Office of Social Equity to:

A. Complete statutorily mandated reports;

B. Evaluate the diversity and equity of ownership, management, employment, and contracted goods and services in the legal cannabis economy in Maryland; and

C. Operate and evaluate the Social Equity Partnership Grant Program.

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

.01 Certifying Providers.

A. The Administration shall register a certifying provider in accordance with COMAR 10.62.03.

B. Action Against a Provider.

(1) After a written notice and a hearing in accordance with COMAR 14.17.22 if such hearing is properly requested, the Administration may deny a certifying provider's application for registration, or revoke registration to certify if the provider:

(a) Fraudulently applies for approval;

(b) Fraudulently issues a written certification; or

(c) Fails to comply with this chapter.

(2) The Administration shall report any finding to the State licensing board of the provider and may refer any allegation of fraud or conduct that threatens public health by a certifying provider.

.02 Patient and Caregiver Registry.

The Administration shall maintain a registry of qualifying patients and caregivers in accordance with COMAR 10.62.04.

.03 Written Certification.

A. A certifying provider shall issue a written certification in accordance with COMAR 10.62.05.01.

B. A written certification shall be renewed in accordance with COMAR 10.62.05.02.

.04 Patient and Caregiver Identification Cards.

A. The Administration shall issue patient identification cards in accordance with COMAR 10.62.06.01.

B. The Administration shall issue caregiver identification cards in accordance with COMAR 10.62.06.02.

C. Renewal, replacement, revocation, confiscation, and modification to patient and caregiver identification cards shall be done in accordance with COMAR 10.62.06.03—10.62.06.07.

D. A qualifying patient and registered caregiver shall pay the fees associated with registration under COMAR 14.17.21.

.05 Product Reservation for Qualifying Patients.

A dispensary may only sell or dispense high potency products to a qualified patient or registered caregiver, as specified in COMAR 14.17.13.03.

.06 Accommodations for Qualifying Patients.

A. A standard cannabis dispensary licensed under COMAR 14.17.06.08 shall:

(1) Provide exclusive access to the licensed premises to qualifying patients and registered caregivers for at least one hour per day that the dispensary is operational or a dedicated service line to serve only qualifying patients and caregivers for the duration of the licensed premises' operating hours;

(2) Conspicuously display information about the reserved hours or dedicated service line for qualifying patients and registered caregivers, whichever is applicable on:

(a) The front of the licensed premises; and

(b) If applicable, the licensed dispensary's social media accounts and public-facing website.

(3) If providing reserved hours, maintain a consistent schedule.

B. A standard cannabis dispensary may offer additional time and accommodation for qualifying patients and registered caregivers beyond the requirements in §A of this regulation, including reserving for qualifying and registered caregivers:

(1) Priority access to the dispensary service area; and

(2) Parking spaces near the entrance of the dispensary, if applicable.

.07 Compassionate Use Fund.

A. The purpose of the Compassionate Use Fund is to reduce the cost of obtaining a medical assessment to determine the appropriateness of treatment with cannabis or reduce the cost of medical cannabis for individuals enrolled in the Maryland Medical Assistance Program or in the Veterans Affairs Maryland Health Care System.

B. The Administration shall, in consultation with the Cannabis Public Health Advisory Council, certifying providers, cannabis licensees, and qualifying patients, develop regulations to implement the Compassionate Use Fund program in accordance with Alcoholic Beverages and Cannabis Article, §36-601, Annotated Code of Maryland.

.08 New Condition Approval Process.

A. The Administration shall consider a petition to add a medical condition, medical treatment, or disease for approved medical cannabis use in accordance with COMAR 10.62.07.

B. The Administration may refer a petition for consideration to the:

(1) Cannabis Public Health Advisory Council; or

(2) Advisory Board on Medical and Adult-use Cannabis.

C. If the Advisory Council or the Advisory Board on Medical and Adult-use Cannabis considers a petition to add a medical condition, treatment, or disease for approved medical cannabis use, the Advisory Council or the Advisory Board on Medical and Adult-use Cannabis shall study and make recommendations to the Administration on whether to approve or deny the petition.

.09 Clinical Directors.

A. A licensed dispensary shall appoint at least one individual to function as clinical director who:

(1) Is eligible to serve as a certifying provider, as defined in COMAR 14.17.01;

(2) Is a licensed pharmacist in good standing with the State Board of Pharmacy; or

(3) Has substantial education, training, and experience in the medical use of cannabis, as determined by the Administration and is a:

(a) Registered nurse in good standing with the State Board of Nursing; or

(b) Licensed naturopathic doctor in good standing with the State Board of Physicians.

B. During the hours of operation, a licensed dispensary shall have a clinical director:

(1) On-site; or

(2) Available via electronic communication.

C. A clinical director shall:

(1) Register as a clinical director with the Administration;

(2) Complete at least one training course each year that is approved by the Administration, which includes:

(a) The latest scientific research on medical cannabis;

(b) The risks and benefits of medical cannabis; and

(c) Other information considered necessary by the Administration;

(3) Educate qualifying patients and caregivers on:

(a) Treatment of the qualifying patient's medical condition with medical cannabis;

(b) Potential drug-to-drug interactions, including interactions with alcohol, prescription drugs, non-prescription drugs, and supplements;

(c) Possible side effects or contraindications of medical cannabis use;

(d) The potential for differing strengths and effects of medical cannabis strains; and

(e) Different methods, forms, and routes of medical cannabis administration.

(4) Provide training to dispensary agents on:

(a) Guidelines for providing information to qualifying patients related to risks, benefits, and side effects associated with medical cannabis;

(b) Recognizing signs and symptoms of substance abuse; and

(c) Guidelines for refusing to provide medical cannabis to an individual who appears to be under the influence of drugs or alcohol.

D. A clinical director for a licensed dispensary may not provide a written certification for medical cannabis to any qualifying patient.

.10 Tax Exemption of Medical Cannabis.

Medical cannabis sold to qualifying patients or registered caregivers under this chapter shall be exempt from any sales and use tax assessment.

14.17.05 Application Process and Issuance of Licenses

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

.01 Scope.

This chapter applies to the distribution of any cannabis licenses through a lottery system, including a:

(1) Standard grower license;
(2) Standard processor license;
(3) Standard dispensary license;
(4) Micro grower license;
(5) Micro processor license;
(6) Micro dispensary license;
(7) On-site consumption establishment license; and
(8) Incubator space license.

.02 Application Requirements.

A. An applicant shall submit an application to the Administration for a license.

B. A submitted application shall conform with the requirements established under Alcoholic Beverages and Cannabis Article, §36-404, Annotated Code of Maryland.

C. An application shall be:

(1) Completed on a form designated by the Administration; and

(2) Accompanied by the application fee as specified in COMAR 14.17.21.

D. An applicant, including any individual or entity that holds an ownership interest in or control of the applicant, may only be listed on:

(1) One application per license type per application round; and

(2) Two applications for any license type per application round.

E. Any applicant that violates §D of this regulation may not be considered by the Administration for licensure.

F. The Administration may not require an applicant to possess or own any property or facility to operate a cannabis business at the time of the application.

G. The Administration may verify an applicant's status as a social equity applicant prior to the initial application and licensure.

H. Any information an applicant submits in support of their social equity status in §G of this regulation is considered part of the application and is subject to verification by the Administration.

.03 Application Notification, Submission, and Review.

A. The Administration shall announce an application round at least 60 days prior to the acceptance of applications. The announcement shall include:

(1) Types of licenses available during the licensing round;
(2) Number of licenses available by license type;
(3) Beginning and closing day of the application period; and

(4) Any regional, jurisdictional, or other geographical considerations in the licensing round.

B. The Administration shall accept applications for a period of 30 calendar days.

C. The Administration shall conduct extensive outreach to small, minority, and women business owners and potential social equity applicants prior to accepting applications.

D. Upon the closing of any application period, the Administration shall announce the number of applications submitted and the maximum number of licenses that may be awarded within each license category and pool of applications.

E. Application Review.

(1) The burden of proving an applicant's qualifications rests on the applicant.

(2) The Administration may:

(a) Deny an application that:

(i) Is not complete in every material detail;

(ii) Contains a material misstatement, omission, misrepresentation, or untruth;

(iii) Does not meet the minimum qualifications for the lottery; or

(iv) Is not submitted by the established deadline; and

(b) Request any additional information from any applicant, if it deems the information necessary to review or process the application; and

(c) If the applicant does not provide the additional requested information within 10 calendar days, deny the application.

(3) The Administration shall determine whether a submitted application meets the minimum qualifications for the lottery on a pass-fail basis by reviewing:

(a) A detailed operational plan for the safe, secure, and effective operation of the business;

(b) A business plan demonstrating a likelihood of success and sufficient ability and experience on the part of the applicant, and providing for appropriate employee working conditions;

(c) A detailed diversity plan; and

(d) For the first round of licensing and otherwise as required under Alcoholic Beverages and Cannabis Article, §36-404, Annotated Code of Maryland, for any subsequent round of licensing, documentation that the applicant meets the requirements of a social equity applicant.

F. Minimum qualifications in §E(3) of this regulation shall be established by the Administration and communicated to prospective applicants prior to the application period.

G. The Administration may award fewer licenses than authorized under law in any licensing round.

H. The Administration may require an applicant, or any individual or entity that holds an ownership interest in or control of the applicant, to complete an attestation demonstrating the applicant meets the requirements for award established in Alcoholic Beverages and Cannabis Article, Title 36, Subtitle 4, Annotated Code of Maryland.

.04 Lottery Award and Conditional License.

A. Lottery.

(1) The Administration shall conduct a lottery that is impartial, random, and in a format selected by the Administration.

(2) Any applicant that meets the minimum qualifications for licensing shall be placed in the lottery.

(3) Subsequent to the lottery, the Administration shall notify all applicants of whether their application was selected in the lottery.

(4) The Administration may request any additional information or supporting documentation from an applicant selected in the lottery necessary to verify aspects of the application, including but not limited to additional information and supporting documentation related to the ownership and control of the applicant.

(5) The Administration may deny issuing a conditional license to an applicant selected in the lottery if:

(a) The applicant fails to provide any additional information or supporting documentation requested pursuant to §A(4) of this regulation within 10 calendar days;

(b) Any additional information or supporting documentation submitted by the applicant demonstrates the applicant is not eligible

for a license under this subtitle or Alcoholic Beverages and Cannabis Article, Title 36, Annotated Code of Maryland; or

(c) The Administration determines that the applicant violated COMAR 14.17.05.02D.

(6) The Administration shall notify an applicant who has been awarded a conditional license within 5 calendar days of the award.

B. Conditional License.

(1) A conditional licensee shall complete a supplemental license application.

(2) A supplemental license application shall require a conditional licensee to:

(a) Undergo a criminal history records check in accordance with Alcoholic Beverages and Cannabis Article, §36-505, Annotated Code of Maryland;

(b) Complete a financial background investigation conducted by the Administration;

(c) Verify any information or supporting documentation provided in the application;

(d) Disclose any adverse action taken against a professional or business license held in any jurisdiction by the applicant or any individual or entity holding an ownership interest in the applicant;

(e) Waive any contractual, statutory, or common law obligation of confidentiality and authorize any government agency in any jurisdiction to release to the Administration all information the conditional licensee has provided to any other jurisdiction while seeking a cannabis-related license in that other jurisdiction, as well as the information obtained by that other jurisdiction during any investigation it may have conducted regarding the applicant; and

(f) Release all financial institutions, fiduciaries, and other parties from any contractual, statutory, or common law obligation of confidentiality to provide financial, personal and background information relevant to the conditional licensee's capacity to manage a licensed facility; and

(g) Identify and demonstrate legal control of the proposed site, through lease, purchase, or other means, for the cannabis business.

C. Any conditional license not awarded due to circumstances in §A of this regulation may be awarded by lottery using the same pool of applicants as the initially selected application.

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

A. Conditional License Period.

(1) The conditional license period:

(a) Begins on the day that a conditional license is issued to the selected applicant; and

(b) Expires 18 months after the day that conditional license was issued or at the end of an extension granted by the Administration.

(2) A conditional licensee may apply for an extension of the conditional license.

(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) During the conditional license period, a conditional licensee shall:

(a) Complete a supplemental license application;

(b) Establish legal control of the proposed site, through lease, purchase, or other means, for the cannabis business;

(c) Gain zoning or planning approval from a political subdivision, if applicable; and

(d) Register the business with the State Department of Assessment and Taxation

(5) During a conditional license period, a conditional licensee may not:

(a) Engage in purchasing, possessing, cultivating, manufacturing, or selling cannabis or cannabis products;

(b) Make any transfer of an ownership interest that causes a change in the individual or entity that holds the controlling ownership interest;

(c) Make any transfer of control, as defined in COMAR 14.17.01; and

(d) If the conditional licensee qualified as a social equity applicant, make any transfer of an ownership interest that causes the conditional licensee to no longer comply with the social equity applicant definition in COMAR 14.17.01.

(6) During a conditional license period, a conditional licensee may obtain additional resources by adding:

(a) Grants and loans from new or existing financial sources not listed in the initial application; and

(b) Owners and passive investors.

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

B. 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) 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 conviction or plea set aside;

(2) Fraudulently or deceptively attempts to obtain a license;

(3) Is ineligible to hold an ownership interest in or control of a business licensed under Alcoholic Beverages and Cannabis Article, Title 36, Subtitle 4, Annotated Code of Maryland;

(4) Fails to reveal any material fact pertaining to the conditional licensee's qualification for a license;

(5) Fails to submit a complete supplemental license application;

(6) Fails to become licensed and operational within:

(a) 18 months after the day the conditional license was issued; or

(b) If granted an extension, the day after the expiration of any extension granted by the Administration.

(7) Violates §A(5) of this regulation;

(8) Is not registered or in good standing with the State Department of Assessment and Taxation; or

(9) Has taxes in arrears in any jurisdiction.

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

(1) The conditional licensee has submitted a complete supplemental license application;

(2) The supplemental license application, including any individual or entity included in the application, does not violate §B of this regulation;

(3) The license fee specified in COMAR 14.17.21 has been paid;

(4) All inspections are passed, and all the conditional licensee's operations conform to the specifications of the application as approved pursuant to this chapter; and

(5) The proposed premises:

(a) Are under the legal control of the conditional licensee; and

(b) Comply with all zoning and planning requirements.

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

E. The Administration may not award a license to a business who has registered with the State Department of Assessment and Taxation using a legal name that:

(1) Uses the terms "cannabis", "marijuana", or other synonym related to controlled substances;

(2) Suggests the use of cannabis as an intoxicant; or

(3) Incorporates any copyrighted material or trademark or service mark attributable to another entity.

F. The Administration may suspend, fine, restrict, or revoke a license if a licensee has:

(1) Fraudulently or deceptively submitted written documentation to the Administration;

(2) Violated Alcoholic Beverages and Cannabis Article, Title 36, Subtitle 11, Annotated Code of Maryland; or

(3) Began operations prior to Administration approval.

.06 Application Retention.

A. Upon notification that an applicant was not selected by the lottery, the applicant may request the Administration retain the application for subsequent licensure application rounds.

B. The Administration shall retain any application requested for retention by the applicant for a period of one year.

C. The Administration may contact an applicant with a retained application for any additional information required for subsequent licensing rounds.

D. Any application retained by the Administration that meets the specifications and requirements of a subsequent licensing round within the one-year retention period shall be automatically entered into the lottery if:

(1) The applicant has properly amended the application if requested by the Administration under §C of this regulation; and

(2) Any additional information requested by the Administration has been updated.

E. The Administration may not enter a retained application into a subsequent lottery round if:

(1) Any individual included in the application is associated with additional applications in the licensing round that exceed the restrictions in COMAR 14.17.05.02D;

(2) Any individual included in the application is in violation of ownership restrictions under COMAR 14.17.16, or the awarding of a license would place the individual in violation of ownership restrictions under COMAR 14.17.16; and

(3) Any individual associated with the application has been found to be in violation of the Alcoholic Beverages and Cannabis Article, Title 36, Subtitle 11, Annotated Code of Maryland.

.07 Hearing Rights of Applicants.

A. Records Review.

(1) An applicant not entered into the lottery by the Administration may request a records review of the submitted application within 10 days of notification that their application does not meet the minimum qualifications for the lottery on a pass-fail basis.

(2) A records review shall consist of an opportunity for the applicant to examine the applicant's records received by the Administration and verify the basis on which the application was deemed ineligible for the lottery.

(3) No applicant may gain access to records submitted by any other applicant through the records review process.

B. A selected applicant or an applicant who applies pursuant to COMAR 14.17.05.06 who subsequently has their application denied by the Administration or a conditional licensee who has their conditional license rescinded pursuant to Regulation .05B of this chapter may request a hearing under COMAR 14.17.22.

C. An applicant who meets the minimum qualifications for the lottery, but is not selected in the lottery, may not appeal or request a hearing. The application shall be retained by the Administration in accordance with Regulation .06 of this chapter.

.08 Lottery Exemption.

A. Pigford v. Glickman Class Members.

(1) The Administration may issue up to five conditional grower licenses to recognized class members of Pigford v. Glickman, 185 32 F.R.D. 82 (D.D.C. 1999), or In Re Black Farmers Litig., 856 F. Supp. 2d 1 (D.D.C. 2011) who:

(a) Were awarded damages related to farming operations in Maryland;

(b) Have provided evidence to the Administration that they have not been fully compensated for discrimination and continue to experience challenges due to past or present discrimination; and

(c) Meet all other application criteria established by the Administration under this chapter.

(2) If there are more qualified applications than the number of licenses available, the Administration shall conduct a lottery for all applicants that meet the minimum qualifications for licensing established under §A(1) of this regulation.

(3) Notwithstanding any other provision of law, a license issued under this regulation is in addition to and not subject to the limitations on the total number of licenses that the Administration may issue under Alcoholic Beverages and Cannabis Article, Title 36, Subtitle 4, Annotated Code of Maryland.

B. A business awarded a grower license pursuant to Chapter 598 of the Acts of the General Assembly of 2018 may be awarded a standard dispensary license, if the grower:

(1) Submits an application that meets the minimum qualifications for a standard dispensary license, as determined by the Administration; and

(2) Including any individual or entity that holds an ownership interest in or control of the grower, does not own or control a cannabis dispensary license.

14.17.06 Standard Cannabis Licenses

Authority: Alcoholic Beverages and Cannabis Article, §§36-202—203, 36-401, 36-405, 36-406, 36-407, 36-503, and 36-802, Annotated Code of Maryland

.01 Scope.

This chapter applies to all standard cannabis licenses, including:

A. Standard grower, processor, and dispensary licenses authorized under Alcoholic Beverages and Cannabis Article, §36-401(c)(1), Annotated Code of Maryland;

B. Converted licenses under Alcoholic Beverages and Cannabis Article, §36-403, Annotated Code of Maryland;

C. Converted micro licenses under COMAR 14.17.07.08;

D. Incubator space licenses, authorized under Alcoholic Beverages and Cannabis Article, §36-406, Annotated Code of Maryland; and

E. On-site consumption licenses, authorized under Alcoholic Beverages and Cannabis Article, §36-407, Annotated Code of Maryland.

.02 Term of License and License Renewal.

A. Licenses converted under Alcoholic Beverages and Cannabis Article, §36-403, Annotated Code of Maryland, are valid for 5 years from the date of the initial conversion fee payment to the Administration.

B. As a condition of licensure, a licensee shall comply with all subregulatory guidance issued by the Administration, including but not limited to bulletins, notices, resolutions, and technical authorities posted to the Administration's website.

C. A cannabis license under this chapter is valid for:

(1) 5 years on initial licensure; and

(2) 5 years on renewal.

D. At least 90 calendar days before the expiration of a license, the Administration shall notify the licensee of the:

(1) Date on which the license expires;

(2) Process and the fee required to renew the license; and

(3) Consequences of a failure to renew the license.

E. At least 30 calendar days before a license expires, a licensee seeking approval shall submit:

(1) The renewal application in the form designated by the Administration;

(2) Proof that fingerprints have been submitted to Criminal Justice Information System and the Federal Bureau of Investigation for each agent and any owner with an ownership interest of 5 percent or more;

(3) To a full inspection of the licensed premises as described in COMAR 10.62.33, unless a full inspection was satisfactorily completed within 3 months before the date of the license expiration; and

(4) Payment of the fee specified in COMAR 14.17.21.

F. The Administration may renew a license that meets the requirements for renewal as stated in §E of this regulation.

G. If a licensee fails the inspection or submits a deficient application for renewal, the licensee may apply for reinstatement by:

(1) Submitting a plan to correct the deficiencies noted during an inspection; and

(2) Amending the application for renewal.

H. The Administration may deny a license renewal if:

(1) The plan to correct deficiencies identified in an inspection is deficient;

(2) The amended application for renewal is deficient; or

(3) The licensee is repeatedly found in violation of health and safety regulations during the license period.

I. A licensee who fails to apply for license renewal by the date specified by the Administration, or whose license was not renewed by the Administration:

(1) Shall cease operations at all premises; and

(2) May not provide cannabis to any entity or individual.

J. A license may be reinstated upon:

(1) Payment of the reinstatement fee specified in COMAR 14.17.21; and

(2) Submission of a reinstatement application approved by the Administration.

.03 Change of Location.

A. A licensee may apply to change the location of the licensee's operation.

B. The licensee shall submit an application to the Administration along with the fee specified in COMAR 14.17.21.

C. A licensee may not begin cultivation, processing or dispensing of cannabis at a new location until the Administration approves the change.

D. A dispensary may only change location within the county that the dispensary was awarded a license.

.04 Transfer of Ownership Interest in a License.

A. A cannabis licensee, including a cannabis licensee whose license was converted in accordance with Alcoholic Beverages and Cannabis Article, §36-401, Annotated Code of Maryland, may not transfer ownership of the license prior to July 1, 2028, except as provided under Alcoholic Beverages and Cannabis Article, §36-503, Annotated Code of Maryland.

B. The acquisition of less than 5 percent of a publicly traded stock does not require review and approval by the Administration.

C. The Administration may approve a transfer or assignment of ownership if:

(1) The Administration receives notice of the intent of the owner of the interest, or of the estate of the owner of the interest, to transfer or assign an ownership interest in a license to another party, in a form prescribed by the Administration;

(2) The proposed transfer does not violate Alcoholic Beverages and Cannabis Article, Title 36, Annotated Code of Maryland;

(3) The transferee has paid the required fee specified in COMAR 14.17.21; and

(4) If the ownership interest is 5 percent or more, the transferee has provided criminal history record and financial information to the Administration.

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

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

(3) If the transfer violates COMAR 14.17.16; or

(4) If the transfer would convey a controlling interest in the license prior to July 1, 2028, and is not proposed due to death, disability, incapacity, bankruptcy or receivership in accordance with a lending agreement of a cannabis licensee or court order.

E. The Administration may deny transfer of a controlling interest in a license or in an ownership interest of 5 percent or more if the Administration finds good cause to deny the proposed transfer.

F. Any individual or entity identified as having ownership or control of a license may not hold an ownership interest that exceeds the limitations set forth in Alcoholic Beverages and Cannabis Article, §36-401(e), Annotated Code of Maryland.

G. If the Administration approves a transfer of an ownership interest of a license and subsequently the Administration finds that such a transfer violates State, local, or federal law, the Administration may:

(1) Issue a fine against any parties involved in the transfer;

(2) Declare the transfer void; and

(3) Rescind the license.

.05 Management Agreements.

A. A licensee shall provide a copy of a management agreement to the Administration and include:

(1) Information detailing any compensation paid in exchange for the management services;

(2) Criminal history record and financial information of the third party providing the management services; and

(3) Any other information relevant to the management agreement requested by the Administration.

B. A management agreement may not take effect unless the Administration has:

(1) Received proper notice of the management agreement, as specified in §A of this regulation;

(2) Received the required fee specified in COMAR 14.17.21; and

(3) Approved the management agreement.

C. The Administration may deny a management agreement:

(1) If the management agreement constitutes an invalid transfer of an ownership interest in or control of a license, as specified in Regulation .04 of this chapter;

(2) If the criminal history record information or the background investigation reveals the third party providing the management services 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;

(3) If the management service agreement transfers control of a license in violation of Alcoholic Beverages and Cannabis Article, §36-503, Annotated Code of Maryland;

(4) If the licensee fails to produce additional documentation requested by the Administration; or

(5) For any other good cause.

D. In the case of material change to a management agreement, including but not limited to a change of ownership or control of the management company, the licensee shall:

(1) Provide any relevant records, files, or information to the Administration; and

(2) Receive Administration approval prior to the material change to the management agreement taking effect.

.06 Standard Grower License.

A. A standard cannabis grower license authorizes the licensee to:

(1) Cultivate or package cannabis; and

(2) Provide cannabis, or usable cannabis, to other licensees and other registered independent testing laboratories.

B. The canopy for a standard licensed grower may not exceed the canopy restrictions as established in Alcoholic Beverages and Cannabis Article, §36-402, Annotated Code of Maryland.

C. On or before October 1 of each year licensed growers shall report to the Administration the square footage of indoor and outdoor canopy as defined in COMAR 14.17.01. The Administration may:

(1) Inspect the licensed premise to verify the licensed grower's annual submission of canopy square footage; and

(2) Restrict, reduce, fine or otherwise sanction any licensed grower who misrepresents canopy square footage.

D. For any licensed grower found in violation of §B of this regulation, the Administration may:

(1) Reduce the canopy of the licensed grower by the same percentage as it exceeds the authorized canopy; and

(2) Seize, destroy, confiscate, or place an administrative hold on any flowering cannabis plants produced in the excess of the canopy restrictions.

E. For the purposes of calculating canopy under §§B—D of this regulation, canopy that is rented, leased, operated, or otherwise controlled by a licensed grower other than its owner shall only be attributed to the licensed grower in control of the square footage.

F. For the purposes of calculating canopy under §§B—D of this regulation, one square foot of indoor canopy is equal to four square feet of outdoor canopy.

G. A grower licensed under this regulation shall operate in accordance with COMAR 14.17.10.

.07 Standard Processor License.

A. A standard cannabis processor license authorizes the licensee to:

(1) Transform cannabis into another product or an extract and package and label the cannabis product; and

(2) Provide cannabis to licensed dispensaries and independent testing laboratories.

B. A processor licensed under this regulation shall operate in accordance with COMAR 14.17.11.

.08 Standard Dispensary License.

A. A standard cannabis dispensary license authorizes the licensee operating a store at a physical location to acquire, possess, sell, or dispense cannabis products and related materials in accordance with the Alcoholic Beverages and Cannabis Article, §36-401(c)(1), Annotated Code of Maryland, including for use by qualifying patients or consumers through a physical storefront.

B. After July 1, 2024, a standard dispensary licensee may not operate a delivery service as defined in COMAR 14.17.01, unless the standard licensee:

(1) Has a qualifying partnership with a micro dispensary licensee under the Alcoholic Beverages and Cannabis Article, §1-323, Annotated Code of Maryland, to conduct delivery services on behalf of the licensed dispensary; or

(2) Otherwise partners or contracts with a micro dispensary licensee to conduct delivery services for the licensed dispensary.

C. Prior to July 1, 2024, a standard dispensary licensee is authorized to deliver medical cannabis to qualifying patients and caregivers only as specified in COMAR 10.62.30.04.

D. It is a violation of §C of this regulation to:

(1) Deliver adult-use cannabis to consumers;

(2) Not verify the delivery recipient is a qualifying patient or registered caregiver;

(3) Deliver an amount that exceeds the qualifying patient or registered caregiver's 30-day supply;

(4) Use a vehicle that otherwise violates COMAR 10.62.18.06.

E. Any delivery conducted from July 1, 2023 through June 30, 2024 under this regulation shall otherwise comply with COMAR 14.17.12.03.

F. A dispensary licensed under this regulation shall operate in accordance with COMAR 14.17.12.

.09 Incubator Space License.

A. A cannabis incubator space license authorizes the licensee to operate a facility within which a micro licensee may operate in accordance with Alcoholic Beverages and Cannabis Article, §36-406, Annotated Code of Maryland.

B. Any individual with ownership or control of an incubator space license may not have any ownership or control any other cannabis license type.

C. Prior to the issuance of incubator space licenses, the Maryland Economic Development Corporation shall identify regional sites in accordance with Section 13 of Chapters 254 and 255 (H.B. 556)(S.B.516) of the Acts of 2023.

.10 On-Site Consumption License.

A. An on-site consumption establishment license authorizes the licensee to operate a licensed premises in which cannabis may be consumed in accordance with Alcoholic Beverages and Cannabis Article, §36-407, Annotated Code of Maryland.

B. An on-site consumption establishment may operate only if the county and, if applicable, the municipality, where the business is located have issued a permit or license that expressly allows the operation of the on–site consumption establishment subject to the limitations in the Alcoholic Beverages and Cannabis Article, §36-405, Annotated Code of Maryland.

C. An on–site consumption license does not authorize the holder of the license to:

(1) Cultivate cannabis;

(2) Process cannabis or cannabis–infused products; or

(3) Add cannabis to food prepared or served on the premises.

D. Any individual or entity who holds an ownership interest in or control of an on-site consumption license may not have any ownership interest or control in any other cannabis license.

E. An on-site consumption establishment may apply to change the location of the licensee's operation.

F. The on-site consumption establishment shall submit an application to the Administration along with the fee specified in COMAR 14.17.21.

G. The application shall include documentation:

(1) Of approval from the jurisdiction where the licensee plans to relocate; and

(2) That the proposed premises:

(a) Is under legal control of the applicant; and

(b) Comply with all zoning and planning requirements.

H. The Administration may not award licenses for on-site consumption establishments prior to May 1, 2024.

I. No other cannabis licensee may authorize or permit on-site consumption at the licensed premise, or at any space owned or controlled by the licensee.

J. Prior to operating a facility where the consumption of cannabis is permitted on the premises, a person shall obtain an on-site consumption licensed.

K. An on-site consumption establishment may obtain cannabis and cannabis products from licensed growers, processors and standard dispensaries.

14.17.07 Micro Licenses

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

.01 Scope.

This chapter applies to all micro licenses authorized under the Alcoholic Beverages and Cannabis Article, §36-401(c)(2), Annotated Code of Maryland.

.02 Term of License and License Renewal.

A. In addition to §§B—D of this regulation, terms of license and license renewal for micro licenses are as established in COMAR 14.17.06.02B—J.

B. A micro licensee may not exceed growing, processing or dispensing operational restrictions set forth in the Alcoholic Beverages and Cannabis Article, §36-401(c)(2), Annotated Code of Maryland.

C. The Administration may verify compliance with the operational restrictions under §B of this regulation within the first 24 months of a micro licensee's operations by:

(1) For growers, measuring and inspecting the canopy owned or otherwise controlled by the licensed micro grower;

(2) For processors, querying the seed-to-sale tracking system for the prior 12 months of operations; and

(3) For dispensaries, investigating or otherwise verifying that the licensee:

(a) Operates only within authorized service area;

(b) Employs fewer than ten individuals; and

(c) Does not operate a physical storefront.

D. The Administration may restrict, reduce, fine, or otherwise sanction any micro licensee who is found to be in violation of §B of this regulation.

.03 Change of Location.

Change of location procedures and requirements are as established in COMAR 14.17.06.03.

.04 Transfer of Ownership Interest in a License.

Transfer of ownership interest requirements and procedures for micro licenses are established in COMAR 14.17.06.04.

.05 Micro Grower License.

A. A micro grower license authorizes the licensee to:

(1) Cultivate or package cannabis; and

(2) Provide cannabis to other licensees and other registered independent testing laboratories.

B. The canopy for a micro grower may not exceed the restrictions as established in the Alcoholic Beverages and Cannabis Article, §36-401(c)(2)(i), Annotated Code of Maryland.

C. On or before October 1 of each year, licensed growers shall report to the Administration the square footage of indoor and outdoor canopy as defined in COMAR 14.17.01.

D. The Administration may:

(1) Inspect the licensed premise to verify the licensed grower's annual submission of canopy square footage; and

(2) Restrict, reduce, fine, or otherwise sanction any licensed grower who misrepresents canopy square footage.

E. For any licensed grower found in violation of §B of this regulation, the Administration may:

(1) Reduce the canopy of the licensed grower by the same percentage as it exceeds the authorized canopy; and

(2) Seize, destroy, confiscate, or place an administrative hold on any flowering cannabis plants produced in the excess of the canopy.

F. For the purposes of calculating canopy under §§B—E of this regulation, canopy that is rented, leased, operated or otherwise controlled by one licensed grower to another licensed grower shall only be attributed to the licensed grower in control of the square footage.

G. A micro grower licensed under this regulation shall operate in accordance with COMAR 14.17.10.

H. A micro grower licensed under this regulation may convert to a standard grower license under COMAR 14.17.06.06 in accordance with Regulation .08 of this chapter.

.06 Micro Processor License.

A. A micro processor license authorizes the licensee to:

(1) Transform cannabis into another product or an extract and package and label the cannabis product; and

(2) Provide cannabis to licensed dispensaries and independent testing laboratories.

B. A micro processor licensed under this chapter may not exceed the restrictions as established in Alcoholic Beverages and Cannabis Article, §36-401(c)(2)(ii), Annotated Code of Maryland, for the processing of cannabis products.

C. A micro processor licensed under this regulation shall operate in accordance with COMAR 14.17.11.

D. A micro processor licensed under this regulation may convert to a standard processor license under COMAR 14.17.06.07 in accordance with Regulation .08 of this chapter.

.07 Micro Dispensary License.

A. A micro dispensary license authorizes the licensee to operate a delivery service as defined in COMAR 14.17.01.

B. A micro dispensary licensee may not:

(1) Operate a physical storefront; or

(2) Employ more than 10 individuals.

C. A micro dispensary licensed under this regulation shall only deliver cannabis products to private residences and medical facilities in the State of Maryland.

D. A micro dispensary licensed under this regulation shall operate in accordance with COMAR 14.17.12.

E. A micro dispensary licensed under this regulation may convert to a standard dispensary license under COMAR 14.17.06.08 in accordance with Regulation .08 of this chapter.

.08 Conversion to Standard License.

A. A micro licensee in good standing may apply to the Administration to convert to a standard license once it has been operational for at least 24 months, in a manner determined by the Administration.

B. The Administration may deny the micro licensee for conversion to a standard license if the micro licensee:

(1) Has been operational for 24 or fewer months;

(2) Has been found to violate any operational restrictions in Regulation .02B of this chapter;

(3) Would be in violation of the ownership or control restrictions in COMAR 14.17.16;

(4) Does not provide adequate notice to the Administration; or

(5) For any other good cause determined by the Administration.

C. A micro license converted under §§A—B of this regulation to a standard license shall be valid through the date of the initial micro license.

D. Prior to the conversion of micro license to a standard license the licensee shall pay in full a pro-rated license fee.

E. The pro-rated license fee required under §D of this regulation shall be calculated by the Administration by:

(1) Subtracting any previous license fee paid for the valid micro license that is being converted into the standard license from the standard fee under COMAR 14.17.21; and

(2) Pro-rating the remaining license fee total by months remaining on the initial 5-year term of the micro license.

F. A micro license converted under this regulation:

(1) Shall be forfeited by the licensee as a condition of conversion and the Administration may award the forfeited license in a subsequent licensing round;

(2) Shall only be for the corresponding standard license type; and

(3) May not be converted to an incubator space license under COMAR 14.17.06.09 or on-site consumption license under COMAR 14.17.06.10.

G. The Administration shall reserve enough standard licenses, by license type, to allow a reasonable number of micro licenses to convert to a standard license.

14.17.08 Laboratory Registration and Operations

Authority: Alcoholic Beverages and Cannabis Article, §§36-202—204, and 36-408, Annotated Code of Maryland

.01 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) "Accreditation body" means a nonprofit, impartial organization that requires conformance to 17025 ISO/IEC requirements and is a signatory to the international laboratory accreditation cooperation (ILAC) mutual recognition arrangement for testing.

(2) "Cannabis industry" means all cannabis registrants, licensees, and their agents in Maryland.

.02 Independent Testing Laboratory Registration.

An independent testing laboratory shall be registered by the Administration in accordance with COMAR 10.62.16.02.

.03 Standards of Care.

A. The independent testing laboratory shall:

(1) Follow the methodologies, ranges and parameters which are contained in the scope of the accreditation for testing cannabis or cannabis products;

(2) Establish standard operating procedures and method validation for testing that are approved by the accrediting body and the Administration;

(3) Require each independent testing laboratory employee to complete and execute an application for employment on a form provided by the Administration;

(4) Establish and follow written procedures for verifying the experience and education of laboratory employees;

(5) Submit the registration information for each independent testing laboratory employee within 15 days after the date the independent testing laboratory employee was hired;

(6) Upon termination of the independent testing laboratory's association with a registered independent testing laboratory employee:

(a) Obtain any keys or other entry devices from the terminated independent testing laboratory employee;

(b) Ensure the terminated independent laboratory employee can no longer gain access to the laboratory premises; and

(c) Within 1 business day of the termination of independent laboratory employee, notify the Administration of the termination;

(7) Notify the Administration within 1 business day after the independent testing laboratory obtains notice of any kind that its accreditation has been denied, suspended or revoked;

(8) The independent testing laboratory shall implement the testing requirements established in COMAR 10.62.15.04—.07 and COMAR 1062.23.03—.06 and identified in the Administration's current version of the technical authority for cannabis testing;

(9) Maintain a continuous or motion-activated video surveillance recording system that:

(a) Records all activity high quality and high resolution images capable of clearly revealing facial detail;

(b) Operates 24 hours a day, 365 days a year without interruption;

(c) Provides a date and time stamp for every recorded frame; and

(d) Captures activity at each area where cannabis is tested, disposed of, or stored;

(10) All recordings of security video surveillance shall be:

(a) Stored in a format that can be easily accessed for investigational purposes; and

(b) Retained for a minimum of 90 calendar days.

(11) Make any security video surveillance recording available to the Administration or law enforcement agency for just cause as requested within 48 hours.

B. Violation.

(1) Failure to provide the Administration with any video surveillance recording within 48 hours of a request from the Administration is a violation of COMAR 10.62.34.01.

(2) Each day of recording that a licensee fails to provide to the Administration, within the minimum of 90 calendar days that the recording shall be retained, constitutes a separate violation.

.04 Term and Renewal.

A. The registration is valid for 2 years.

B. An independent testing laboratory may renew its registration by submitting to the Administration:

(1) A copy of the independent testing laboratory registration form;

(2) Payment of the registration fee specified in COMAR 14.17.21; and

(3) Submission of copies of the most recent:

(a) Assessment from the accreditation body; and

(b) Proficiency testing results obtained by the independent testing laboratory.

.05 Independent Testing Laboratory Responsibilities.

A. An independent testing laboratory shall:

(1) Adopt standard operating procedures to test cannabis, cannabis concentrate, and any other product that contains more than 0.5 milligrams of THC per serving or 2.5 milligrams of THC per package that are approved by the accrediting body and the Administration;

(2) Perform testing of cannabis and cannabis products in accordance with approved standard operating procedures;

(3) Carry out all laboratory requirements and certificate of analysis procedures established in COMAR 10.62.15.04—.07 and COMAR 1062.23.03—.06 .

B. No independent testing laboratory may handle, test, or analyze cannabis or cannabis products unless the independent testing laboratory:

(1) Has been registered by the Administration;

(2) Is independent from all other persons and entities involved in the cannabis industry;

(3) Is accredited by an accreditation body or has a provisional registration from the Administration;

(4) Has established standard operating procedures that provide for adequate chain of custody controls for samples transferred to the independent testing laboratory for testing, which are approved by the Administration; and

(5) Enters timely and accurate data into the seed-to-sale tracking system that identifies and tracks samples

C. An independent testing laboratory shall weigh, document, and destroy all green waste in accordance with a standard operating procedure approved by the Administration.

D. Upon request, in a format determined by the Administration, registered independent testing laboratories shall provide materials to the State Reference Laboratory to conduct the activities under Regulation .07B of this chapter.

.06 Transportation of Products Containing Cannabis.

A. A registered independent testing laboratory may transport samples of cannabis and products containing cannabis from the premises of a licensed grower, processor, or dispensary to the independent testing laboratory.

B. A registered independent testing laboratory shall transport samples of cannabis and products containing cannabis:

(1) With oversight by at least one independent testing laboratory employee registered with the Administration; and

(2) Using a vehicle that:

(a) Meets the criteria specified in COMAR 10.62.18.05—.06; and

(b) Is registered with the Administration.

.07 State Cannabis Testing Laboratory.

A. The Administration shall operate a State Cannabis Testing Laboratory under the Alcoholic Beverages and Cannabis Article, §36-204, Annotated Code of Maryland.

B. The Administration shall operate a State Cannabis Testing Laboratory to:

(1) Prepare, conduct, and analyze proficiency testing events for independent testing laboratories registered under this chapter;

(2) Develop cannabis testing methodologies;

(3) Conduct compliance testing on cannabis samples;

(4) Establish and verify standard operating procedures for independent testing laboratories;

(5) Develop and facilitate quality assurance and compliance controls for micro growers and micro processors;

(6) Remediate problems with registered independent testing laboratories and recommend Administration sanctions; and

(7) Test products for adverse event reporting, research, and other purposes deemed necessary by the Administration, including:

(a) Licensed cannabis products produced and sold in accordance with this subtitle;

(b) Unlicensed cannabis products produced or sold in violation of this subtitle;

(c) Hemp derived products; and

(d) Any other products required to be tested for the public health or public safety of Maryland.

14.17.09 Other Cannabis Businesses

Authority: Alcoholic Beverages and Cannabis Article, §§36-202, 36-203, 36-401, and 36-409, Annotated Code of Maryland

.01 Scope.

This chapter applies to any registrant who conducts transportation, disposal, or security services for any cannabis licensee in Maryland.

.02 Registration of Ancillary Businesses and Security Guard Agencies.

Ancillary businesses and the transporters of cannabis shall be registered by the Administration in accordance with COMAR 10.62.18.07—10.62.18.09.

.03 Operations of Ancillary Businesses and Security Guard Agencies.

Operations of ancillary businesses and the transportation of cannabis shall be performed in accordance with COMAR 10.62.18.02—10.62.18.06 and any other State law.

.04 Delivery Service Operations.

A. Through June 30, 2024, a registered ancillary business for delivery may deliver medical cannabis only as specified in COMAR 10.62.30.04.

B. It is a violation of §A of this regulation to:

(1) Deliver adult-use cannabis to consumers;

(2) Not verify the delivery recipient is a qualifying patient or registered caregiver;

(3) Deliver an amount that exceeds the qualifying patient or registered caregiver's 30-day supply; or

(4) Use a vehicle that otherwise violates COMAR 10.62.18.06.

C. A delivery conducted under this regulation from July 1, 2023 through June 30, 2024 shall otherwise comply with COMAR 14.17.12.03.

D. Beginning July 1, 2024, a registered ancillary business for delivery may not deliver cannabis.

.05 Incubator Spaces.

A. An incubator space may provide one or more of the following:

(1) Secure storage of cannabis or cannabis products for licensed micro dispensaries;

(2) Commercial kitchen space for the processing and production of cannabis products by licensed micro processors; or

(3) Space for the cultivation of cannabis by licensed micro growers.

B. Incubator spaces shall comply with the requirements of COMAR 14.17.10, 14.17.11, and 14.17.12 for the:

(1) Security of the premises;

(2) Sanitation of any cannabis or cannabis product produced at the incubator space;

(3) Safety of any cannabis cultivated at the incubator space regarding the:

(a) Use of pesticides; and

(b) Use of the seed-to-sale tracking system.

C. The incubator space licensee shall make a good faith effort to:

(1) Secure any cannabis, cannabis products, inventory, equipment, or other materials on the licensed premise; and

(2) Prevent theft or diversion of any cannabis, cannabis products, inventory, equipment, or other materials by license holders, agents, or members of the public.

D. The incubator space licensee holder may assess a fair market rent for the use or storage of the facility.

E. The incubator space licensee may not accept or receive any equity stake, ownership share, or control of a micro license facility as a condition of rent or use of the space.

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

.01 Scope.

A. Unless otherwise specified this chapter applies to a business licensed to grow cannabis under COMAR 14.17.06.06 and 14.17.07.05.

B. This chapter applies to all cannabis grown in Maryland intended for either adult-use or medical-use sales.

.02 Cannabis Grower Premises.

A. A licensed grower facility shall:

(1) Be located within Maryland;

(2) Conform to local zoning and planning requirements; and

(3) Conspicuously display a grower license at the licensed premises.

B. A licensed grower facility premises shall be secured in accordance with COMAR 10.62.10.04—10.62.10.08.

C. A licensed grower facility containing greenhouse or field cultivation premises shall be secured in accordance with COMAR 10.62.10.03.

D. A licensed grower facility may not make modifications or renovations:

(1) Without prior approval by the Maryland Cannabis Administration; and

(2) That increase a standard grower licensed capacity to greater than the canopy limits prescribed in Alcoholic Beverages and Cannabis Article, §36-402(b), Annotated Code of Maryland.

E. Micro growers may not operate a facility greater than the limits established in Alcoholic Beverages and Cannabis Article, §36-401(c)(2)(i), Annotated Code of Maryland.

.03 Cannabis Grower Controls.

A licensed grower facility shall:

A. Grow cannabis in accordance with COMAR 10.62.11;

B. Record inventory in accordance with COMAR 10.62.12; and

C. Implement quality controls in accordance with COMAR 10.62.15.

.04 Product Returned for Destruction and Disposal of Green Waste.

A. A licensed grower shall accept any product returned for destruction and record as green waste.

B. A licensed grower shall otherwise destroy any other product recorded as green waste with standard operating procedures.

.05 Product Reservations and Trade Practices.

A. A grower licensed under COMAR 14.17.06.06 or COMAR 14.17.07.05 shall make a good faith effort to allow for at least 10 percent of cannabis grown to be:

(1) Transferred to a licensed processor to be produced into a cannabis product by a licensee that has no common ownership interest or control with the grower licensee; or

(2) Upon licensure of social equity applicants and the operation of social equity businesses as defined in COMAR 14.17.01, transferred to be produced into cannabis products by social equity businesses.

B. The Administration may query the seed-to-sale tracking system to ensure compliance with §A of this regulation.

C. If a licensed grower is found in violation of this regulation, the Administration may:

(1) Issue a fine; and

(2) Restrict, suspend, or revoke the license.

14.17.11 Cannabis Processor Operations

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

.01 Scope.

Unless otherwise specified this chapter applies to a business licensed to process cannabis under COMAR 14.17.06.07 and COMAR 14.17.07.06.

.02 Cannabis Processor Premises.

A. A licensed processor facility shall:

(1) Be located within Maryland;

(2) Conform to local zoning and planning requirements; and

(3) Conspicuously display a processor license at the licensed premises.

B. A licensed processor facility premises shall be secured in accordance with COMAR 10.62.21.03—10.62.21.07.

C. No modifications or renovations to licensed processor premises shall be undertaken without prior approval by the Maryland Cannabis Administration.

.03 Cannabis Processor Facility Operations.

Licensed processor operations shall be conducted in accordance with COMAR 10.62.22.

.04 Cannabis Product Processing.

A licensed processor shall produce cannabis products in accordance with COMAR 10.62.23.

.05 Edible Cannabis Product Processing.

A. A licensed processor that produces edible cannabis products as defined in COMAR 14.17.01 shall maintain facilities and manufacture edible products in accordance with COMAR 10.62.37.04—10.62.37.10 and 14.17.13.05.

B. A licensed processor may apply to the Administration for a permit to produce edible products in accordance with COMAR 10.62.37.03.

C. The permit issued by the Administration shall verify compliance with COMAR 10.62.37.04—10.62.37.10.

.06 Micro Processor Premise and Operations.

Micro processors may not process more cannabis than the limits established in Alcoholic Beverages and Cannabis Article, §36-401(c)(2)(ii), Annotated Code of Maryland.

.07 Product Returned for Destruction and Disposal of Green Waste.

A. A licensed processor shall accept any product returned for destruction and record as green waste.

B. A licensed processor shall otherwise destroy any other product recorded as green waste in accordance with standard operating procedures.

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

.01 Scope.

Unless otherwise specified, this chapter applies to all business licensed to dispense cannabis under COMAR 14.17.06.08 or COMAR 14.17.07.08.

.02 Standard Cannabis Dispensary.

A. A standard dispensary premises licensed under COMAR 14.17.06.07 shall:

(1) Be located in Maryland;

(3) Conform to all local zoning and planning requirements;

(4) Be secured and operated in accordance with COMAR 10.62.27.03—.09; and

(5) Provide accommodations for qualifying patients and registered caregivers in accordance with COMAR 14.17.04.06.

B. A licensee may not make modifications or renovations to the standard cannabis dispensary premises licensed under COMAR 14.17.06.08 without the prior approval of Maryland Cannabis Administration.

C. The Administration may require a dispensary licensed under this regulation to conspicuously display:

(1) Valid proof of license; and

(2) Minimum purchase age and identification requirements; and

(3) Other information related to health and safety provided by the Administration.

D. Any display required by the Administration under §C of this regulation shall be in a manner and size determined by the Administration.

E. A standard dispensary shall restrict access to the licensed premises to only:

(1) Qualifying patients;

(2) Registered caregivers; and

(3) Individuals 21 years old or older.

F. A standard dispensary may provide drive-through dispensing services in accordance with COMAR 10.62.27.10.

.03 Micro Dispensary or Delivery Service.

A. Prior to the placement of any order, a micro dispensary licensed to dispense cannabis under COMAR 14.17.07.08 shall verify the consumer is:

(1) 21 years old or older;

(2) A qualifying patient; or

(3) A registered caregiver for a qualifying patient.

B. A micro dispensary licensed to dispense cannabis under COMAR 14.17.07.08 may not:

(1) Make deliveries to addresses on publicly owned land, schools, day care centers, or youth centers;

(2) Transport cannabis or cannabis products not associated with an active invoice, order, or product manifest;

(3) Transport cannabis or cannabis products in any vehicle noncompliant with §C of this regulation;

(4) Dispense cannabis or cannabis products without a prior order submitted to the licensed business; and

(5) Wear any clothing or symbols that may indicate ownership or possession of cannabis;

C. Deliveries shall be made by a registered agent or micro dispensary owner in an enclosed vehicle that:

(1) Maintains secure storage;

(2) Has and displays a current license number from the Administration;

(3) Is insured as required by law; and

(4) Does not display any sign or illustration related to cannabis, cannabis products, or a cannabis licensee.

D. The Administration may, as a condition of licensure, inspect the vehicle for compliance with §§C(1)—(4) of this regulation.

E. While making deliveries under this regulation, a licensed micro dispensary shall only travel:

(1) Between licensees, registrants, or from one delivery address to another delivery address; and

(2) In Maryland.

F. A licensed micro dispensary may not carry cannabis or cannabis products in the delivery vehicle with a value in excess of $5,000 at any time.

G. For the purposes §F of this regulation, the value of cannabis goods shall be determined using the current retail price of all cannabis or cannabis products carried by or within the delivery vehicle.

.04 Dispensing Cannabis.

A. Dispensing Medical Cannabis.

(1) A licensed dispensary shall dispense medical cannabis in accordance with COMAR 10.62.30.03.

(2) Any dispensing to a qualified patient or registered caregiver shall be recorded by the agent as a sale of medical cannabis using the seed-to-sale tracking system.

B. Dispensing Adult-Use Cannabis.

(1) A registered dispensary agent shall dispense cannabis only to a consumer who has presented a government-issued photo identification card that is valid, unexpired, and contains the consumer's birth date.

(2) A government-issued identification card under §B(1) of this regulation includes:

(a) State driver's license;

(b) U.S. passport;

(c) U.S. passport card;

(d) Non-driver's state photo ID card;

(e) Foreign passport;

(f) U.S. military ID card; and

(g) Tribal card.

(3) A government-issued photo identification card does not include a student identification card issued by a public institution or university.

(4) Before any distribution of cannabis, a dispensary agent shall query the Administration data network using a unique log-in that identifies the registered dispensary agent.

(5) At the point of sale, a dispensary agent shall verify that the consumer is 21 years old or older using the consumer's government-issued photo identification.

(6) A dispensary agent may provide information on:

(a) The available types of cannabis, cannabis varieties, and cannabis finished products;

(b) Methods of cannabis administration; and

(c) How to return unused cannabis for disposal.

(7) Sales limits.

(a) A dispensary agent may not knowingly dispense to an individual an amount of cannabis or cannabis products greater than the personal use amount under Criminal Law Article, §5-101, Annotated Code of Maryland, in a single day.

(b) For the purposes of calculating the personal use amount of cannabis that can be dispensed, an individual may not purchase more than:

(i) 1.5 ounces of usable cannabis products as defined in COMAR 14.17.01;

(ii) 12 grams of concentrated cannabis products;

(iii) Edible cannabis products, capsules, and tinctures that do not exceed 750 milligrams of tetrahydrocannabinol;

(iv) Two or fewer cannabis plants.

(c) For the purpose of determining sales limits under this subsection, cannabis vaporizing devices shall be weighed and considered as concentrated cannabis products.

(8) A registered dispensary agent may decline to dispense cannabis to a consumer if, in the professional opinion of the registered dispensary agent, the consumer appears to be:

(a) Currently under the influence of drugs or alcohol;

(b) Attempting to purchase cannabis products for resale or diversion; or

(c) Obtaining an amount of cannabis products greater than the personal use amounts under §B(7) of this regulation.

(9) Consumers purchasing cannabis under this regulation may purchase:

(a) Usable cannabis products as specified in COMAR 14.17.13.11;

(b) Cannabis vaporizing devices as specified in COMAR 14.17.13.08; or

(c) Edible cannabis products, capsules, and tinctures under COMAR 14.17.13 with less than:

(i) 10 milligrams of THC per serving; and

(ii) 100 milligrams of THC per container.

(10) A licensed dispensary may not sell or distribute any cannabinoid products that are not derived from naturally occurring biologically active chemical compounds.

C. Dispensing Controls.

(1) A licensed dispensary may not sell, transfer, or deliver cannabis or cannabis products unless the licensee verifies by means of a valid driver's license or other government–issued photo identification containing the bearer's date of birth, in accordance with Alcoholic Beverages and Cannabis Article, §36-1101(a), Annotated Code of Maryland;

(2) A licensed dispensary shall use the seed-to-sale tracking system to track and record all cannabis sales;

(3) A licensed dispensary may not distribute samples of cannabis or cannabis products to consumers;

(4) A registered agent, or owner of a licensed dispensary may not dispense cannabis to themselves; and

(5) If a licensed dispensary offers reduced cost or discount cannabis or cannabis products to an agent, the reduced cost or discount available shall:

(a) Be set forth in a standard operating procedure;

(b) Be distributed in accordance with the standard operating procedure.

.05 Coordination of Enforcement Efforts between Maryland Cannabis Administration and the Comptroller of Maryland.

A. The Administration may query the seed-to-sale tracking system and shall, upon request from the Comptroller of Maryland, provide information from the seed-to-sale tracking system to the Comptroller of Maryland to ensure proper compliance, collection, and assessment of the sales and use tax by licensed dispensaries and on-site consumption establishments.

B. If a licensee fails to pay a tax to the Office of the Comptroller when due under Tax-General Article, Annotated Code of Maryland, the Administration may:

(1) Levy a fine; and

(2) Restrict, suspend, or revoke the cannabis license.

.06 Product Reservations and Trade Practices.

A. Products not authorized for adult-use consumers under Regulation .04B of this chapter shall only be sold, distributed, or otherwise dispensed to qualifying patients and caregivers.

B. Cannabis dispensaries licensed under COMAR 14.17.06.08 or COMAR 14.17.07.07 shall make a good faith effort to allow for at least 25 percent of product available for retail sales to be:

(1) Products grown, manufactured, extracted, or otherwise produced by a licensee that has no common ownership interest or control with the dispensary licensee; and

(2) Upon licensure of social equity applicants and the operation of social equity businesses as defined in COMAR 14.17.01, products grown, manufactured, extracted, or otherwise produced by social equity businesses.

C. The Administration may query the seed-to-sale tracking system to ensure compliance with §B of this regulation.

D. If a licensed dispensary is found in violation of this regulation, the Administration may:

(1) Issue a fine; and

(2) Restrict, suspend, or revoke the license.

.07 Product Returned for Destruction and Disposal of Green Waste.

A. A licensed dispensary shall dispose of green waste in accordance with COMAR 10.62.30.08.

B. A licensed dispensary shall accept products returned for destruction in accordance with COMAR 10.62.30.10.

.08 Online Ordering.

A. An online order system for cannabis or cannabis products shall:

(1) Employ a neutral age-gate to establish that the consumer is 21 years old or older or otherwise validate the individual is a qualifying patient or a registered caregiver;

(2) Include a notice that a valid, government-issued photo identification card as set forth in Regulation .04B(2) of this chapter is required to receive the order of cannabis or cannabis products;

(3) After confirming the consumer is 21 years of age or older, collect consumer, qualifying patient or registered caregiver signature and contact information, including:

(a) Email; or

(b) Telephone number.

B. An online order system may be used to place pre-orders for:

(1) Pick-up at a licensed dispensary for patients, caregivers, and consumers; and

(2) Delivery for patients and caregivers.

C. Until the consumer, qualifying patient, or registered caregiver presents a valid, government-issued identification card as set forth in Regulation .04B(2), a dispensary may not:

(1) Dispense cannabis products; or

(2) Collect payment.

D. A licensed dispensary may not sell or otherwise transfer any cannabis or cannabis products to a consumer through an unlicensed third party, intermediary business, broker, or any other business or entity.

F. A licensed dispensary may only deliver cannabis in accordance with COMAR 14.17.06.08 and COMAR 14.17.12.03, depending on license type.

.09 Hours of Operations.

A licensed dispensary may not operate:

A. For more than 12 hours in a day;

B. Past 10 p.m.; or

C. Before 8 a.m.

14.17.13 Cannabis Products

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

.01 Definitions.

A. In this chapter, the following terms have the meanings as indicated.

(1) "Current Good Manufacturing Practices" or "cGMP" means a manufacturing process that complies with 21 CFR Part 111 or 21 CFR Part 210.

(2) "Food" means any substance that is used as food or drink for human beings or as a component of food or drink for human beings.

(3) "Food ingredient" means a substance that is used as a component of food, including:

(a) Flavoring;

(b) Food coloring; and

(c) Preservatives.

(4) "Ingredient" means any component of an edible cannabis product that is intended for human consumption, approved by the Administration, and composed of:

(a) Food or food ingredients; or

(b) Cannabis.

(5) "Permittee" means a licensed processor authorized by the Administration to manufacture edible cannabis products.

.02 Finished Products for Retail Sale.

A. A licensed dispensary is only authorized to dispense a finished product that has been sealed, labeled, and packaged in accordance with COMAR 14.17.18.

B. Except as described in Regulation .11 of this chapter, a licensed dispensary shall only obtain finished cannabis products from a licensed grower or processor.

.03 Product Reservations.

A. Medical Cannabis Products.

(1) The Administration shall require that certain finished cannabis products be dispensed only to qualifying patients or registered caregivers to:

(a) Ensure adequate supply of medical cannabis products; and

(b) Reserve high potency products for medical patients.

(2) Products reserved for qualifying patients under this section include:

(a) Concentrated cannabis products;

(b) Edible cannabis products, infused non-edible cannabis products, capsules, and tinctures containing more than:

(i) 10 milligrams of tetrahydrocannabinol per serving; or

(ii) 100 milligrams of tetrahydrocannabinol per package.

(3) No part of this section may be construed to prohibit the dispensing of other finished cannabis products to qualifying patients in accordance with COMAR 14.17.12.04, including:

(a) Cannabis vaporizing devices;

(b) Home cultivation products;

(c) Usable cannabis products; and

(d) Edible cannabis products containing less than:

(i) 10 milligrams of tetrahydrocannabinol per serving; or

(ii) 100 milligrams of tetrahydrocannabinol per package.

B. Adult-Use Cannabis Products. Individuals purchasing cannabis products for adult-use may purchase:

(1) Cannabis vaporizing devices;

(2) Home cultivation products;

(3) Usable cannabis products; and

(4) Edible cannabis products, tinctures, and capsules containing equal to or less than:

(a) 10 milligrams of tetrahydrocannabinol per serving; or

(b) 100 milligrams of tetrahydrocannabinol per package.

C. Licensed dispensaries shall otherwise provide products for retail sale in accordance with COMAR 14.17.12.06.

.04 Product Testing.

A. Finished cannabis products for retail sale shall be tested by an independent testing laboratory authorized by the Administration in accordance with COMAR 14.17.08 prior to any sale, distribution, or dispensing.

B. Testing, sampling, and other laboratory protocols shall be performed by the independent testing laboratory in accordance with the Administration's Technical Authority.

.05 Edible Cannabis Products.

A. General Requirements.

(1) Before engaging in the business of possessing, processing, packaging, labeling, transferring, transporting, selling, or distributing edible cannabis products to a dispensary, a licensed processor shall obtain a permit from the Administration in accordance with COMAR 10.62.37.03.

(2) Prior to offering the products for distribution or sale to a licensed dispensary, a permittee shall obtain approval from the Administration for all edible cannabis products by submitting a request in in a manner prescribed by the Administration.

(3) A permittee seeking approval to offer an edible cannabis product shall submit:

(a) A photograph, digital image, or digital rendering of the product, labeling, and packaging;

(b) The varying levels of potency and dosing of the edible cannabis product;

(c) The recipe, including the production process, for manufacturing the edible cannabis product; and

(d) Any scientific studies or laboratory testing results supporting the stability and approximate expiration date of the edible cannabis product.

(4) The Administration shall review and approve each edible cannabis product before the product may be commercially manufactured or sold by a permittee, to ensure the:

(a) Product complies with the requirements of this chapter; and

(b) Safety of minors.

B. Dosage Requirements.

(1) Unless expressly authorized by the Administration, an edible cannabis product may not contain more than:

(a) 10 milligrams of THC per serving; and

(b) 100 milligrams of THC per package.

(2) Each single serving contained in a package of a multiple-serving edible cannabis product shall be physically separated in a way that enables an individual to determine how much of the edible cannabis product constitutes a single serving.

(3) An intact product form containing multiple servings does not meet the requirements of §B(2) if it has demarcations or delineations on the product to indicate individual servings.

(4) The Administration may approve a request to manufacture a high potency edible cannabis product containing more than 10 milligrams of THC per serving or 100 milligrams of THC per package if:

(a) A permittee submits a request in a form prescribed by the Administration; and

(b) The request complies with §G of this regulation.

(5) An edible cannabis product consisting of multiple servings shall be homogenized so that each serving contains the same concentration of THC.

C. Appearance of Edible Cannabis Products.

(1) A permittee shall only manufacture or distribute solid edible cannabis product in geometric shapes.

(2) A permittee may not manufacture an edible cannabis product that due to its shape, design, or flavor is likely to appeal to minors.

(3) The manufacture or sale of edibles in the following shapes is prohibited:

(a) Human, animal, toy, or fruit;

(b) A shape that bears the likeness or contains characteristics of a realistic or fictional human, animal, or fruit, including artistic, caricature, or cartoon renderings; and

(c) A commercially available food or beverage product that targets, or is primarily marketed to minors.

D. Liquid Edible Product Requirements.

(1) A liquid edible product container may not contain more than a single serving per container.

(2) A single serving of a liquid edible product may not exceed 10 milligrams of THC per container;

(3) A liquid edible product shall otherwise comply with this regulation.

E. Prohibited Products.

(1) Edible cannabis products may not contain:

(a) Meat;

(b) Seafood;

(c) Unpasteurized eggs; or

(d) Unpasteurized dairy of any type.

(2) The following types of products may not be sold:

(a) Alcoholic beverages, as defined in Alcoholic Beverage and Cannabis Article, §1-101, Annotated Code of Maryland; and

(b) Any product containing any non-cannabis additive that would increase potency or toxicity, or that would create an unsafe

combination with other psychoactive substances, including nicotine and caffeine.

(3) The prohibition in §E(2)(b) of this regulation does not apply to products containing naturally occurring caffeine, such as coffee, tea, or chocolate.

F. Compliance with State and Federal Food Safety Requirements. In addition to the other requirements set forth in this chapter, a permittee shall comply with all applicable food safety regulations including:

(1) 21 CFR, as amended;

(2) 21 U.S.C. §343, as amended;

(3) 21 U.S.C. §§451-471, as amended; and

(4) 21 U.S.C. §§601-695, as amended.

G. High Potency Edible Cannabis Products.

(1) Edible products produced with approval by the Administration under §B(4) of this regulation shall comply with Current Good Manufacturing Practices under 21 CFR Part 111 or 21 CFR Part 210.

(2) A permittee shall submit to the Administration a third-party certification that demonstrates compliance with §G(1) of this regulation.

(3) Demonstration of compliance required under §G(2) shall include:

(a) Proof of the third party's accreditation to certify for Current Good Manufacturing Practices that complies with 21 CFR Part 111 or 21 CFR Part 210; and

(b) An attestation that the third party performed a facility audit of the licensed processor's facility using an audit checklist within the scope of accreditation that complies with 21 CFR Part 111 or 21 CFR Part 210; and

(c) The audit checklist for cGMP 21 CFR Part 111 or 21 CFR Part 210, facility score, the audit checklist score scale, and a corrective plan to remediate any deficiencies identified during the audit.

(3) Edible products produced with approval by the Administration under §B(4) of this regulation may not:

(a) Be a liquid edible product as described in §D of this regulation; or

(b) Contain more than:

(i) 40 milligrams of THC per serving; and

(ii) 400 milligrams of THC per package.

(4) A dispensary shall only sell or dispense high potency edible products to qualified patients and registered caregivers.

(5) A processor shall label high potency edible products in accordance with COMAR 14.17.18.04.

H. The Administration shall maintain permittee trade secrets in conformity with COMAR 10.62.37.11.

.06 Capsule and Tincture Products.

A. A tincture shall:

(1) Contain no additional non-cannabis ingredients except potable water, unless approved by the Administration; and

(2) For vegetable oil tinctures, are manufactured in accordance with the regulation of edible cannabis products under COMAR 14.17.13.05E—H and COMAR 10.62.37, except for COMAR 10.62.37.03 and COMAR 10.62.37.12B.

(3) Be dispensed in a container that:

(a) Has a resealing, child-resistant cap, or closure; and

(b) Includes within the package a measuring device that is appropriate for the product form, such as a measuring cap or dropper.

B. A tincture may have a non-opaque strip or measuring marks on the bottle or package, but the strip or marks do not suffice as a measuring device under §A of this regulation.

C. A licensee is encouraged to manufacture varying levels of potency for each tincture or capsule product the permittee distributes, including products containing:

(1) 2.5 milligrams of THC per serving; and

(2) 5 milligrams of THC per serving.

D. A dispensary shall only sell or dispense capsule and tincture products with more than 10 milligrams of tetrahydrocannabinol per serving or 100 milligrams tetrahydrocannabinol per package to qualifying patients or registered caregivers.

.07 Home Cultivation Products.

A. A licensed dispensary is authorized to sell and distribute home cultivation products intended to assist with the home cultivation of cannabis.

B. A licensed dispensary may not sell more than:

(1) Two seedlings to an adult use consumer; and

(2) Four seedlings to a qualifying patient who is 21 years old or older or to a registered caregiver.

C. Seedlings not sold by a dispensary shall be destroyed and recorded as green waste in accordance with standard operating procedures if the plant is:

(1) Taller than six inches;

(2) Wider than six inches; or

(3) Otherwise in a flowering or vegetative state.

D. A licensed dispensary may not cultivate cannabis plants.

E. A licensed dispensary shall only acquire home cultivation products under this regulation from a licensed grower.

.08 Cannabis Vaporizing Devices.

A. A dispensary may sell cannabis vaporizing devices to:

(1) Individuals 21 years old or older; or

(2) Registered patients and qualifying caregivers.

B. A cannabis vaporizing device which may be sold under §A of this regulation:

(1) May include a cartridge containing a concentrated or infused cannabis liquid for the purposes of heating and producing a vapor; and

(2) May not include any solid or semi-solid substances such as waxes, shatters, resins, or any other concentrated cannabis product that may be consumed using a vaporizing device or by heating the product in such a way to produce vapor, except to qualifying patients or registered caregivers.

C. Cannabis vaporizing devices may not include:

(1) Vitamin E Acetate; or

(2) Any other solvent, solution, or other substance deemed to be a risk to public health or safety by the Administration through the Technical Authority.

.09 Infused Non-Edible Products.

A. A dispensary shall only sell or dispense infused non-edible products that contain more than 10 milligrams tetrahydrocannabinol per serving or 100 milligrams tetrahydrocannabinol per package to qualifying patients or registered caregivers.

B. Infused non-edible products containing more than 10 milligrams tetrahydrocannabinol per serving or 100 milligrams tetrahydrocannabinol per package shall be labeled in accordance with COMAR 14.17.18.04.

.10 Concentrated Cannabis Products.

A. A dispensary shall only sell or dispense concentrated cannabis products to qualifying patients or registered caregivers.

B. Concentrated cannabis products shall be labeled in accordance with COMAR 14.17.18.04.

.11 Usable Cannabis Products.

A. Usable cannabis products may be sold to:

(1) Individuals 21 years of age or older; or

(2) Registered patients and qualifying caregivers.

B. A licensed dispensary may package, repackage, wrap, roll, or otherwise create usable cannabis products from usable cannabis in accordance with §§C and D of this regulation.

C. Repackaging Requirements.

(1) Handwashing Sinks.

(a) Each room used for the creation of cannabis products shall have a handwashing sink.

(b) The handwashing sink shall:

(i) Be accessible to all dispensary agents;

(ii) Provide warm water of sufficient volume under pressure of effective hand washing procedures as outlined in this chapter.

(c) A dispensary shall maintain at least one handwashing sink for the following number of agents who are engaged in repackaging while on duty at the same time:

(i) Every 15 agents; and

(ii) Any fraction of 15 agents.

(2) Scales.

(a) A scale used by a licensed dispensary for the creation of usable cannabis products shall be:

(i) A National Type Evaluation Program approved device;

(ii) Registered and certified by the Maryland Department of Agriculture in accordance with COMAR 15.03.08; and

(iii) Calibrated and recertified annually.

(b) A licensed dispensary shall make records and certifications required under (a) of this subsection available to the Administration available upon request.

(3) Sanitation.

(a) Scales, surfaces, and other equipment use for the purposes of creating usable cannabis products shall be cleaned and sanitized:

(i) Between shifts;

(ii) Between packaging, repackaging, or otherwise creation of usable cannabis products with different usable cannabis batches;

(iii) Before beginning any packaging, repackaging, or otherwise creation of usable cannabis products; and

(iv) After the completion of any packaging, repackaging, or otherwise creation of usable cannabis products.

(b) Licensed dispensaries shall maintain an accurate log of cleaning and sanitation required under §(a) of this subsection.

D. Products produced by dispensaries under this regulation shall be packaged and labeled in accordance with COMAR 14.17.18.

E. Licensed growers or processors making usable cannabis products shall also comply with §C—D of this regulation prior to the transfer to a licensed dispensary.

F. Transfer limits and Inventory Controls on Usable Cannabis.

(1) Usable cannabis transferred from a licensed grower to a licensed dispensary for the purposes of creation of usable cannabis products may not exceed:

(a) 1 pound in a single package; or

(b) 5 pounds in a single transfer.

(2) A licensed dispensary shall have no more than 10 pounds of usable cannabis in inventory at a given time for the purposes of creating usable cannabis products.

(3) The Administration may query the seed-to-sale tracking system to ensure compliance with this section.

G. A dispensary may not weigh, package, repackage, or create usable cannabis products at the point of sale, or conduct deli-style sales as described in COMAR 10.62.30.09.

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

.01 Complaints, Adverse Events, and Recall.

A. The Administration shall establish a procedure to receive, organize, store, and respond to all oral, written, electronic or other complaints regarding any cannabis product and severe adverse events.

B. Any complaints or adverse event reports received by a licensee or certifying provider shall be reported to the Administration.

C. In the event a licensee or certifying provider receives a complaint associated with a serious adverse event the licensee or certifying provider, shall report the complaint within 24 hours to:

(1) The Administration;

(2) If applicable, the licensed grower from which the cannabis originated; and

(3) If applicable, the licensed processor from which the cannabis product originated.

D. A complaint shall be investigated by the Administration in accordance with COMAR 10.62.17.03.

E. A licensee shall develop a procedure for the recall of cannabis products in accordance with COMAR 10.62.17.04.

.02 Records.

The licensee shall maintain records in accordance with COMAR 10.62.32.

.03 Inspections.

Inspections shall be conducted in accordance with COMAR 10.62.33.

.04 Discipline and Enforcement.

A. Diversion.

(1) A licensee, registrant, agent, or employee may not:

(a) Divert cannabis or cannabis products for any unauthorized sale or distribution;

(b) Fail to maintain records in accordance with this subtitle, COMAR 10.62, and the standard operating procedures of the licensee;

(c) Fail to accurately track, tag, or otherwise record inventory in the seed-to-sale tracking system; or

(d) Sell or dispense cannabis or cannabis products in manner that:

(i) Exceeds the personal use amount of cannabis or cannabis products;

(ii) Is reasonably expected to be in violation of the personal use amount; or

(iii) Could otherwise reasonably give rise to any other violation of law.

(2) A licensee, registrant, agent, or employee may not conduct a series of transactions that would be in violation of §A(1)(d) of this regulation.

B. Health Endangerment.

(1) A licensee, registrant, agent, or employee may not:

(a) Apply any contaminant to cannabis or cannabis products;

(b) Handle cannabis or cannabis products in a manner that would endanger health and safety;

(c) Store cannabis or cannabis products in a manner that would endanger health and safety;

(d) Otherwise risk the health and safety of a patient or consumer.

(2) A licensee, registrant, agent or employee may not sell, dispense or otherwise distribute cannabis or cannabis products to an individual younger than 21 years old unless the individual is a:

(a) Qualifying patient over the age of 18; or

(b) Registered caregiver.

C. A licensee or registrant may not substantially deviate or demonstrate a pattern of deviation from the standard operating procedures or terms set forth in the license.

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

(1) Any violation of the Alcoholic Beverages and Cannabis Article, Title 36, Annotated Code of Maryland;

(2) Any violation of this regulation;

(3) Any violation of this chapter;

(4) Any other violation of this subtitle and COMAR 10.62;

(5) Restricting, limiting, or otherwise impeding an inspection or investigation by the Administration; or

(6) Any other violation of State, federal, or local:

(a) Law;

(b) Regulation; or

(c) Ordinances.

.05 Fines, Hearings, and Suspension.

A. A licensee, registrant, agent, or employee who violates Regulation .04A—B of this chapter is subject to a fine of up to $10,000 per violation.

B. A licensee, registrant, agent, or employee who violates Regulation .04C—D of this chapter is subject to a fine of up to $5,000 per violation.

C. The licensee, registrant, agent, or employee assessed a fine under this regulation may:

(1) Elect to pay the imposed fine; or

(2) Request a hearing not later than 30 days after the receipt of the notice of the fine.

D. Hearings requested under this regulation shall be conducted in accordance with COMAR 14.17.22.

E. The Administration shall remit any penalty collected under this regulation to either the:

(1) Medical Cannabis Compassionate Use Fund;

(2) Cannabis Business Assistance Fund;

(3) Community Reinvestment and Repair Fund; or

(4) Cannabis Public Health Fund.

F. Funds from fines remitted under §E of this regulation shall be distributed at the discretion of the Administration by evaluating:

(1) Available fund balances;

(2) Uses of the fund; and

(3) Future needs of the fund.

G. Summary Suspension.

(1) The Administration shall order the summary suspension of a license or registration if the Administration determines that the threat to public health, safety, or welfare requires immediate suspension of a license or registration.

(2) The Administration shall promptly give the licensee or registrant:

(a) Written notice of the suspension, the findings, and the reasons that support the findings; and

(b) An opportunity for a hearing before the Administration.

(3) Service of notice of intent to summarily suspend a license or registration shall be made by:

(a) Hand delivery;

(b) Certified mail to the address the licensee or registrant is required to maintain with the Administration; or

(c) Other reasonable means to effect service.

(4) A licensee or registrant aggrieved by the action of the Administration under this regulation may appeal the Administration's action by filing a request for a hearing not later than 30 days after receipt of notice of the Administration's action.

H. Show Cause Hearing.

(1) In addition to the right to request a hearing provided in §G(4) of this regulation, a licensee or registrant aggrieved by the action of the Administration under §G of this regulation shall be provided with the opportunity for a hearing to show cause why the Administration should lift the summary suspension.

(2) If requested in writing, the show cause hearing shall be held promptly within a reasonable time after the effective date of the order of the summary suspension.

(3) The show cause hearing will be a non-evidentiary hearing to provide the parties with an opportunity for oral argument on the summary suspension.

(4) The show cause hearing shall be conducted before the Administration director or a designee who:

(a) Shall determine procedural issues;

(b) May impose reasonable time limits on each party's oral argument; and

(c) Shall make rulings reasonably necessary to facilitate the effective and efficient operation of the show cause hearing.

(5) At the conclusion of the show cause hearing, the Administration director or a designee may:

(a) Affirm the order of summary suspension;

(b) Rescind the order of summary suspension;

(c) Enter into a consent order; or

(d) Enter into an interim order warranted by the circumstances of the case, including one providing for a stay of the summary suspension, subject to certain conditions.

(6) After the show cause hearing, if the Administration Director or a designee decides to continue the summary suspension, the licensee or registrant aggrieved by the decision may pursue a hearing in accordance with COMAR 14.17.22.

(7) Contesting a summary suspension through a show cause hearing does not toll or otherwise excuse the requirement that an aggrieved party request a hearing within 30 days of notice of the agency action, as set forth in §G(4) of this regulation.

(8) If, after due notice, the licensee or registrant against whom the action is contemplated does not appear, the Administration may hear and determine the matter.

.06 Advertising.

A. All advertisements for cannabis products, businesses, licensees, or other cannabis-related services shall comply with the requirements of Alcoholic Beverages and Cannabis Article, §§36-901—36-903, Annotated Code of Maryland.

B. A standard licensee, registrant, agent, or employee who violates §A of this regulation:

(1) Is subject to a fine not exceeding:

(a) $1,000 for the first violation;

(b) $5,000 for the second violation occurring within 24 months after the first violation; and

(c) $10,000 for each subsequent violation occurring within 24 months after the preceding violation; and

(2) May elect to:

(a) Pay the imposed fine; or

(b) Request a hearing not later than 30 days from the receipt of the fine.

C. In accordance with the hearing provisions in Regulation .05 of the chapter, the Administration may deny, suspend, or revoke the license or registration of a licensee, registrant, agent, or employee who violates §A of this regulation.

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

.01 Scope.

This chapter pertains to the regulation of cannabis agents as defined in COMAR 14.17.01.

.02 Registration.

A. Each agent shall be registered with the Administration before the agent may volunteer or work for a licensee or registrant.

B. Cannabis agent registration shall be conducted pursuant to Alcoholic Beverages and Cannabis Article, §36-501, Annotated Code of Maryland.

C. A licensee shall apply to register an agent by submitting to the Administration:

(1) The name, address, date of birth, and Social Security Number or Individual Tax Identification Number of an agent;

(2) Documentation of the submission of fingerprints of the agent of to the Criminal Justice Information System's Central Repository in accordance with the Alcoholic Beverages and Cannabis Article, §36-505, Annotated Code of Maryland;

(3) The request for the criminal history record information of the agent to be forwarded to the Administration.

D. The Administration may not register as a cannabis 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.

E. The Administration may not deny a cannabis agent registration based on any cannabis-related offense occurring before July 1, 2023.

.03 Registered Agent Identification Cards.

A. The Administration shall issue to each registered agent an identification card which includes a photograph of the face of the registered agent taken no more than 6 months before the date of the application.

B. At all times every registered agent at a licensed or registered premises shall visibly wear the identification card issued to the registered agent by the Administration.

C. The agent shall apply for renewal of the identification card every 2 years.

D. If a registered agent's identification card is lost, destroyed, or stolen, within 24 hours of becoming aware of the loss, destruction or theft, the licensee shall:

(1) Report the loss, destruction, or theft to the Administration;

(2) Apply for a replacement cards; and

(3) Pay a replacement card fee specified in COMAR 14.17.21.

E. An identification card remains the property of the Administration and the Administration may order the return or seizure of an identification card if the registration is revoked or expires.

F. If a registered agent's identification card is lost, destroyed, or stolen, a copy of the notification to the Administration shall be evidence of registration until a new card is obtained from the Administration.

.04 Termination.

A. Within 30 days of the termination of a registered agent, the licensee shall:

(1) Take custody of the terminated registered agent's identification card;

(2) Obtain any keys or other entry devices from the terminated registered agent; and

(3) Ensure the terminated registered agent can no longer gain access to the licensed premises.

B. Within 1 business day of the termination of a registered agent, a licensee shall:

(1) Notify the Administration:

(a) Of the termination and the circumstance of the termination; and

(b) Whether the terminated registered agent has returned the agent's identification card; and

(2) Initiate delivery of the terminated registered agent's identification card to the Administration.

C. The Administration shall revoke the registration of an agent upon receiving notification that an agent is no longer associated with a licensee.

D. If a registered agent did not return the agent's identification card within 30 days of the termination, the Administration shall notify the law enforcement agency with jurisdiction in the licensee's area.

.05 Training.

A. The licensee shall train all registered agents on:

(1) Federal and State cannabis laws and regulation and other laws and regulations pertinent to the agent's responsibilities;

(2) Standard operating procedures;

(3) The State alcohol and drug free workplace policy, as identified in COMAR 21.11.08.03;

(4) Detection and prevention of diversion of cannabis;

(5) Security procedures;

(6) Safety procedures including responding to:

(a) A medical emergency;

(b) A fire;

(c) A chemical spill; and

(d) A threatening event such as:

(i) An armed robbery;

(ii) An invasion;

(iii) A burglary; and

(iv) Any other criminal incident.

B. The licensee shall retain training materials and attendance records and make the training materials available for inspection by the Administration.

C. Registered agents shall also be required to complete a responsible vendor training program that:

(1) Meets the minimum requirements under Alcoholic Beverages and Cannabis Article, §§36-1001—36-1003, Annotated Code of Maryland; and

(2) Is registered with the Administration in accordance with §E(4) of this regulation.

D. A responsible vendor training program required under §E of this regulation shall be in addition to the training requirements under §A of this regulation.

E. Responsible Vendor Training Program.

(1) The Administration shall develop an application for a person to conduct a responsible vendor training program.

(2) The application shall at a minimum identify proficiency of the person in the training components of the Alcoholic Beverages and Cannabis Article, §36-1001(c), Annotated Code of Maryland, including:

(a) Detailed schedule of training program time;

(b) Program standards and evaluations for the training program;

(c) Sample curriculum materials providing accurate information on:

(i) Required license, registration, and other business authorization;

(ii) Age requirements, patient registration, and other acceptable identification cards;

(iii) Information on serving size, tetrahydrocannabinol, and other cannabinoid potency, and impairment;

(iv) Record maintenance;

(v) Privacy protection for patients;

(vi) Prohibited or unlawful acts;

(vii) Administrative or criminal liability;

(viii) State and local licensing and enforcement;

(ix) Statutory and regulatory requirements for employees and owners; and

(x) Statutory and regulatory requirements for the sale, transfer, or delivery of cannabis or cannabis products.

(3) Applications approved by the Administration shall be registered with the Administration for a period of three years from the date of approval.

(4) The Administration shall assess a fee for the application, registration, and renewal of a responsible vendor training program under this regulation as specified in COMAR 14.17.21.

(5) A person offering a responsible vendor training program under this paragraph may not have ownership or control of any cannabis license.

(6) A person offering a responsible vendor training program shall:

(a) Maintain records for at least four years; and

(b) Make these records available to the Administration upon request.

.06 Prior Registration.

For a cannabis agent previously registered to work or volunteer with a licensee by the Maryland Medical Cannabis Commission under COMAR 10.62.09, COMAR 10.62.20, or COMAR 10.62.26, registration shall be valid for two years from most recent renewal.

14.17.16 Cannabis Business Owners

Authority: Alcoholic Beverages and Cannabis Article, §§36-202, 36-501, 36-502, 36-503, 36-504, and 36-801, Annotated Code of Maryland

.01 Transfer of Ownership and Control.

A. A person wishing to hold an ownership interest of greater than 5 percent or control in a cannabis license shall comply with the application requirements under the Alcoholic Beverages and Cannabis Article, §36-502, Annotated Code of Maryland.

B. A license issued, regulated, or otherwise authorized under this subtitle or COMAR 10.62 shall only be transferred in accordance with the Alcoholic Beverages and Cannabis Article, §36-503, Annotated Code of Maryland.

C. Applicants and transferees under this chapter shall submit to a criminal history record check in accordance with the Alcoholic Beverages and Cannabis Article, §36-505, Annotated Code of Maryland.

.02 Disclosure of Ownership and Control.

A. Each licensee shall submit a table of organization, ownership, and control with the Administration:

(1) On or before July 1 of each year;

(2) Within 10 business days of any change in ownership interest or control greater than 5 percent; and

(3) Upon request by the Administration.

B. The table of organization, ownership, and control shall identify the management structure, ownership, and control of the licensee, including the:

(1) Name of each owner or principal officer and any other individual or entity with the authority to control the licensee;

(2) The office or position held, if any; and

(3) The percentage of ownership interest, if any.

C. If the licensee is a business entity with publicly traded stock, the identification of ownership shall include:

(1) The name and percentage of ownership interest of each individual or business entity with ownership of more than 5 percent of the voting shares of the entity, to the extent such information is known or contained in 13D or 13G Securities and Exchange Division filings; and

(2) To the extent known, the names and percentage of interest of ownership of persons who are relatives of one another and who together exercise control over or own more than 10 percent of the voting shares of the entity.

D. A licensee that is owned or controlled, in whole or in part, by another entity shall disclose to the Administration:

(1) The relationship between the licensee and the parent or affiliate; and

(2) Each owner, board member, or officer and any other individual with control or management authority over those entities owning or controlling the license.

E. Any individual identified as having ownership or control of a license may not have other ownership interest that exceeds the limitations set forth in Alcoholic Beverages and Cannabis Article, §36-401(e), Annotated Code of Maryland.

.03 Annual Report on Minority Owners and Employees.

On or before November 1 of each year, each licensee shall submit a report in a manner determined by the Administration regarding the licensee's minority owners and employees.

.04 Mandatory Reporting of Legal Actions.

A. The required reporting under this regulation applies to any owner or manager of a licensee or its parent, affiliate, or any subsidiary who is or was a party to the legal action whether in Maryland or another jurisdiction.

B. Notification.

(1) An owner or manager described in §A of this regulation shall notify and provide a description to the Administration of any of the following events:

(a) The filing of any administrative, civil, or criminal action against the licensee or its parent, affiliate, or subsidiary by any governmental entity, private entity, or individual;

(b) The disposition of any administrative, civil, or criminal action against the licensee or its parent, affiliate, or subsidiary by any governmental entity, private entity, or individual, whether by judgment, final order, consent order, or other negotiated resolution; or

(c) The filing for bankruptcy of the licensee or its parent, affiliate, or subsidiary, the entry of a court order for the placement into receivership, or the date of an assignment for the benefit of creditors.

(2) The notification and description of the event required under §B(1) of this regulation shall be provided to the Administration within 14 calendar days after receiving:

(a) Proper service of process in accordance with the rules of civil or criminal procedure of a court of competent jurisdiction; or

(b) Formal written notice in accordance with the administrative rules of an administrative agency with jurisdiction.

C. The description under §B(2) of this regulation shall include the following:

(1) Title and docket number;

(2) Name and location of the court;

(3) Names of the parties;

(4) General nature and scope of the legal action; and

(5) Any judgment, final order, consent order, or other negotiated resolution.

.05 Prohibited Acts.

A. A licensee may not transfer ownership of the license for the purpose of:

(1) Improperly shielding the license or the value of the license from any judgement or liability; or

(2) Furthering any action or plan of action that violates any State, local or federal law.

B. Except as authorized under Alcoholic Beverages and Cannabis Article, Title 36, Annotated Code of Maryland, a licensee may not be:

(1) A member of the General Assembly;

(2) An employee of the Administration; or

(3) Otherwise be in violation of the Alcoholic Beverages and Cannabis Article, §36-504, Annotated Code of Maryland.

C. An individual, group of individuals or persons may not own multiple, non-majority or unreported shares or interests in a cannabis license unless every holding is a passive interest that:

(1) Has an aggregate ownership interest of less than 5 percent; and

(2) Does not have control over the license.

D. Owners found in violation of this regulation by the Administration may be subject to any of the following sanctions:

(1) Fine;

(2) Suspension or revocation of the licensed business; or

(3) Forced divestiture of the owner from the licensed business.

14.17.17 Secured Creditors and Receivership

Authority: Alcoholic Beverages and Cannabis Article, §§36-202, 36-203, and 36-503, Annotated Code of Maryland

.01 Definitions.

A. In this chapter, the following terms have the meanings indicated:

(1) "Licensee" means a licensed grower, processor, or dispensary.

(2) "Secured creditor" means a lending institution defined under the Financial Institutions Article, §1-101, Annotated Code of Maryland, that has been approved by the Administration to obtain a security interest in the proceeds from an Administration -approved sale of a grower, processor, or dispensary license.

.02 Eligibility Requirements for Secured Creditors.

A. To act as a secured creditor under this chapter, the lending institution shall be approved by the Administration.

B. To request Administration approval, the lending institution shall provide the following documentation to the Administration:

(1) A compliance and reporting plan;

(2) A proposed plan for the appointment of a receiver that meets the requirements set forth in Regulation .05 of this chapter;

(3) Confirmation that the lending institution is in:

(a) Good standing and eligible to conduct business in Maryland; and

(b) Compliance with any regulatory requirements applicable to the lending institution; and

(4) Any other information requested by the Administration.

C. If additional information is requested pursuant to §B(4) of this regulation, the lending institution shall respond within 30 days, or the Administration may deny the request for eligibility as a secured creditor.

D. A secured creditor's eligibility is effective, provided:

(1) The Administration has not revoked the secured creditor's eligibility; and

(2) The secured creditor:

(a) Maintains compliance with the eligibility requirements under this chapter; and

(b) Submits an annual report to the Administration attesting to its continued compliance with the eligibility requirements beginning one calendar year after the date the secured creditor is approved.

E. The Administration shall maintain and make available on its website a list of eligible secured creditors approved under this chapter.

.03 Security Interest in a Cannabis License.

A. A licensed grower, processor, or dispensary may pledge an interest in the proceeds from an Administration-approved sale of cannabis license as a security interest for a loan.

B. An eligible secured creditor may obtain a security interest in the proceeds from an Administration-approved sale of a licensed grower, processor, or dispensary if:

(1) The following information has been provided to the Administration:

(a) A copy of the security agreement, subject to the restrictions listed in §C of this regulation; and

(b) Any other information requested by the Administration; and

(2) The Administration approves the secured creditor to obtain a security interest in the license.

C. Security Agreement Exclusions.

(1) A security agreement may not contain provisions that authorize the secured creditor to unilaterally:

(a) Require the loan to become due, except if the licensee materially breaches or defaults on its material obligations as set forth in the security agreement;

(b) Convert the debt under the loan to equity;

(c) Deprive the licensed grower, processor, or dispensary of the right to operate the license; or

(d) Restrict the ability of the licensed grower, processor, or dispensary from making payment on the secured loan through a third party unless the payment restriction would cause the secured creditor to violate a law by which it is governed.

(2) The Administration may restrict a security agreement for any other good cause as determined by the Administration.

D. Scope of a Security Interest in a Cannabis License.

(1) Upon Administration approval under §B of this regulation, a secured creditor may create a security interest in proceeds from the sale of a cannabis license associated with a loan to a licensed grower, processor, or dispensary.

(2) A security interest in a cannabis license entitles the secured creditor to the right to the proceeds from the sale of the cannabis license that occurs in accordance with a disposition plan under Regulation .08 of this chapter.

(3) A security interest in a cannabis license excludes the right to operate the license.

E. The Administration may deny a secured creditor from pursuing disposition of a cannabis license if the Administration determines that the arrangement is intended as a mechanism to circumvent the sale or transfer of ownership requirements under Alcoholic Beverages and Cannabis Article, §36-503, Annotated Code of Maryland.

.04 Selection of an Eligible Receiver.

A. Subject to approval by the Administration under Regulation .05 of this chapter, a secured creditor may select an eligible receiver who is a third party to oversee the disposition of a cannabis license, including the assets of the licensee, if a licensed grower, processor, or dispensary whose cannabis license is subject to an Administration-approved security interest:

(1) Is the subject of an order requiring appointment of a receiver;

(2) Becomes insolvent; or

(3) Otherwise materially breaches or defaults on its material obligations secured by the associated license as set forth in the Administration -approved security agreement.

B. Not later than 10 business days before the Administration approves the receiver, the secured creditor who selects a prospective receiver for approval under Regulation .05 of this chapter shall submit the following information to the Administration:

(1) Proof of the creditor's secured interest in the proceeds from a sale of the license of the associated licensed grower, processor, or dispensary;

(2) Proof of an order requiring appointment of a receiver, insolvency, or evidence of the licensee's material breach or default on its material obligations, as set forth in the associated Administration - approved security agreement; and

(3) Any additional information requested by the Administration.

.05 Application for Receivership.

A. A prospective receiver shall apply for and receive approval from the Administration in order to serve as a receiver under this chapter.

B. The applicant for receivership shall submit to the Administration a completed application, in a form developed by the Administration, accompanied by the following:

(1) Documentation establishing the applicant's qualifications and ability to oversee the orderly disposition of the secured license in a manner that facilitates continuity of the licensee's operations to the extent possible.

(2) A list of all owners and principal officers of the applicant and supporting documentation, including:

(a) Certificate of incorporation;

(b) Bylaws;

(c) Articles of organization;

(d) Operating agreements;

(e) Certificate of limited partnership;

(f) Resolution of a board of directors; or

(g) Other similar business formation documents;

(3) Documentation establishing that the individual or entity is eligible to do business in Maryland throughout the term of the receivership;

(4) Criminal history record information demonstrating that the applicant for receivership does not have any disqualifying criminal conviction applicable to licensees under this subtitle or COMAR 10.62;

(5) Financial records, including a record of tax payments in all jurisdictions in which an applicant has operated a business for the 3 years before the filing of the application;

(6) An affidavit confirming that the applicant does not have a financial or ownership interest in any grower, processor, or dispensary license in Maryland;

(7) A disposition of license plan, subject to Administration approval, which includes:

(a) A detailed description of the plan for the orderly disposition of the license and associated business assets in order to satisfy the security interest in the right to the proceeds from the sale of the license; and

(b) A proposed timeline for the orderly disposition of the license of the associated licensed grower, processor, or dispensary.

(8) Any additional information requested by the Administration.

C. The application shall be accompanied by a non-refundable receivership application fee specified in COMAR 14.17.21.

D. Administration Determination of Receivership.

(1) Upon receipt of a completed receiver application and associated fee, the Administration shall either approve, deny, or request additional information from the applicant.

(2) If the applicant fails to provide any additional requested information to the Administration within 30 days of the request, the application shall be considered denied.

(3) If the Administration approves an application, the Administration shall appoint the applicant to serve as the receiver to oversee the orderly disposition of the license, including the sale and transfer of the license and associated business asset, provided the Administration has not otherwise revoked the approval.

(4) The approved receiver:

(a) Shall maintain compliance with the eligibility requirements under this chapter, as evidenced by submitting an annual report to the Administration attesting to continued compliance beginning one calendar year after the date the receiver is approved;

(b) Shall be a third party that is not affiliated with the secured creditor; and

(c) May not have a financial or ownership interest in any licensed grower, processor, or dispensary in Maryland during the period the receiver is actively carrying out its responsibilities under this chapter.

.06 Security Protocols for Receiver in a Non-Public Area of the Premises.

A. When a receiver is admitted to a non-public area of the premises of a licensee, a registered grower, processor, or dispensary agent of the licensee shall:

(1) Log the receiver in and out;

(2) Retain with the log a photocopy of the receiver's government-issued identification;

(3) Continuously supervise the receiver while on the premises; and

(4) Ensure that the receiver does not touch any plant or cannabis product.

B. The licensee shall maintain a log of any visits by the receiver to non-public areas of the premises for 2 years.

.07 Receiver's Responsibilities.

A. A receiver shall comply with the provisions in this subtitle, COMAR 10.62, and Alcoholic Beverages and Cannabis Article, Title 36, Annotated Code of Maryland, governing the licensed grower, processor, or dispensary that is subject to the receivership.

B. In the event of a material violation by the receiver, the Administration shall provide the secured creditor associated with the receivership with written notice of the violation and an opportunity to cure within 45 days after receipt of the written notice, unless the Administration determines that the violation is an imminent threat to public health and safety, in which case the Administration shall terminate the receivership immediately.

C. The Administration shall terminate the receivership if after providing notice and the opportunity to cure, the material violation is not cured within the 45-day period.

D. Whenever the Administration terminates a receivership under this regulation, the secured creditor may select another prospective receiver for Administration approval under Regulation .05 of this chapter.

.08 Disposition of a Secured Cannabis License.

A. A receiver appointed under this chapter shall initiate and oversee the orderly disposition of a license and associated business assets in accordance with the disposition of license plan specified in Regulation .05B(7) of this chapter.

B. Notification. A receiver shall:

(1) Issue public notice of the method, manner, time, place, and other terms of the disposition in a newspaper of general circulation in the jurisdiction in which the licensee is located and authorized to do

business at least 60 days prior to the planned disposition, including the following information in clear, bold type:

(a) Name and contact information of the secured creditor;

(b) Name of licensee, and doing business as (d/b/a) or trade name, if applicable;

(c) License number;

(d) License classification;

(e) Date, time, and location of planned disposition;

(f) Deadline for obtaining pre-approval from the Administration to qualify as an eligible bidder at the planned disposition; and

(g) Terms and conditions imposed by the secured creditor on the disposition process and on the successful bidder; and

(2) Provide a copy of the information in §B(1) of this regulation to the Administration for the purpose of posting on the Administration's website.

C. To qualify as an eligible bidder seeking to obtain the cannabis license, an individual, or in the case of an entity, each individual who would acquire an ownership interest of 5 percent or more of the cannabis license that is the subject of the disposition, shall provide the following information to the Administration not later than 30 days before the deadline for obtaining Administration approval to qualify as a bidder at the planned disposition of the license:

(1) Name and contact information;

(2) Criminal history record information;

(3) Completed ownership and control attestation form provided by the Administration for each individual who intends to hold an ownership interest of 5 percent or more;

(4) Evidence of immediately available financial resources sufficient to pay the deposit at the planned disposition and to close the transaction within 10 days of the ratified and final disposition;

(5) Demonstration that the bidder meets all material requirements for licensure; and

(6) Any additional information requested by the Administration.

D. Process for Final Disposition.

(1) Upon completion of the planned disposition, the successful bidder shall prepare and submit to the Administration, within 3 days after the conclusion of the planned disposition, the necessary documentation to obtain final approval for the transfer and sale of the license, including a completed request to transfer ownership of a cannabis license provided by the Administration.

(2) Upon receipt of final approval of the transfer and sale of the license by the Administration, the disposition shall be considered ratified and final.

E. To facilitate the orderly disposition of a secured license and associated assets, the provisions set forth in Alcoholic Beverages and Cannabis Article, §36-503, Annotated Code of Maryland, do not apply to the sale or transfer of the license pursuant to this chapter.

F. Notwithstanding §E of this regulation, the sale or transfer of a license in accordance with this chapter shall be conducted in good faith, and the provisions of this chapter may not be used as a mechanism to circumvent the sale or transfer of ownership requirements under Alcoholic Beverages and Cannabis Article, §36-503, Annotated Code of Maryland.

G. Termination of Receivership.

(1) Upon ratified and final disposition of the cannabis license and associated assets:

(a) The receivership terminates; and

(b) The receiver shall be immediately released of any responsibility associated with the receivership, and from liability for any actions or omissions that occur after the termination of the receivership.

(2) Nothing in this regulation shall be construed as limiting the liability of the receiver for any actions or omissions that occurred during the period that the receivership was in effect.

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. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) "Cartoon" means a drawing showing the features of the subject in a simplified or exaggerated way.

(2) "Child resistant" means with respect to packaging of cannabis or cannabis product ready for retail sale, designed or constructed to be significantly difficult for a typical child younger than 5 years old to open and not to be significantly difficult for a typical adult to open, and complies with 16 CFR §1700.15(B)(1).

(3) "Exit packaging" means an opaque bag, pouch or other container that cannabis, cannabis products and/or cannabis seeds and plants are placed after a retail sale and before the purchased items leave the licensed premise.

(4) "Lot" means all of a cannabis finished product that is uniform, that is intended to meet specifications, and that is manufactured, packaged, or labeled together during a specified time period according to a single lot record.

(5) "Marketing layer" means the outermost layer of a retail sale container, which is most predominantly apparent and visible. If the container consists of only a single layer, then the outer surface of the container is the marketing layer.

(6) "Tamper evident" means with respect to a device or process, bearing a seal, a label or a marking that makes unauthorized access to or tampering with a package, product, or container easily detectable.

.02 General Packaging Requirements.

A. All items shall be individually packaged by a licensed grower or processor prior to distribution to any licensed dispensary for retail sale.

B. Packaging Requirements.

(1) All packaging of any cannabis product for retail sale shall be:

(a) Tamper evident;

(b) Child resistant; and

(c) Plain and opaque.

(2) Tamper evident packaging required under this section:

(a) For soft sided packaging:

(i) Shall be sealed at the opening in a way that indicates if the container has been opened or tampered with; and

(ii) Once opened must remain clear that the package has previously been opened; or

(b) For a rigid container:

(i) Shall contain a tamper evident seal; or

(ii) The lid or enclosure shall have an adhesive band or seal that once opened must remain clear that the package has previously been opened.

(3) Any soft sided package shall be four millimeter or greater in thickness.

(4) Any package containing multiple servings shall be resealable.

.03 General Labeling Requirements.

A. All cannabis and cannabis products for retail sale shall be properly labeled in accordance with this regulation.

B. Labels required under this regulation shall:

(1) Be printed directly on, or on a label or sticker affixed directly to, the marketing layer.

(2) Use text no smaller than size 6 font or 1/12 an inch.

(3) Use text clearly written and printed in the English language.

C. Warning Statements.

(1) All products sold for retail shall include the following warning statements in a manner that complies with §B of this regulation:

(a) "The contents may only be lawfully consumed by a consumer 21 years old or older, or a registered medical cannabis patient."

(b) "Consumption of cannabis may impair your ability to drive a car or operate machinery. Please use extreme caution."

(c) "There may be health risks associated with cannabis use, especially if pregnant or breastfeeding." and

(d) "This package contains cannabis. Keep out of reach of children and animals."

(2) Any product intended for topical application shall include a statement identifying that the product is not intended for human consumption, ingestion, or inhalation.

(3) Any product for retail sale shall include the Maryland Poison Center emergency telephone number.

D. Product Information.

(1) All products sold for retail shall include the following product information in a manner that complies with §B of this regulation:

(a) Net weight of the cannabis, or cannabis product;

(b) Finished product lot number;

(c) Name of the licensee that packaged the product;

(d) Name, address, and phone number of the licensee that sold the product to report an adverse event;

(e) An itemization, including weight, of all cannabinoid and terpene ingredients specified for the product, and concentrates of any cannabinoid of less than one percent shall be printed with a leading zero before the decimal point;

(f) If applicable, a list of all major allergens contained in and used to manufacture the cannabis finished product in accordance with the Food Allergen Labeling and Consumer Protection Act of 2004, 21 U.S.C. §343 (2010), specifically milk, eggs, fish, crustacean shellfish, tree nuts, peanuts, wheat and soybeans;

(g) A list of all noncannabis ingredients;

(h) A list of any solvents used to produce the product; and

(i) Dates corresponding to the date that:

(i) The product was harvested, packaged, or produced; and

(ii) The product would be considered expired by, or best used by.

(2) Cannabinoid itemization required under §D(1)(e) of this section may be within a standard variance as identified by the Administration in the Technical Authority.

E. A certificate of analysis completed by an independent testing laboratory in accordance with COMAR 14.17.08 and the Technical Authority shall be made available on the package through a link or QR code.

F. Universal Symbol.

(1) Packages shall display the universal symbol:

(a) On the front or most predominantly displayed area of the package;

(b) In an area no smaller than ½ inch by ½ inch;

(c) In the form provided by the Administration and may not be modified, recreated, stylized, stretched, or otherwise distorted; and

(d) On a background where the symbol is clearly distinguishable and identifiable.

(2) The following symbol shall be the only symbol used on packages under this regulation:

.04 Medical Cannabis Product Packaging and Labeling.

A. Unless otherwise stated, product regulations under Regulations .02—.03 of this chapter apply to medical cannabis products. This regulation applies in addition to the regulations under this chapter.

B. In addition to the packaging and labeling requirements under Regulations .02 —.03 of this chapter, medical cannabis products shall:

(1) Maintain space for a licensed dispensary to attach a personalized label for the qualifying patient; and

(2) Bear a clear warning that it is illegal:

(a) For any person to possess or consume the contents of the package other than the qualifying patient; and

(b) To transfer the package or contents to any person other than a transfer by a caregiver to a qualifying patient.

C. High potency products that are only authorized for sale to qualifying patients under COMAR 14.17.13.03A shall maintain the requirements under §B of this regulation on the product packaging from the licensed grower or processor.

D. Products that are authorized for sale to either qualifying patients or adult use consumers may contain the warnings required under §B(2) of this regulation on a sticker or label that can be attached to the product at the point of sale.

E. All products dispensed to a qualifying patient under COMAR 14.17.12.04A shall attach a personalized label for the qualifying patient, which shall include:

(1) The name of the qualifying patient;

(2) The name of the certifying provider;

(3) The name of the licensee where the product was dispensed;

(4) The date that the medical cannabis was dispensed;

(5) The name of the product;

(6) The strength of applicable cannabinoid and terpene compounds:

(a) Displayed in units appropriate to the dosage form; and

(b) Concentrations of any cannabinoid of less than one percent shall be printed with a leading zero before the decimal point;

(7) The quantity of medical cannabis dispensed, displayed in units appropriate to the dosage form;

(8) Any directions for use of the product; and

(9) The instructions for proper storage or handling of the product.

.05 Edible Cannabis Product Packaging.

A. Unless otherwise stated, product regulations under Regulation .02—.04 of this chapter apply to edible cannabis products and tinctures. This regulation applies in addition to the regulations under this chapter.

B. All edible cannabis product packaging shall include:

(1) Milligrams per single serving of total THC, total CBD, and any other marketed cannabinoid;

(2) Milligrams per package of total THC, total CBD, and any other marketed cannabinoid;

(3) The number of servings per package and, if applicable, the recommended size of a serving;

(4) A nutritional fact panel consistent with the U.S. Food and Drug Administration Standards;

(5) A list of all active and inactive ingredients in descending order of predominance by weight in the cannabis product; and

(6) A warning label that states, "Effects of this product may be delayed by 4 or more hours."

C. Any edible cannabis product containing multiple servings shall:

(1) Be resealable;

(2) Contain no greater than 10 milligrams of THC per serving;

(3) Contain no greater than 100 milligrams of THC per package; and

(4) Clearly indicate the size of a serving.

D. Multiple, individually packaged single serving products may be packaged together by a licensed processor using a marketing layer if the marketing layer:

(1) Contains the necessary labels, warnings, and standards under this chapter; and

(2) Does not combine products the THC content of which exceeds 100 milligrams.

.06 Packaging and Labeling Requirements of Cannabis Seeds and Plants.

A. This regulation applies only to cannabis seeds and plants for home cultivation regulated under COMAR 14.17.13.07.

B. Products sold under this regulation are exempt from Regulation .02—.05 of this chapter.

C. Cannabis Seeds.

(1) Packaging for cannabis seeds for sale to consumers shall:

(a) Keep cannabis seeds dry;

(b) Prevent germination of the seeds in the packaging; and

(c) Not impart any deleterious substances into the cannabis seeds.

D. Labeling Requirements.

(1) All cannabis seeds or plants for home cultivation shall display on the marketing layer:

(a) The name of the licensed facility where the cannabis seeds were derived or propagated;

(b) The name of the licensed dispensary where the product is being sold to an individual for home cultivation;

(c) The net weight of the product, or the number of individual seeds; and

(d) A warning label that states, "For home cultivation only. Must be 21 years old or older or a registered patient for home cultivation."

.07 Prohibited Packaging and Labeling.

A. Any product labeled and sold in accordance with this subtitle may not bear any:

(1) Resemblance to the trademarked, characteristic or product-specialized packaging of any commercially available candy, snack, baked good or beverage;

(2) Statement, artwork or design that could reasonably mislead any person to believe that the package contains anything other than a cannabis finished product;

(3)Seal, flag, crest, coat of arms, or other insignia that could reasonably mislead any person to believe that the product has been endorsed, manufactured, or used by any State, county or municipality or any agency thereof;

(4)Cartoon, neon colors, celebrity, mascot, image, graphic or feature that is designed to or likely to appeal to minors;

(5) Images of food, candy, baked goods, cereal, fruit, beverages, or the words "candy" or "candies";

(6) Depiction of any form of consumption of cannabis or cannabis products;

(7) Depiction of overconsumption or intoxicating effects of cannabis or cannabis products;

(8) Claims regarding health or physical benefits to the consumer; and

(9) False or misleading statements;

B. Labels, marketing layers or any other aspect of the product package are prohibited from obscuring any warnings, statements, or information required under this chapter.

C. Products are prohibited from targeting or being designed to appeal to any individuals younger than 21 years old.

.08 Exemptions.

Notwithstanding Regulations .01—.07 of this chapter, products labeled in accordance with COMAR 10.62.24 may be sold prior to January 1, 2024, if:

A. The product is unexpired; and

B. The product and the product packaging was approved prior to July 1, 2023.

14.17.19 Cannabis Research

Authority: Alcoholic Beverages and Cannabis Article, §§36-202, 36-701, and 36-702, Annotated Code of Maryland

.01 Academic Research.

A. An entity eligible to register with the Administration for the purpose of conducting a bona fide research project relating to the uses, properties, or composition of cannabis includes:

(1) An institution of higher education;

(2) A related medical facility; or

(3) An affiliated biomedical research firm.

B. Academic research institutions and entities shall operate in accordance with the Alcoholic Beverages and Cannabis Article, §36-701, Annotated Code of Maryland.

C. Registration.

(1) An entity qualified under §A of this regulation shall submit an application to the Administration that includes:

(a) The name of the primary researcher;

(b) The expected duration of the research project;

(c) The primary objectives of the research project, scope of work, and potential application(s) of the research findings;

(d) An application fee as specified in COMAR 14.17.21; and if applicable,

(e) A detailed budget.

(2) Registrations under this regulation shall be valid until:

(a) There is a change in the research project;

(b) The institution withdraws the registration; or

(c) 30 days have elapsed from the expected duration of the research project and the Administration has not been notified of any change or extension to the research project.

D. Modifications.

(1) The registered entity shall report any modifications to the scope, researcher, or any other information submitted as part of the application within 30 days to the Administration.

(2) The registered entity may continue to conduct research under this regulation while awaiting Administration approval of any modifications.

.02 Research and Development.

A. The Administration may register an entity to grow, process, test, and transfer cannabis for the purposes of research and development.

B. Research and development under §A of this regulation shall comply the purposes under the Alcoholic Beverages and Cannabis Article, §36-702, Annotated Code of Maryland.

C. Registration.

(1) An entity shall submit an application to the Administration that includes:

(a) The name of the primary researcher or entity;

(b) The address the research will be primarily taking place;

(c) The research purpose; and

(d) An application fee as specified in COMAR 14.17.21.

(2) Registrations under this regulation shall be valid for 2 years and may be renewed for additional 2 year terms in a manner determined by the Administration.

D. Research and development entities under this regulation shall otherwise comply with the Alcoholic Beverages and Cannabis Article, §36-702, Annotated Code of Maryland.

E. Modifications.

(1) The registered entity shall report any modifications to the scope, researcher, or any other information submitted as part of the application within 30 days to the Administration.

(2) The registered entity may continue to conduct research under this regulation while awaiting Administration approval of any modifications.

.03 Inspections and Controls.

A. The Administration may inspect entities registered under this chapter to ensure compliance with:

(1) The Alcoholic Beverages and Cannabis Article, Title 36, Annotated Code of Maryland;

(2) This subtitle and COMAR 10.62;

(3) This chapter;

(4) Any other violation of State, federal, or local:

(a) Law;

(b) Regulation; or

(c) Ordinances.

B. Inspections under this regulation may be announced or unannounced.

C. The Administration may issue identification cards for individuals associated with research entities registered under this chapter.

.04 Reporting Requirements.

A. The registrant shall submit to the Administration:

(1) An annual report on the progress and status of any research project; and

(2) A final report of the findings of the research project to the Administration within 30 days of the completion of the research project.

B. The final report shall include a summary of the research findings and their applications.

C. A published article or document on the research project may serve as the final report.

D. Approval is required by the Administration prior to publication of any findings.

.05 Prohibitions.

A. Entities registered under this regulation may not dispense, sell, sample, or otherwise distribute cannabis or cannabis products to individuals outside of the scope the defined research project.

B. Entities registered under this regulation may not otherwise operate in a manner that gives the appearance of the growing, processing, or dispensing of cannabis or cannabis products by a licensee.

C. Entities registered under this regulation may not perform research activities outside of Maryland.

14.17.20 Prohibited Acts

Authority: Alcoholic Beverages and Cannabis Article, §§36-202, 36-203, and 36-1101, Annotated Code of Maryland

.01 Definitions.

In this section, the term "naturally occurring biologically active chemical constituent" means a chemical compound, component, or other material found naturally in the Cannabis Sativa L. plant and recognized by the Administration.

.02 Prohibitions.

A. A licensee may not:

(1) Sell, transfer, or deliver cannabis to an individual who is visibly intoxicated;

(2) Offer cannabis or cannabis products as a prize, premium or consideration for a lottery, contest, game of chance, game of skill, or competition of any kind;

(3) Conduct direct-to-consumer internet sales of adult-use cannabis or cannabis products on or before July 1, 2025

(4) Violate any part of:

(a) The Alcoholic Beverages and Cannabis Article, Title 36, Annotated Code of Maryland;

(b) This subtitle or COMAR 10.62;

(c) This chapter;

(d) Any other violation of State, federal, or local:

(i) Law;

(ii) Regulation; or

(iii) Ordinances.

B. Persons not registered or licensed under this subtitle or COMAR 10.62 may not:

(1) Operate a business or establishment that could reasonably be interpreted to be a licensee;

(2) Sell or distribute a product intended for human consumption or inhalation that contains more than:

(a) 0.5 milligrams of THC per serving; or

(b) 2.5 milligrams of THC per package.

(3) Exemptions.

(a) Persons are exempt from §B(2) of this regulation if they sell or distribute a hemp-derived tincture that complies with the Alcoholic Beverages and Cannabis Article, §36-1102(d), Annotated Code of Maryland.

(b) Products exempted under this subsection shall be tested by an Independent Testing Lab under COMAR 14.17.08.05A.

C. Sales Restrictions.

(1) Naturally Occurring Biologically Active Chemical Constituents.

(a) A person, registered agent, or licensed business may not sell or distribute a cannabinoid that is not derived from naturally occurring biological active chemical constituents.

(b) A licensed business may submit to the State Reference Laboratory, in a manner determined by the Administration, other compounds to be considered for sale, distribution, and regulation.

(2) Businesses licensed under this subtitle or COMAR 10.62 may not:

(a) Have a license to sell alcoholic beverages under Alcoholic Beverages and Cannabis Article, Title 1 or Title 2, Annotated Code of Maryland; or

(b) Allow another business to sell alcoholic beverages within its licensed premises.

D. Samples.

(1) A licensed business may not provide samples of cannabis or cannabis product unless authorized by this section.

(2) Under this section, samples are only authorized from a licensed business to:

(a) Another licensed business;

(b) An employee, owner, or agent of another licensed business; or

(c) An employee, owner, or agent of the licensed business.

(3) Trade Samples.

(a) Trade samples shall only be provided by a licensed growers and processors and shall be:

(i) Provided solely for the purpose of business-to-business marketing;

(ii) Recorded in the Administration's seed-to-sale system;

(iii) Packaged and labeled in accordance with COMAR 14.17.18;

(iv) Tested in accordance with COMAR 14.17.08; and

(v) Comply with product requirements under COMAR 14.17.13;

(b) Trade samples under this subsection may not be:

(i) Sold to another licensed business, patient, caregiver, or consumer;

(ii) Consumed on any licensed premises; or

(ii) A cannabis plant.

(4) Employee Samples.

(a) Employee samples shall only be provided by a licensed business to an employee of the licensed business and shall be:

(i) Provided solely for the purpose of employee education;

(ii) Recorded in the Administration's seed-to-sale system;

(iii) Packaged and labeled in accordance with COMAR 14.17.18;

(iv) Tested in accordance with COMAR 14.17.08; and

(v) Comply with product requirements under COMAR 14.17.13;

(b) Employee samples under this subsection may not be:

(i) Sold to another licensed business, patient, caregiver, or consumer;

(ii) Consumed on any licensed premises; or

(ii) A cannabis plant.

14.17.21 Fees

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

.01 Scope.

The following fees are established by the Administration.

.02 Fees.

A. Application fees:

(1) For a standard license, on-site consumption license, or incubator space— $5,000;

(2) For a micro license— $1,000.

B. Licensing fees:

(1) For a standard license, on-site consumption license, or incubator space issued under COMAR 14.17.06, the licensing fees for initial licensure or renewal shall be:

(a) Grower license—$50,000

(b) Processor license—$25,000

(c) Dispensary license—$25,000

(d) Incubator space license—$10,000

(e) On-site consumption license—$10,000

(2) For a micro license issued under COMAR 14.17.07:

(a) Grower license—$10,000

(b) Processor license— $10,000

(c) Dispensary license—$10,000

(3) Licensing fees required under this section shall be valid for a 5-year period.

(4) A licensed social equity business shall have the licensing fees in §B(1) and (2) of this regulation reduced by 50 percent by the Administration for each license type held by the social equity businesses.

C. Registration fees:

(1) Cannabis agent fees:

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

(b) Replacement identification card fee—$50.

(2) Independent testing laboratory fees:

(a) Laboratory registration fee—$5,000;

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

(c) Replacement employee identification card fee—$50.

(3) Ancillary business and security guard agency fees:

(a) Annual business registration fee—$1,000;

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

(c) Replacement agent identification card fee—$50.

(4) Research and development fees:

(a) Academic research institution fees:

(i) Registration fee— $500;

(ii) Renew fee for each subsequent or modified research project—$100;

(iii) Academic research representative registration fee—$50; and

(iv) Academic research representative card replacement fee—$50

(b) Research and development entity fees:

(i) Registration fee—$1,000;

(ii) Renew fee for each subsequent or modified research project—$500;

(iii) Research and development representative registration fee—$50; and

(iv) Research and development representative card replacement fee—$50

(5) Responsible vendor training program fees:

(i) Registration fee—$500; and

(ii) Renewal fee—$250.

D. Medical cannabis program fees:

(1) Qualifying patient and caregiver fees:

(a) Identification card base fee—$25; and

(b) Replacement identification card fee—$50.

E. Micro license conversion fees:

(1) A micro licensee who wishes to convert the micro license into a standard license shall pay a pro-rated amount based on:

(a) The number of whole months remaining on the initial micro license; and

(b) The fee amount difference between a standard and micro license of the license type.

(2) The conversion fee in this section shall be calculated by the Administration using:

(a) For growers:

(i) $50,000 for a full 5-year license term; or

(ii) A pro-rated amount for each remaining whole month the initial micro license is valid.

(b) For processors:

(i) $25,000 for a full 5-year license term; or

(ii) A pro-rated amount for each remaining whole month the initial micro license is valid.

(b) For dispensaries:

(i) $25,000 for a full 5-year license term; or

(ii) A pro-rated amount for each remaining whole month the initial micro license is valid.

(3) The conversion fee calculated under this section shall be paid in full within 18 months of the date the conversion is in effect.

F. Permit fees:

(1) Edible cannabis product permit fees:

(a) Application fee—$1,000; and

(b) Annual permit fee—$500.

G. Miscellaneous fees:

(1) Transfer of ownership interest in or control of a grower, processor, dispensary, on-site consumption, or incubator space license with entity transferee—$1,000;

(2) Transfer of ownership interest in a grower, processor, dispensary, on-site consumption, or incubator space license with individual transferee—$500 per person;

(3) Change in the location of a grower, processor, or dispensary premises—$500;

(4) License reinstatement fee—$2,000;

(5) Receivership application fee—$1,000; and

(6) Management agreement fee—$1,000.

H. At its discretion, the Administration may waive or reduce the fees established in this regulation.

14.17.22 Hearing Procedures

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

.01 Scope.

A. This chapter applies to hearings that the Administration is required to conduct by statute or regulation except for those hearings for which specific procedural regulations have been promulgated.

B. These procedures are intended to supplement the procedures required by law. They are not substantive and are not to be construed as creating rights not set out by law. In the event of conflict, statutory provisions take precedence over this chapter.

C. The right to a hearing under this regulation is granted to a licensed business, registrant, agent, owner, or selected applicant that has been subject to an action by the Administration.

.02 Definitions.

A. The following terms have the meanings indicated.

B. Terms Defined.

(1) "Hearing" means a presentation or other preceding as defined by the Administrative Procedure Act, State Government Article, §10-201 et seq., Annotated Code of Maryland.

(2) "Hearing officer" means a designee empowered by statute to render a decision as defined by the Administrative Procedure Act, State Government Article, §10-201 et seq., Annotated Code of Maryland.

(3) "Notice of agency action" means a document issued by the Administration that states the granting of a license registration, plan of correction, remedial action certification, issuance of a fine, and consent order.

(4) "Party" means any person or agency named or admitted as a party to a Hearing, including the Administration.

.03 Notice of Administration Action.

A. The Administration shall provide notice of agency action and a statement of the right to a hearing required by law. The notice shall contain the information required by State Government Article, §§10-207 and 10-208, Annotated Code of Maryland.

B. The Administration acquires jurisdiction over a matter and a case commences when a party files a request for a hearing following the issuance of an agency action.

C. The Administration may delegate authority under State Government Article, §10-205, Annotated Code of Maryland, or as otherwise directed by the Administration.

.04 Request for a Hearing.

A. A party may file a request for a hearing within 30 days of the date of the notice of agency action.

B. If a party does not submit a request for a hearing within the 30-day period, the agency action becomes final and is not subject to appeal.

C. If the party has complied with the terms stated in the notice of agency action, a request for a hearing may not be considered unless the request for a hearing was received by the Administration within 30 days of the agency action.

D. The Administration may delegate a contested case regarding Administration determination to the Office of Administrative Hearings, as permitted and consistent with State Government Article, §10-205, Annotated Code of Maryland.

E. Any hearings delegated by the Administration under §D of this regulation shall be conducted in accordance with this chapter.

.05 Postponement.

A. A hearing officer shall consider a request for postponement only if the requesting party can establish good cause for the postponement.

B. Except as provided in §D of this regulation, a request for postponement shall be made in writing and be received by the Administration no fewer than 5 business days before the scheduled hearing.

C. The hearing officer may require documentation of the reasons for the postponement request from the party.

D. Emergency Request for Postponement.

(1) For purposes of this paragraph, "emergency" means a sudden, unforeseen occurrence requiring immediate attention which arises within 5 business days of the hearing.

(2) In an emergency, a request for postponement may be made by telephone.

(3) The hearing officer may require documentation of the reasons for the emergency postponement request from a party.

.06 Prehearing Conference and Case Resolution.

A. Before a hearing, the hearing officer may:

(1) Hold a prehearing conference; and

(2) Review or request materials relevant to the proceedings.

B. If all parties agree at a prehearing conference, a hearing officer may dispose of an issue by stipulation or settlement stating whether the disposition is with or without prejudice.

C. Case Resolution.

(1) The Administration may initiate a case resolution process with parties after the request of a hearing.

(2) Any cases that are not resolved through case resolution shall proceed with a hearing in accordance with this chapter.

.07 Scheduling a Hearing.

A. After receipt of a timely request for a hearing, the Administration shall schedule a hearing as soon as reasonably practicable.

B. The hearing officer shall notify the person or party:

(1) Of the date, time, and location of hearing;

(2) Of the statutory and regulatory authority of the Administration's action or proposed action;

(3) That the person or entity may present witnesses and documents at the hearing;

(4) That the failure to appear for the scheduled hearing shall be treated as a withdrawal of the request for the hearing; and

(5) If the hearing is by telephone, video, or other electronic means, of instructions on how to appear for the hearing.

(6) Upon request of a person or party, witness, or representative who cannot hear, speak, or understand the spoken or written English language, the Administration shall provide a qualified interpreter during the Administration proceeding in which the party, witness, or representative is participating as required by the Americans with Disabilities Act.

.08 Filing.

Unless otherwise provided by law:

A. An initial pleading is deemed to be filed on the earlier of the date that a request for hearing, along with all required fees, necessary documents, and other information, is postmarked or received by the Administration, if required to be filed with the Administration.

B. Other pleadings are deemed to be filed on the earliest of the date on which they are addressed to the Administration and postmarked.

C. Non-postmarked documents delivered or electronically transmitted to the Administration after 5 p.m. are deemed to be filed on the next day on which the Administration is open for business.

.09 Hearings.

A. Procedures.

(1) The Administration shall record all hearings and provide a copy of that recording upon request.

(2) A party may produce witnesses and documents in support of the party's position.

B. Written Subpoenas.

(1) A party may request that the hearing officer issue subpoenas for witnesses or documents necessary for the hearing.

(2) A party shall make the request in writing, no later than 21 days before the hearing, explaining why the subpoena is necessary.

(3) The hearing officer may:

(a) Question any witnesses;

(b) Allow a party time to provide additional evidence or written arguments and may reconvene the hearing if the hearing officer considers it necessary;

(c) Consult with any employee of the Administration and with the person before making a decision in a case, in accordance with State Government Article, §10-219(A), Annotated Code of Maryland; or

(d) Decline to issue the subpoena.

C. Evidence.

(1) The hearing officer shall consider evidence of the type and in the manner prescribed by State Government Article, §10-213, Annotated Code of Maryland;

(2) Copies of documents may be admitted, although the Administration's hearing officer may require production of originals;

(3) The Administration shall retain documentary or other evidence for at least 60 days after a final order has been issued and all appeal rights have been exhausted or waived. The evidence may then be destroyed unless the owner or person producing it makes a written request for its return.

D. Burden of Proof.

(1) The standard of proof in a hearing shall be a preponderance of evidence.

(2) In the hearing of a contested case involving allegations that the party violated a law or regulation, the presenter of evidence for the Administration shall bear the burden of proving that the party committed the violations that resulted in the Administration's action against a licensed business.

(3) In the hearing of a contested case resulting from the denial, or proposed denial, of a license, registration, or permit, the applicant shall have the burden of establishing the applicant's entitlement to the license, registration, or permit.

E. Hearings Conducted by Electronic Means.

(1) A hearing officer may conduct all or part of a hearing by telephone, video conferencing, or other electronic means, with the consent of all parties.

(2) All substantive and procedural rights applicable to hearings described in this regulation apply to telephone, video, or other electronic hearings, subject only to the limitations of the physical arrangement.

(3) For a telephone, video, or other electronic hearing, a party shall provide documentary evidence to be offered to all parties so that each party and the hearing officer receive it at least 5 days before the scheduled hearing.

(4) For a telephone, video, or other electronic hearing, the following may be considered a failure to appear and result in the assessment or denial of the application for refund becoming final and not subject to appeal:

(a) Failure to answer the telephone for 15 minutes from the time set for the hearing;

(b) Failure to free the telephone for a hearing;

(c) Any other failure without good cause to be ready to proceed with the hearing as scheduled.

.10 Final Determination.

A. The hearing officer shall issue a written final determination on behalf of the Administration.

B. The notice of final determination shall summarize:

(1) Any adjustments to the determination of fines or penalties and the reasons for the Administration's action;

(2) The deadline for payment of a fine or penalty; and

(3) In the case of a suspension or revocation of a license, the reason for the Administration's action;

C. The final determination exhausts all administrative remedies.

.11 Record.

The hearing officer shall create and maintain a record that includes the information set forth in State Government Article, §10-218, Annotated Code of Maryland.

.12 Appeals.

A. A party may appeal the final determination of the Administration to a Maryland circuit court if done so within 30 days of receipt of the final determination.

B. For purposes of an appeal, the venue in the Circuit Court of Anne Arundel County shall be proper as that is where the Administration resides and carries on its regular business in Anne Arundel County.

WILLIAM TILBURG
Director
Maryland Cannabis Administration