Title 10
MARYLAND DEPARTMENT OF HEALTH
Subtitle 62 NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION

COMAR 10.62.01 Definitions

.01 Definitions.

A. (text unchanged)

B. Terms Defined.

(1)—(8) (text unchanged)

(9) “Control” means the authority to direct:

(a) The management of a business through independent and unilateral decisions that guide the business; or

(b) The operation of the technical aspects of the business.

[9] (10)—[21] (22)

(23) “Management agreement” means an agreement between a licensee and a third party under which the third party receives control of the business in exchange for a fee, financial interest, or a percentage of the licensee’s revenue.

[22] (24) — [27] (29) (text unchanged)

(30) “Owner” means a person or entity with an ownership interest.

(31) “Ownership interest” means an equity interest in a licensed grower, processor, or dispensary, including in its shares or stock.

[28] (32) (text unchanged)

(33) “Principal officer” means a board member, president, vice president, secretary, treasurer, partner, officer, managing member, or any other person with a profit sharing, financial interest, or revenue sharing arrangement, including a person with the authority to control a licensed medical cannabis grower, processor, or dispensary.

[29] (34) — [40] (45) (text unchanged)
COMAR 10.62.08 Medical Cannabis Grower License

.02 Application for a Medical Cannabis Grower License.

A – E. (text unchanged)

F. A [party applying for a license shall] person may not have an ownership interest in or control of, including the power to manage or operate, [only] more than one grower license [application].

G. (text unchanged)


A. No ownership interest [of 5 percent or more of a license issued pursuant to this chapter] shall be assignable or transferable unless:

(1) The Commission has received 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;

(2) The Commission approves the transfer or assignment;

(3) The transferee has paid the required fee specified in COMAR 10.62.35; and

(4) If the ownership interest is 5 percent or more, [The] the transferee has [had forwarded] provided the criminal history record information and an audited financial statement to the Commission of the transferee;

(3) The Commission does not object to the transfer or assignment within 45 days of its receipt of notice; and

(4) The transferee has paid the required fee specified in COMAR 10.62.35].

B. If the licensee is a business entity with publicly traded stock, §A of this regulation only applies to a proposed transfer of an ownership interest of 5 percent or more.

C. A transfer or assignment of ownership interest shall be approved if:

(1) The Commission 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 Commission;

(2) The proposed transfer does not violate Health-General Article, §§13-3301—13-3316, Annotated Code of Maryland;

(3) The transferee has paid the required fee specified in COMAR 10.62.35; and
(4) If the ownership interest is 5 percent or more:

(a) The criminal history record information does not violate COMAR 10.62.09.03; and

(b) The payment of taxes due in any jurisdiction is not in arrears.

[B.] D. The Commission may deny transfer of an interest [in a license] if, for any proposed transferee:

(1) Criminal history record information or the background investigation demonstrate an absence of good moral character; [or]

(2) Payment of taxes due in any jurisdiction is in arrears[.]; or

(3) For other good cause.

E. A person or entity may not have an ownership interest in or control of, including the power to manage or operate, more than one licensed grower.

.12 Disclosure of Ownership and Control.

A. Each licensee shall submit a table of organization, ownership, and control with the Commission:

(1) On or before July 1 of each year;

(2) Within 10 business days of any change in ownership interest or control; and

(3) Upon request by the Commission.

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, 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 Commission 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 must disclose to the Commission:

(1) The relationship between the licensee and the parent or affiliate;

(2) Each owner, board member, officer, and any other individual with control or management authority over those entities owning or controlling the license.

.13 Management Agreements.

A. Prior to any management agreement taking effect, a licensee shall submit to the Commission:

(1) A copy of the management agreement;

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

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

(4) Any other information relevant to the management agreement requested by the Commission.

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

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

(2) Has received the required fee specified in COMAR 10.62.35; and

(3) The Commission approves the management agreement.

C. The Commission may deny a management agreement if the:

(1) Management agreement constitutes an invalid transfer of an interest in a license, as specified in regulation .08 of this chapter;

(2) Criminal history record information or the background investigation reveal 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; or

(3) For other good cause.

D. In the case of material change to a management agreement, including a change of ownership or control of the management company, the licensee shall:

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

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

E. If a management agreement transfers control and an ownership interest, the transferee shall only pay the required fee specified in COMAR 10.62.35 once.

COMAR 10.62.19 Medical Cannabis Processor License

.02 Application.

A – C. (text unchanged)

D. Any party applying for a license shall have an ownership interest in or control of, including the power to manage or operate, only one processor license.

E. – F. (text unchanged)


A. No ownership interest [of 5 percent or more of a license issued pursuant to this chapter] shall be assignable or transferable unless:

(1) The Commission has received 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;

(2) The Commission approves the transfer or assignment;

(3) The transferee has paid the required fee specified in COMAR 10.62.35; and

(4) If the ownership interest is 5 percent or more, [The] the transferee has [had forwarded] provided the criminal history record information and an audited financial statement to the Commission of the transferee;

(3) The Commission does not object to the transfer or assignment within 45 days of its receipt of notice; and
(4) The transferee has paid the required fee specified in COMAR 10.62.35.

B. If the licensee is a business entity with publicly traded stock, §A of this regulation only applies to a proposed transfer of an ownership interest of 5 percent or more.

C. A transfer or assignment of ownership interest shall be approved if:

(1) The Commission 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 Commission;

(2) The proposed transfer does not violate Health-General Article, §§13-3301—13-3316, Annotated Code of Maryland;

(3) The transferee has paid the required fee specified in COMAR 10.62.35; and

(4) If the ownership interest is 5 percent or more:

(a) The criminal history record information does not violate COMAR 10.62.20.03; and

(b) The payment of taxes due in any jurisdiction is not in arrears.

[B.] D. The Commission may deny transfer of an interest [in a license] if, for any proposed transferee:

(1) The criminal history record information or the background investigation demonstrate an absence of good moral character; [or]

(2) The payment of taxes due in any jurisdiction is in arrears[.]; or

(3) For other good cause.

E. A person or entity may not have an ownership interest in or control of, including the power to manage or operate, more than one licensed processor.

.10 Disclosure of Ownership and Control.

A. Each licensee shall submit a table of organization, ownership, and control with the Commission:

(1) On or before July 1 of each year;

(2) Within 10 business days of any change in ownership interest or control; and

(3) Upon request by the Commission.
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, 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 Commission 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 must disclose to the Commission:

(3) The relationship between the licensee and the parent or affiliate;

(4) Each owner, board member, officer, and any other individual with control or management authority over those entities owning or controlling the license.

.11 Management Agreements.

A. Prior to any management agreement taking effect, a licensee shall submit to the Commission:

(1) A copy of the management agreement;

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

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

(4) Any other information relevant to the management agreement requested by the Commission.

B. A management agreement may not take effect unless the Commission:
(1) Has received proper notice of the management agreement, as specified in §A of this regulation;

(2) Has received the required fee specified in COMAR 10.62.35; and

(3) The Commission approves the management agreement.

C. The Commission may deny a management agreement if the:

(1) Management agreement constitutes an invalid transfer of an interest in a license as specified in regulation .07 of this chapter; or

(2) Criminal history record information or the background investigation reveal the third-party vendor 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; or

(3) For other good cause.

D. In the case of material change to a management agreement, including a change of ownership or control of the management company, the licensee shall:

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

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

E. If a management agreement transfers control and an ownership interest, the transferee shall only pay the required fee specified in COMAR 10.62.35 once.

COMAR 10.62.25 Medical Cannabis Dispensary License

.02 Application.

A – D. (text unchanged)

E. Any party applying for a license shall have an ownership interest in [only one license] or control of, including the power to manage or operate, not more than four dispensaries.


A. No ownership interest [of 5 percent or more of a license issued pursuant to this chapter] shall be assignable or transferable unless:

(1) The Commission has received 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;
(2) The Commission approves the transfer or assignment;

(3) The transferee has paid the required fee specified in COMAR 10.62.35; and

(4) If the ownership interest is 5 percent or more, [The] the transferee has [had forwarded] provided the criminal history record information and an audited financial statement to the Commission of the transferee;

(3) The Commission does not object to the transfer or assignment within 45 days of its receipt of notice; and

(4) The transferee has paid the required fee specified in COMAR 10.62.35].

B. If the licensee is a business entity with publicly traded stock, §A of this regulation only applies to a proposed transfer of an ownership interest of 5 percent or more.

C. A transfer or assignment of ownership interest shall be approved if:

(1) The Commission 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 Commission;

(2) The proposed transfer does not violate Health-General Article, §§13-3301—13-3316, Annotated Code of Maryland;

(3) The transferee has paid the required fee specified in COMAR 10.62.35; and

(4) If the ownership interest is 5 percent or more:

(a) The criminal history record information does not violate COMAR 10.62.26.03; and

(b) The payment of taxes due in any jurisdiction is not in arrears.

[B.] D. The Commission may deny transfer of an interest [in a license] if, for any proposed transferee:

(1) Criminal history record information or the background investigation demonstrate an absence of good moral character; [or]

(2) Payment of taxes due in any jurisdiction is in arrears[.]; or

(3) For other good cause.

E. A person or entity may not have an ownership interest in or control of, including the power to manage or operate, more than four licensed dispensaries.
11 Disclosure of Ownership and Control.

A. Each licensee shall submit a table of organization, ownership, and control with the Commission:

   (1) On or before July 1 of each year;

   (2) Within 10 business days of any change in ownership interest or control; and

   (3) Upon request by the Commission.

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, 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:

   (3) 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 Commission filings; and

   (4) 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 must disclose to the Commission:

   (5) The relationship between the licensee and the parent or affiliate;

   (6) Each owner, board member, officer, and any other individual with control or management authority over those entities owning or controlling the license.

12 Management Agreements.

A. Prior to any management agreement taking effect, a licensee shall submit to the Commission:

   (1) A copy of the management agreement;
(2) Information detailing any compensation paid in exchange for the management services;

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

(4) Any other information relevant to the management agreement requested by the Commission.

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

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

(2) Has received the required fee specified in COMAR 10.62.35; and

(3) The Commission approves the management agreement.

C. The Commission may deny a management agreement if the:

(1) Management agreement constitutes an invalid transfer of an interest in a license as specified in regulation .08 of this chapter; or

(2) Criminal history record information or the background investigation reveal 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; or

(3) For other good cause.

D. In the case of material change to a management agreement, including a change of ownership or control of the management company, the licensee shall:

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

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

E. If a management agreement transfers control and an ownership interest, the transferee shall only pay the required fee specified in COMAR 10.62.35 once.

10.62.35 Fee Schedule

.01 Fees.

A. The following fees are established by the Commission:
(1)—(9) (text unchanged)

(10) Miscellaneous fees:

(a) Transfer of ownership interest in or control of a grower [license], processor or dispensary license with entity transferee — $7,000;

(b) Transfer of ownership interest in a grower, processor, or dispensary license with individual transferee — $500 per person;

[(b)] (c) Change in the location of grower, processor or dispensary premises — $7,000; and

[(c)] (d) License reinstatement fee — $2,000.