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MARYLAND ALCOHOL, TOBACCO, AND CANNABIS COMMISSION

INFORMATION AND TRAINING ADVISORY 24-002

***** Effective July 1, 2023, only Maryland Cannabis Administration cannabis license holders may sell or distribute intoxicating cannabis products, to include intoxicating hemp derived products. Sales or distribution of intoxicating cannabis products, to include intoxicating hemp derived products by businesses that are not Maryland Cannabis Administration cannabis license holders are strictly prohibited by law*****

On May 3, 2023, Governor Wes Moore signed into law the Cannabis Reform Act (Chapter 254/255 of 2023), which established the adult-use recreational cannabis market. The Cannabis Reform Act (“CRA”) created the Maryland Cannabis Administration (“MCA”) as the independent agency that oversees all licensing, registration, inspection, and testing measures pertaining to Maryland’s medical and adult-use cannabis industry.¹

While the MCA is tasked with overseeing the *licensed* cannabis market, the Alcohol, Tobacco, and Cannabis Commission (“ATCC”) – formerly, the Alcohol and Tobacco Commission – is tasked with enforcing state laws pertaining to the *unlicensed cannabis market*. Specifically, the law tasks agents within the Field Enforcement Division (“FED”) of the ATCC, to enforce the Alcoholic Beverages and Cannabis Article’s (“ABCA”) provisions concerning the unlawful importation, manufacture, transportation, distribution, and sale of unlicensed cannabis products.

Under law, the MCA has the sole authority to issue licenses to cannabis businesses within the State of Maryland. Only an MCA cannabis license holder may sell or distribute cannabis products intended for human consumption or inhalation that contains more *than 0.5 milligrams of total tetrahydrocannabinol (“THC”) content per serving or 2.5 milligrams of THC per package* and the product complies with all manufacturing, laboratory testing, and packaging and labeling standards.

¹ <https://mmcc.maryland.gov/Pages/aboutus.aspx>



This means that businesses that *are not cannabis license holders may not sell intoxicating cannabis products, to include intoxicating hemp-derived products.* This includes edibles, beverages, or other cannabis products intended for human consumption or inhalation that contain *any type of THC above the statutory restrictions.*

- This includes:
 - Delta-8-THC, Delta-9-THC, and Delta-10-THC, regardless of how derived;
 - Any other cannabinoid, except cannabidiol that the MCA determines to cause intoxication; and
 - Any other chemically similar compound, substance, derivative, or isomer of THC, as identified by the MCA.
- Additionally, products that contain non-naturally occurring cannabinoids may not be sold in Maryland, regardless of licensure.

Accordingly, the ATCC directs all businesses that are not MCA cannabis license holders but sell intoxicating cannabis products - to include hemp derived products – to REMOVE from their shelves products with a total THC concentration greater than 0.5 mg per serving, or 2.5 mg of THC per package, as well as any products that contain non-naturally occurring cannabinoids, such as tetrahydrocannabinol acetate (THC-O, ATHC, THC-X, Delta 8-O).

- Retailers may still sell:
 - Hemp products not intended for human consumption or inhalation, such as lotions, balms, salves, or pet CBD products.
 - Products intended for human consumption with only trace amounts of THC in a finished product, such as CBD-dominant gummies or edibles that do not have more than 0.5 milligrams (mg) of THC per serving or 2.5 mg of THC per package.
 - Hemp-derived tincture may be sold without a license if the product contains a CBD:THC ratio that is at least 15:1 or greater, e.g. a product with 2 mg of THC must have over 30 mg of CBD; is dispensed in a container that is smaller than 4 ounces, with a dropper lid; is only dissolved in one of three solvents (alcohol, glycerin, or vegetable oil); and contains no more than 100 milligrams of THC per package.
 - Note: These products must comply with MCA testing and labeling standards.

To enforce the provisions of the CRA, the ATCC will conduct proactive compliance inspections of businesses to identify unlicensed cannabis operators by inspecting products, displayed for sale



to customers, during business hours. If intoxicating cannabis products, to include intoxicating hemp products, are observed, FED agents will conduct further investigation to determine if the business selling or distributing such products is licensed by the MCA. Upon confirmation that the business is not licensed to sell intoxicating cannabis products, to include intoxicating hemp derived products, FED agents will take the necessary steps to enforce the law against businesses and individuals that sell or distribute such products in violation of the ABCA.

Businesses that are not MCA cannabis license holders but sell intoxicating cannabis products, to include hemp derived products, after July 1, 2023, subject themselves to potential criminal charges and fines pursuant to ABCA § 36-1102:

- A person who sells a product with a THC concentration higher than 0.5 mg per serving or 2.5 mg per package is guilty of a misdemeanor and will be subject to a fine of up to \$5,000.
- A person who sells any product that contains non-naturally occurring cannabinoids is guilty of a misdemeanor and will be subject to a fine of up to \$10,000.

Be advised that there is no exception to the law which would authorize a “sell-down” period to consumers. During this time period, the ATCC will conduct educational outreach to inform stakeholders around the State as to the prohibition against unlicensed businesses selling or distributing intoxicating cannabis products, to include intoxicating hemp derived products.

These intoxicating cannabis products, including intoxicating hemp derived products, must be removed or destroyed and may not be sold. Please see Attachment A, enclosed with this Advisory, which provides examples of the types of products that are no longer permitted to be sold without an MCA issued cannabis license. Businesses that are not MCA cannabis license holders, but currently sell intoxicating cannabis products, to include hemp derived products, should review their inventory to identify these products for removal.

More information about MCA, including the process to obtain a license and the product testing procedures may be found at <https://mmcc.maryland.gov/Pages/aboutus.aspx>.

Please contact the ATCC via phone at **443-300-6990** or email our Legal and Legislative Division, at dllld-unlicensedcannabis_atcc@maryland.gov if you have any questions about this Advisory or the enforcement process.

If you have any information about businesses continuing to display and sell prohibited products, it should be directed to our Field Enforcement Division at dlfed-unlicensedcannabis_atcc@maryland.gov .



Maryland Alcohol, Tobacco, and Cannabis Commission Contacts

Please note this is new contact information effective July 1, 2023

- General Information: 443-300-6990
 - Alcohol & Tobacco Licensing: 410-260-7314 or dllicensing_atcc@maryland.gov All licensing and renewal inquiries, application status checks
- Credit Control Reporting Inquires: dlcredit_atcc@maryland.gov
 - Wine & Distilled Spirits Credit Control Reporting System for MD Wholesalers/Retailers
- Beer Franchise Submissions or Inquiries: dlbeerfranchise_atcc@maryland.gov
 - New beer registration, additional sizes, label changes, inquiries
- Alcohol Transportation Permit Inquiries: dltransportationpermits_atcc@maryland.gov
 - MD Public Transportation Permits for transporting Alcohol in MD – Inquiries, application status checks
- Trade Practices: dltradepractices_atcc@maryland.gov
 - Inquiries regarding all Alcoholic Beverage Trade Practices.
- Planned Promotion Submissions or Inquiries: dlplannedpromotions_atcc@maryland.gov
 - Wholesaler Promotional Activities Form submission, Sweepstakes and Contests approvals, Wholesaler monthly tastings submissions, Coupons, Package approvals, inquiries, Intent to Participate form 386.
- Tips on Alcohol and Tobacco violations: dltips_atcc@maryland.gov
 - Report any suspicious activity concerning MD Alcohol & Tobacco
- PACT Act Compliance Submissions: dlpactactcompliance_atcc@maryland.gov
 - Submission of PACT Act Registration Forms, inquiries
- Maryland Cannabis Administration: information.mmcc@maryland.gov
 - Contacts: <https://mmcc.maryland.gov/Pages/contact-us3.aspx>
- Legal & Legislative Division: dllld-unlicensedcannabis_atcc@maryland.gov
 - Questions about the cannabis enforcement process.
- Field Enforcement Division: dlfed-unlicensedcannabis_atcc@maryland.gov
 - If you have information about businesses continuing to display and sell prohibited products.

If you would like to receive future ATCC Information & Training advisories by email, please send your request to dlInfo_ATCC@maryland.gov

Attention:

WE HAVE MOVED



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Baltimore, MD 21230

