



MMCC
MARYLAND
MEDICAL
CANNABIS
COMMISSION

**Transfer or Sale of a Medical Cannabis License –
“Physically and Actively Engaged”**

Health-General Article, 13-3311.1, Annotated Code of Maryland, which governs the sale or transfer of a medical cannabis license, requires that:

(a)(1) The holder of a medical cannabis grower, processor, or dispensary license may sell or transfer ownership of the license if the licensee was *physically and actively engaged* in the cultivation, processing, or dispensing of medical cannabis for at least 3 years immediately preceding the sale or transfer of the ownership of the license.

Medical cannabis businesses have requested guidance on the application of the “physically and actively engaged” requirement. The Commission has consistently applied “physically and actively engaged” to mean initiating operations as an active user in the State’s seed-to-sale software, METRC. To date, the Commission has not considered whether a licensee must be operating continuously during the 3-year period immediately before the transfer or sale.

Staff recommend that Commissioners apply “physically and actively engaged” in a manner that measures the 3-year period beginning from the date the licensee becomes active in METRC, and that any pause in the period of operation of the licensee’s business have no effect on the calculation of the 3-year period. Requiring operations to be continuous for the 3-year period immediately before transfer or sale would place a significant administrative burden on the Commission to review the activity of each licensee prior to considering any proposed transfer of ownership, as well as a significant burden on businesses who commonly have temporary closures in the normal course of operations for the purposes of construction, inventory, sanitation, or illness. Furthermore, requiring the licensee’s operations to be continuous for the 3-year period may also impede patient access to medical cannabis, and place barriers on the sale or transfer of ownership to small businesses.

The above resolution was adopted with unanimous Commission approval at the April 22, 2021 meeting of the Maryland Medical Cannabis Commission.

Brian Lopez, Chair