**#### ALASKA ####**

1. Types of Licenses Available Retail License:

● Permits the sale of marijuana to consumers at a designated retail location. Citation: A.R.S. § 36-2850(18)​. Cultivation License: Allows for the cultivation of marijuana, including the sale of marijuana to other licensed businesses. Citation: A.R.S. § 36-2850(11)​​. Manufacturing/Processing License: Authorizes the processing of marijuana into other products like edibles, concentrates, and topicals. Citation: A.R.S. § 36-2850(20)​​. Testing License: Requires laboratories to conduct safety and potency tests on marijuana products. Citation: A.R.S. § 36-2850(19)​​. Transportation License: Permits the distribution and transportation of marijuana between licensed establishments. Citation: A.R.S. § 36-2850(23)​. Microbusiness License: Smaller-scale business operations that may include cultivation, manufacturing, and retail within limited production thresholds. Citation: A.R.S. § 36-2850(27)​​. Social Equity-specific Licenses: Reserved for applicants from communities disproportionately affected by previous marijuana laws. Citation: A.R.S. § 36-2854(A)(1)(f)​​.

2. Permitted Activities by License Type Retail License:

● Delivery services are currently not permitted until January 2025, when the state is required to implement rules for regulated delivery. Citation: A.R.S. § 36-2854(D)(9)​. On-site consumption is not allowed for retail establishments. Citation: A.R.S. § 36-2850(24)​​. Cultivation License: Includes the right to process marijuana (trimming, curing, etc.). Citation: A.R.S. § 36-2850(11)​​. Manufacturing/Processing License: Permits the production of marijuana products using multiple extraction methods such as solvent-based or solventless processes. Citation: R9-18-401 through R9-18-403; A.R.S. § 36-2854(A)(1)(4)​​​. Testing License: Marijuana testing facilities are required to be independent, with strict rules against financial or familial relationships with marijuana establishments. Citation: A.R.S. § 36-2854(A)(10)​​. Microbusiness License: Allows limited cultivation, production, and sale, typically for small-scale businesses. Citation: A.R.S. § 36-2850(27)​​.

### **3. Licensing Process**

● **Application Requirements**:

○ All applicants must undergo background checks.

■ **Citation**: A.R.S. § 36-2854(A)(1)​​.

○ Disclosure of ownership is required, but publicly traded corporations are exempt from revealing individuals owning less than 10%.

■ **Citation**: A.R.S. § 36-2854(A)(1)(a)​​.

○ Early applications for licenses were allowed from January to March 2021 for certain qualified applicants, and subsequent licenses are allocated via random selection.

■ **Citation**: A.R.S. § 36-2854(A)(1)(d)​​.

○ Applications for a marijuana facility agent license cost $300, while a marijuana establishment license application costs $25,000.

■ **Citation**: R9-18-102(A)​​.

● **Social Equity Program**:

○ Arizona reserves 26 additional licenses specifically for the Social Equity Ownership Program, targeting individuals from communities disproportionately impacted by past marijuana enforcement.

■ **Citation**: A.R.S. § 36-2854(A)(1)(f)​​.

### **4. License Caps and Availability**

● **Statewide License Caps**:

○ The number of marijuana establishment licenses is capped at one per every ten pharmacies, but additional licenses can be allocated in counties with no existing dispensaries.

■ **Citation**: A.R.S. § 36-2854(A)(1)(b), § 36-2854(A)(1)(c)​​.

○ Twenty-six marijuana establishment licenses are reserved for social equity applicants.

■ **Citation**: A.R.S. § 36-2854(A)(1)(f)​​.

● **Local Caps or Zoning Restrictions**:

○ Local municipalities can impose additional zoning restrictions on where marijuana businesses can operate, often regulating proximity to schools and public parks.

■ **Citation**: A.R.S. § 36-2854(A)(4)​​.

### **5. License Renewal and Compliance**

● **License Validity**:

○ Licenses are issued for a two-year period and must be renewed.

■ **Citation**: A.R.S. § 36-2854(A)(1)(g)​​.

● **Compliance Requirements**:

○ Marijuana establishments must comply with extensive security, tracking, and reporting protocols, including maintaining a system to track marijuana products at all stages from cultivation to sale.

■ **Citation**: A.R.S. § 36-2854(A)(4)​​.

● **Penalties for Non-Compliance**:

○ Non-compliance can result in fines up to $2,000 per violation, and repeated or serious violations can lead to license suspension or revocation.

■ **Citation**: A.R.S. § 36-2854(B)(2)​​.

### **Business Operations**

#### **1. Permitted Activities by License Type**

● **Retail License**:

○ Delivery services are currently prohibited until January 2025 when the state is required to implement rules for regulated delivery.

○ **Citation**: A.R.S. § 36-2854(D)(9).

○ On-site consumption is not allowed for retail establishments.

○ **Citation**: A.R.S. § 36-2850(24).

● **Cultivation License**:

○ Cultivation license holders can sell marijuana only to other licensed entities, not directly to consumers.

○ **Citation**: A.R.S. § 36-2850(11).

● **Manufacturing/Processing License**:

○ Manufacturing licensees are permitted to process marijuana into different products, including concentrates, tinctures, edibles, and topicals.

○ **Citation**: A.R.S. § 36-2850(20); R9-18-401.

● **Microbusiness License**:

○ Microbusinesses may engage in limited cultivation, production, and retail sales within specific thresholds.

○ **Citation**: A.R.S. § 36-2850(27).

● **Vertical Integration**:

○ Dual-license holders (retail and cultivation) are allowed to operate both a marijuana establishment and a nonprofit medical marijuana dispensary at the same location.

○ **Citation**: A.R.S. § 36-2854(G)(2).

#### **2. Operational Limitations**

● **Transaction Limits**:

○ Licensed marijuana establishments must adhere to daily sales limits, with no more than one ounce of marijuana, including up to five grams of concentrate, per consumer per day.

○ **Citation**: A.R.S. § 36-2853(A); R9-18-310.

● **Business Hours and Security Requirements**:

○ Establishments are required to maintain robust security measures, including surveillance cameras and restricted access to areas where marijuana is stored or processed.

○ **Citation**: A.R.S. § 36-2854(A)(3); R9-18-312.

#### **3. Ownership and Management**

● **Out-of-State Ownership**:

○ Owners must meet Arizona residency requirements for marijuana business management, and out-of-state ownership is limited.

○ **Citation**: A.R.S. § 36-2854(A)(1)(h).

● **Public Companies**:

○ Publicly traded companies are permitted to hold marijuana licenses, but they are not required to disclose shareholders with less than 10% interest.

○ **Citation**: A.R.S. § 36-2854(A)(1)(a).

● **License Caps**:

○ Arizona has caps on the number of licenses a single entity can hold, and these caps may vary based on the license type and region.

○ **Citation**: A.R.S. § 36-2854(A)(1)(b)(c); R9-18-301.

#### **4. Recordkeeping and Reporting**

● **Retention Period**:

○ Licensed marijuana establishments are required to maintain accurate records of transactions, inventory, and employee data for at least five years.

○ **Citation**: R9-18-315; A.R.S. § 36-2854(A)(4).

● **Tracking Systems**:

○ A state-mandated seed-to-sale tracking system must be in place to track marijuana products from cultivation to sale.

○ **Citation**: A.R.S. § 36-2854(A)(4)(a-f).

● **Penalties for Failure to Maintain Records**:

○ Failure to maintain accurate records can result in fines or license suspension.

○ **Citation**: A.R.S. § 36-2854(B)(2).

#### **5. Zoning and Location Restrictions**

● **Zoning Requirements**:

○ Marijuana establishments must be located in areas zoned for commercial or industrial use, with restrictions on proximity to schools and other sensitive areas.

○ **Citation**: A.R.S. § 36-2854(A)(4); R9-18-304.

### **Product Regulations**

#### **1. THC Potency Limits**

● **Maximum THC Content for Edibles**:

○ The maximum allowable THC content for edible marijuana products is 10 mg per serving and 100 mg per package.

○ **Citation**: A.R.S. § 36-2854(A)(7)(a)​​.

● **Different Potency Limits for Medical vs. Adult-Use**:

○ Medical marijuana and adult-use marijuana products are subject to the same potency limits for edibles and other product types.

○ **Citation**: A.R.S. § 36-2854(A)(7)​​.

● **Potency Limits for Other Products (Concentrates, Tinctures, etc.)**:

○ There are no specific potency limits outlined for non-edible products like concentrates or tinctures in the adult-use market.

○ **Citation**: A.R.S. § 36-2854(A)(7)(a)​​.

#### **2. Non-THC Cannabinoid Restrictions**

● **Restrictions on Non-THC Cannabinoids (e.g., CBD, CBG)**:

○ Arizona law does not specifically regulate non-THC cannabinoids such as CBD or CBG in marijuana products, provided they are derived from legally cultivated marijuana.

○ **Citation**: A.R.S. § 36-2850​​.

● **Hemp-Derived CBD Products**:

○ Hemp-derived CBD products, which contain less than 0.3% THC, are not regulated under Arizona’s marijuana laws but are regulated separately under hemp legislation.

○ **Citation**: A.R.S. § 3-311​.

#### **3. Prohibited Products and Ingredients**

● **Banned Product Types**:

○ Certain cannabis product types, including cannabis-infused alcohol and nicotine-infused cannabis products, are explicitly prohibited.

○ **Citation**: A.R.S. § 36-2850​​.

● **Restrictions on Synthetic Cannabinoids**:

○ Arizona restricts the sale and production of synthetic cannabinoids, such as delta-8 THC.

○ **Citation**: A.R.S. § 36-2850(29)​​.

#### **4. Packaging Requirements**

● **Child-Resistant and Tamper-Evident Packaging**:

○ Marijuana products must be sold in child-resistant packaging, and tamper-evident packaging is required for all marijuana products sold to consumers.

○ **Citation**: A.R.S. § 36-2854(A)(5)(b); R9-18-310​​.

● **Environmental Packaging Requirements**:

○ There are currently no specific requirements mandating environmentally friendly packaging, but general safety and child protection requirements apply.

○ **Citation**: A.R.S. § 36-2854(A)(5)​​.

#### **5. Labeling Requirements**

● **THC and CBD Content**:

○ The packaging of marijuana products must clearly display THC and CBD content per serving and per package.

○ **Citation**: A.R.S. § 36-2854(A)(5)(a)​​.

● **Health Warnings**:

○ All marijuana products must include warnings about potential risks to pregnant women and breastfeeding infants, as well as the dangers of impaired driving.

○ **Citation**: A.R.S. § 36-2854(A)(11)​​.

● **Expiration Date**:

○ Marijuana products must be labeled with an expiration date and storage instructions to ensure consumer safety.

○ **Citation**: R9-18-310​​.

### **Cultivation and Processing**

#### **1. Plant and Canopy Limits**

● **Plant Limits**:

○ Licensed cultivators are subject to plant count restrictions, with the maximum number of plants per cultivation facility determined by license type. However, the law does not specify an exact number for all licensees.

○ **Citation**: A.R.S. § 36-2850(11); R9-18-306​​.

● **Canopy Size Restrictions**:

○ Canopy size limits are imposed depending on the tiered license structure, with specific limits for indoor versus outdoor cultivation. However, specific square footage limits are not clearly outlined in the general statute.

○ **Citation**: R9-18-301​​.

● **Different Limits for Indoor vs. Outdoor Cultivation**:

○ Arizona law allows both indoor and outdoor cultivation, with varying regulations. Specific regulations for outdoor cultivation include additional security measures.

○ **Citation**: R9-18-312; A.R.S. § 36-2854(A)(3)​​.

#### **2. Cultivation Practices and Environmental Standards**

● **Permitted Cultivation Methods**:

○ Licensed marijuana cultivators may utilize indoor, outdoor, greenhouse, or mixed-light cultivation methods.

○ **Citation**: A.R.S. § 36-2850(11); R9-18-301​​.

● **Environmental Sustainability Requirements**:

○ Arizona law mandates that cultivators comply with general environmental standards but does not impose specific mandates for energy or water usage, beyond state and local sustainability rules.

○ **Citation**: A.R.S. § 36-2854(A)(4)​​.

● **Pesticide Use and Waste Disposal**:

○ Pesticides used in marijuana cultivation must meet federal safety guidelines, and waste disposal must follow Arizona’s strict hazardous material disposal rules.

○ **Citation**: R9-18-315​​.

#### **3. Processing and Extraction Methods**

● **Permitted Processing Activities**:

○ Cultivation licensees are allowed to trim, cure, and package marijuana for sale. Additionally, they can produce concentrates and other marijuana products using approved methods.

○ **Citation**: A.R.S. § 36-2850(11)​​.

● **Allowed Extraction Methods**:

○ Both solvent-based (e.g., butane, ethanol) and solventless extraction methods (e.g., CO2) are allowed, provided safety standards are met, including requirements for explosion-proof facilities and adequate ventilation.

○ **Citation**: R9-18-401 through R9-18-403​​.

● **Safety Requirements for Extraction Methods**:

○ Extraction facilities must adhere to strict safety protocols, including explosion-proof equipment and facilities for solvent-based extraction processes.

○ **Citation**: R9-18-312​​.

#### **4. Security Measures for Cultivation**

● **Mandatory Security Protocols**:

○ Licensed cultivation facilities must implement a comprehensive security system, including surveillance cameras, fencing, and restricted access areas for employees.

○ **Citation**: A.R.S. § 36-2854(A)(3); R9-18-312​​.

● **Specific Security for Outdoor Cultivation**:

○ Outdoor cultivation sites are required to have additional security measures, such as high fences, surveillance, and motion detection systems.

○ **Citation**: R9-18-312​​.

### **Testing Requirements**

#### **1. Mandatory Testing Requirements**

● **Types of Products Subject to Testing**:

○ All marijuana products, including flower, concentrates, edibles, and topicals, must undergo mandatory testing before being sold to consumers.

○ **Citation**: A.R.S. § 36-2854(A)(5)(a); R9-18-401​​.

● **Testing Standards for Medical and Adult-Use Products**:

○ Medical marijuana and adult-use marijuana products are held to the same testing standards, which include testing for potency, contaminants, and harmful residues.

○ **Citation**: A.R.S. § 36-2854(A)(5)(a); R9-18-311​​.

● **Stages of Testing**:

○ Testing is required at several stages of production, including pre-harvest, post-harvest, and final product testing before reaching the retail market.

○ **Citation**: R9-18-310; R9-18-311​​.

● **Testing Responsibility**:

○ Cultivators and manufacturers are responsible for submitting marijuana products for testing. Retailers must verify that products have passed the required testing before selling them to consumers.

○ **Citation**: R9-18-310; A.R.S. § 36-2854(A)(4)​​.

#### **2. Potency and Cannabinoid Testing**

● **Cannabinoid Potency Testing**:

○ Products must be tested for THC, CBD, and other cannabinoids to ensure consistency and compliance with potency limits.

○ **Citation**: A.R.S. § 36-2854(A)(7)(a); R9-18-311​​.

● **Potency Consistency for Edibles**:

○ Edible marijuana products must be uniformly homogenized to ensure consistent THC content per serving.

○ **Citation**: A.R.S. § 36-2854(A)(7)(b)​​.

● **High-Potency Product Testing**:

○ Products with higher concentrations of THC, such as concentrates, may be subject to additional testing requirements to ensure safety.

○ **Citation**: R9-18-311​​.

#### **3. Contaminant Testing**

● **Microbial and Chemical Contaminant Testing**:

○ Marijuana products are required to be tested for microbial contaminants like mold, mildew, and bacteria, as well as chemical residues from pesticides, herbicides, and solvents used during cultivation and extraction.

○ **Citation**: A.R.S. § 36-2854(A)(5)(a); R9-18-311​​.

● **Heavy Metal Testing**:

○ Products must be tested for the presence of heavy metals such as lead, arsenic, and mercury, which could pose health risks to consumers.

○ **Citation**: R9-18-311​​.

● **Residual Solvent Testing**:

○ Extracted products must undergo testing for residual solvents, such as butane or ethanol, to ensure that the final products are safe for consumption.

○ **Citation**: R9-18-311​​.

#### **4. Synthetic Cannabinoid Testing**

● **Synthetic THC Testing**:

○ Products are required to be tested for synthetic cannabinoids, including delta-8 THC and delta-10 THC, to ensure that synthetic substances are not present in marijuana products.

○ **Citation**: R9-18-311​​.

● **Testing for Synthetic THC Derived from Hemp**:

○ Specific tests are conducted to detect THC synthesized from CBD through chemical conversion, particularly from hemp-based products.

○ **Citation**: R9-18-311​​.

#### **5. Reporting and Documentation**

● **Certificates of Analysis**:

○ All marijuana products must be accompanied by a certificate of analysis (COA) that details the testing results, including potency levels and the presence of any contaminants.

○ **Citation**: R9-18-311​​.

● **Batch Tracking and Inventory Control**:

○ Testing facilities are required to use the state's seed-to-sale tracking system to document and track batch numbers for all products tested.

○ **Citation**: A.R.S. § 36-2854(A)(4); R9-18-311​​.

### **Sales and Distribution**

#### **1. Sales Channels**

● **Retail Sales**:

○ Retail establishments are permitted to sell marijuana and marijuana products directly to consumers from a designated retail location.

○ **Citation**: A.R.S. § 36-2850(18)​​.

● **Wholesale Sales**:

○ Licensed cultivators and manufacturers are permitted to sell marijuana products to other licensed marijuana establishments (e.g., retailers, processors), but not directly to consumers.

○ **Citation**: A.R.S. § 36-2850(11)​​.

● **Delivery Services**:

○ Delivery services for marijuana are currently prohibited until January 2025, when the state is required to implement rules to regulate delivery by licensed marijuana establishments.

○ **Citation**: A.R.S. § 36-2854(D)​​.

#### **2. Restrictions on Product Types**

● **Concentrates**:

○ Concentrated marijuana products (e.g., wax, shatter, oils) are allowed for sale but must comply with potency limits and packaging requirements.

○ **Citation**: A.R.S. § 36-2854(A)(7); R9-18-310​​.

● **Edibles**:

○ Edibles must not exceed 10 mg of THC per serving and 100 mg of THC per package. The products must also be scored or portioned to clearly delineate individual servings.

○ **Citation**: A.R.S. § 36-2854(A)(7)(a)(b)​​.

● **Prohibited Products**:

○ Marijuana-infused alcoholic beverages and products combining cannabis with nicotine are prohibited from sale.

○ **Citation**: A.R.S. § 36-2850​​.

#### **3. Advertising and Marketing**

● **Advertising Restrictions**:

○ Marijuana establishments are restricted from advertising on platforms where 30% or more of the audience is reasonably expected to be under 21 years of age. Outdoor advertising near schools or public parks is also prohibited.

○ **Citation**: A.R.S. § 36-2854(A)(6)​​.

● **Social Media Advertising**:

○ Advertising on digital platforms such as social media is allowed, but businesses must implement age-gating mechanisms to restrict access to users under 21.

○ **Citation**: R9-18-310​​.

● **Mandatory Disclaimers**:

○ All advertising must include disclaimers such as "For adult use only" and warnings to keep marijuana products out of reach of children.

○ **Citation**: A.R.S. § 36-2854(A)(11)​​.

#### **4. Packaging and Labeling Compliance**

● **Child-Resistant Packaging**:

○ Marijuana products must be sold in child-resistant packaging to prevent accidental ingestion by children. Packaging must also be tamper-evident.

○ **Citation**: A.R.S. § 36-2854(A)(5)(b); R9-18-310​​.

● **Labeling Requirements**:

○ Marijuana products must include clear labeling of THC content per serving and per package, health warnings, and instructions for use.

○ **Citation**: A.R.S. § 36-2854(A)(5)(a)​​.

#### **5. Local Sales Restrictions**

● **Jurisdictional Variability**:

○ Local municipalities may impose additional restrictions on marijuana sales, including zoning restrictions or bans on marijuana businesses operating within certain distances of schools, parks, or religious institutions.

○ **Citation**: A.R.S. § 36-2854(A)(4); R9-18-304​​.

### **Consumption Laws**

#### **1. Public vs. Private Consumption**

● **Private Property Consumption**:

○ Marijuana consumption is allowed on private property with the property owner’s permission. Property owners and landlords can prohibit marijuana use on their premises.

○ **Citation**: A.R.S. § 36-2851(1)​​.

● **Public Consumption**:

○ It is illegal to consume marijuana in public places or open spaces, including parks, sidewalks, and restaurants. Violators are subject to fines.

○ **Citation**: A.R.S. § 36-2851(2); § 36-2853(C)​​.

● **Consumption on Federal Land**:

○ Marijuana consumption is prohibited on federal land (e.g., national parks) due to federal marijuana prohibition.

○ **Citation**: Federal Controlled Substances Act; A.R.S. § 36-2851(2)​​.

#### **2. Penalties for Public Consumption**

● **First Violation**:

○ Public consumption of marijuana is classified as a petty offense, resulting in a fine.

○ **Citation**: A.R.S. § 36-2853(C)​​.

● **Subsequent Violations**:

○ Repeat offenders may face increasing penalties or misdemeanor charges, depending on the number of violations.

○ **Citation**: A.R.S. § 36-2853(B)(2)​​.

#### **3. On-Site Consumption Establishments**

● **On-Site Consumption Prohibition**:

○ Arizona currently does not allow on-site consumption establishments like cannabis lounges or cafes. Any future rules regarding these establishments are subject to legislative changes.

○ **Citation**: A.R.S. § 36-2850(24)​​.

● **License Requirements for On-Site Consumption (if allowed)**:

○ Should on-site consumption be permitted in the future, it would require a specific license, and such establishments would need to adhere to strict security and health standards.

○ **Citation**: Not currently specified​​.

#### **4. Consumption at Private Events**

● **Private Events**:

○ Marijuana consumption is allowed at private events on private property, provided that the event is not held in a public space. Event organizers may establish their own rules for consumption but must comply with Arizona law regarding consumption locations.

○ **Citation**: A.R.S. § 36-2851​​.

● **Event Licensing and Permits**:

○ If marijuana consumption becomes a significant part of an event, organizers may be required to obtain local permits, depending on local regulations. No specific licenses currently exist for consumption events.

○ **Citation**: Not specified in law​​.

#### **5. Home Consumption**

● **Homeowners and Tenants**:

○ Tenants may consume marijuana in rental properties if permitted by the landlord. However, landlords and homeowners' associations may legally ban marijuana use on their properties.

○ **Citation**: A.R.S. § 36-2851(1)​​.

● **Consumption in Multi-Family Residences**:

○ Multi-family residences (e.g., apartments, condos) may have specific rules prohibiting or allowing marijuana consumption based on property management policies.

○ **Citation**: A.R.S. § 36-2851(1)​​.

### **Advertising and Marketing**

#### **1. Advertising Restrictions**

● **Permitted Advertising Platforms**:

○ Marijuana businesses are allowed to advertise on digital platforms, print media, and outdoor billboards, as long as certain restrictions are followed. However, television and radio ads are more tightly regulated.

○ **Citation**: A.R.S. § 36-2854(A)(6)​​.

● **Restrictions on Outdoor Advertising**:

○ Outdoor advertising (e.g., billboards, public transit ads) is prohibited within 1,000 feet of schools, parks, and playgrounds to prevent exposure to minors.

○ **Citation**: A.R.S. § 36-2854(A)(6)​​.

● **Prohibited Advertising Platforms**:

○ Ads cannot appear on media platforms or TV programs where at least 30% of the expected audience is under the age of 21.

○ **Citation**: A.R.S. § 36-2854(A)(6)​​.

#### **2. Target Audience and Demographics**

● **Advertising to Minors**:

○ Advertising that targets minors is strictly prohibited. Ads must not use content, designs, or language that may appeal to individuals under the legal consumption age of 21.

○ **Citation**: A.R.S. § 36-2854(A)(6)​​.

● **Geographic Restrictions on Ads**:

○ Ads are not allowed within close proximity to schools, parks, playgrounds, or any location frequented by minors. Additionally, local municipalities may impose stricter restrictions on cannabis advertising.

○ **Citation**: A.R.S. § 36-2854(A)(6)​​.

#### **3. Disclaimers and Mandatory Warnings**

● **Disclaimers in Ads**:

○ All cannabis ads must include clear disclaimers such as “For adult use only,” “Keep out of reach of children,” and other health-related warnings. These disclaimers must be prominently displayed.

○ **Citation**: A.R.S. § 36-2854(A)(11)​​.

● **Health Claims Prohibited**:

○ Cannabis businesses are prohibited from making health claims in their advertisements, such as suggesting that cannabis products cure or treat medical conditions.

○ **Citation**: A.R.S. § 36-2854(A)(6)​​.

● **Potency Warnings**:

○ Ads for potent cannabis products, such as edibles or concentrates, must include additional warnings about potential delayed effects and risks of overconsumption.

○ **Citation**: A.R.S. § 36-2854(A)(11)​​.

#### **4. Advertising Formats and Mediums**

● **Digital/Online Advertising**:

○ Online advertising is permitted, but businesses must use age-verification mechanisms, such as geofencing or age-gating, to prevent exposure to minors.

○ **Citation**: R9-18-310​​.

● **Influencers and Endorsements**:

○ Businesses may use influencers or celebrities for cannabis product promotion, but endorsements targeting underage consumers are prohibited. Endorsers must meet the age requirement of 21.

○ **Citation**: A.R.S. § 36-2854(A)(6)​​.

#### **5. Buffer Zones and Restrictions**

● **Buffer Zones for Advertising**:

○ Local governments may enforce buffer zones where cannabis advertising is restricted, typically near schools, religious institutions, and public parks. These restrictions vary depending on local ordinances.

○ **Citation**: A.R.S. § 36-2854(A)(6)​​.

● **Local Restrictions**:

○ Cities and towns in Arizona have the authority to establish their own advertising restrictions, which may include tighter rules on where and how marijuana businesses can advertise.

○ **Citation**: A.R.S. § 36-2854(A)(4)​​.

### **Taxation**

#### **1. Excise Taxes**

● **State Excise Tax Rate on Cannabis Sales**:

○ Arizona imposes a 16% excise tax on the retail sale of adult-use marijuana products. This excise tax is in addition to standard state and local sales taxes.

○ **Citation**: A.R.S. § 42-5452​​.

● **Excise Tax Application**:

○ The excise tax is applied at the point of sale for retail transactions. Cultivators and manufacturers do not pay excise taxes but may be subject to other fees.

○ **Citation**: A.R.S. § 42-5452​​.

● **Medical Cannabis Exemption**:

○ Medical marijuana products sold to registered medical marijuana patients are exempt from the 16% excise tax applied to adult-use sales.

○ **Citation**: A.R.S. § 42-5452(B)​​.

#### **2. Sales Taxes**

● **General Sales Tax on Cannabis Products**:

○ In addition to the excise tax, cannabis products are subject to the standard state and local sales tax. The state sales tax rate is 5.6%, but local sales tax rates may vary depending on the jurisdiction.

○ **Citation**: A.R.S. § 42-5001​​.

● **Medical Cannabis Sales Tax Exemptions**:

○ While medical marijuana products are subject to the state sales tax, they are exempt from the additional 16% excise tax. Medical marijuana is treated the same as other consumer goods for sales tax purposes.

○ **Citation**: A.R.S. § 42-5452(B)​​.

● **Local Sales Taxes**:

○ Local jurisdictions in Arizona may impose additional sales taxes on cannabis sales, which can vary between cities and counties. These taxes are added on top of state-level taxes.

○ **Citation**: A.R.S. § 42-5001​​.

#### **3. Cultivation and Production Taxes**

● **Cultivation Taxes**:

○ Arizona does not impose a specific cultivation tax based on the amount of cannabis produced. However, cultivation facilities are subject to standard business taxes and fees.

○ **Citation**: Not specified in statute​​.

● **No Additional Product-Specific Excise Taxes**:

○ Unlike some states, Arizona does not differentiate excise tax rates based on product type (e.g., flower, concentrates, edibles) or THC content. The same 16% excise tax applies to all adult-use marijuana products.

○ **Citation**: A.R.S. § 42-5452​​.

#### **4. Local Taxation and Municipal Fees**

● **Additional Local Cannabis Taxes**:

○ Local governments in Arizona are allowed to impose additional taxes on cannabis businesses, such as community benefit fees or local business taxes, but this is subject to local regulations.

○ **Citation**: A.R.S. § 42-5001​​.

● **Municipal Licensing Fees**:

○ Cities and counties may also charge separate licensing fees or assessments for operating a cannabis business within their jurisdiction. These fees are usually for specific services or regulatory compliance.

○ **Citation**: A.R.S. § 36-2854(A)(4); A.R.S. § 42-5001​​.

#### **5. Tax Collection and Reporting**

● **Tax Reporting Requirements**:

○ Cannabis businesses are required to file regular tax reports with the Arizona Department of Revenue, including sales tax and excise tax filings. Taxes must be remitted on a monthly or quarterly basis depending on the business size.

○ **Citation**: A.R.S. § 42-5452; R9-18-103​​.

● **Penalties for Non-Compliance**:

○ Businesses that fail to comply with tax reporting or payment requirements may face penalties, including fines or suspension of their marijuana licenses.

○ **Citation**: A.R.S. § 42-5452​​.

### **Enforcement and Penalties**

#### **1. Regulatory Oversight and Inspections**

● **Agencies Responsible for Enforcement**:

○ The Arizona Department of Health Services (ADHS) is responsible for regulating and enforcing cannabis laws, including marijuana establishments and testing facilities.

○ **Citation**: A.R.S. § 36-2854(A); R9-18-101​​.

● **Inspection Frequency**:

○ ADHS is required to inspect licensed marijuana establishments at least once per year. Inspections may be random or scheduled.

○ **Citation**: A.R.S. § 36-2854(B)(3)​​.

● **Scope of Inspections**:

○ Inspections cover security measures, recordkeeping, product safety (including packaging and labeling), and compliance with testing protocols.

○ **Citation**: A.R.S. § 36-2854(B)(3); R9-18-312​​.

#### **2. Types of Violations**

● **Violations by Category**:

○ Common violations include improper sales (e.g., sales to minors), failure to comply with security measures, exceeding transaction limits, and non-compliance with labeling or packaging standards.

○ **Citation**: A.R.S. § 36-2854(A)(5)(a); R9-18-310​​.

● **Tax Violations**:

○ Tax-related violations, such as underreporting sales or failing to remit the required taxes, are subject to separate penalties and can lead to both financial penalties and license suspension.

○ **Citation**: A.R.S. § 42-5452​​.

#### **3. Penalties for Non-Compliance**

● **Types of Penalties**:

○ Penalties for non-compliance can range from fines to license suspensions or revocations. Fines may reach up to $2,000 per violation, with each day constituting a separate violation.

○ **Citation**: A.R.S. § 36-2854(B)(2)​​.

● **Minor Violations**:

○ Minor violations, such as errors in recordkeeping or labeling, generally result in warnings or small fines.

○ **Citation**: A.R.S. § 36-2854(B)(1)(a)​​.

● **Major Violations**:

○ Major violations, including sales to minors or product contamination, can lead to immediate license suspension and more significant fines.

○ **Citation**: A.R.S. § 36-2854(B)(1)(b); R9-18-317​​.

#### **4. License Suspensions and Revocations**

● **Suspension Triggers**:

○ A license may be suspended for serious violations such as sales to minors, failure to comply with health and safety standards, or violations that pose an immediate risk to public health.

○ **Citation**: A.R.S. § 36-2854(B)(1)(b); R9-18-317​​.

● **Revocation Process**:

○ Before revoking a license, the Department of Health Services will issue a notice of violation and provide the licensee an opportunity to appeal or remedy the situation.

○ **Citation**: A.R.S. § 36-2854(B)(1)(b); R9-18-317​​.

● **Penalties for Repeat Offenders**:

○ Repeat offenders face more severe penalties, including escalating fines and the potential for permanent license revocation.

○ **Citation**: A.R.S. § 36-2854(B)(1)(b); R9-18-317​​.

#### **5. Self-Reporting and Voluntary Compliance**

● **Self-Reporting Non-Compliance**:

○ Marijuana establishments are encouraged to self-report any issues of non-compliance. Self-reported violations may result in reduced penalties or warnings if rectified promptly.

○ **Citation**: R9-18-312​​.

● **Regulatory Flexibility**:

○ The Department of Health Services retains flexibility to adjust penalties based on the severity of the violation, history of compliance, and whether corrective actions are taken.

○ **Citation**: A.R.S. § 36-2854(B)(2)​​.

### **Social Equity and Inclusion**

#### **1. Social Equity Programs**

● **Existence of a Social Equity Program**:

○ Arizona has a Social Equity Ownership Program designed to promote ownership and operation of marijuana establishments by individuals from communities disproportionately impacted by the enforcement of previous marijuana laws.

○ **Citation**: A.R.S. § 36-2854(A)(1)(f)​​.

● **Goals of the Program**:

○ The state allocates 26 marijuana establishment licenses specifically for social equity applicants, with the goal of addressing past injustices related to marijuana enforcement.

○ **Citation**: A.R.S. § 36-2854(A)(1)(f)​​.

#### **2. Eligibility Criteria**

● **Residency in Disproportionately Impacted Areas**:

○ Social equity applicants must demonstrate residency in communities that were disproportionately impacted by marijuana-related law enforcement practices.

○ **Citation**: A.R.S. § 36-2854(A)(1)(f)​​.

● **Prior Convictions and Income Level**:

○ Eligibility may also be based on past marijuana-related convictions, low income, or other criteria established to ensure that those most affected by the previous prohibition benefit from the new legal market.

○ **Citation**: Not currently specified in regulation, but inferred from the program’s goals​​.

#### **3. Prioritization in Licensing**

● **Set-Aside Licenses for Social Equity Applicants**:

○ Arizona has set aside 26 specific marijuana establishment licenses for social equity applicants. These licenses are awarded to qualified individuals who meet the program’s eligibility criteria.

○ **Citation**: A.R.S. § 36-2854(A)(1)(f)​​.

● **Competitive Advantage in Licensing**:

○ Social equity applicants are given priority or competitive advantages in the licensing process, which may include expedited processing, higher rankings in application scoring, or additional points.

○ **Citation**: A.R.S. § 36-2854(A)(1)(f)​​.

#### **4. Licensing and Financial Support for Social Equity Applicants**

● **Fee Reductions and Waivers**:

○ Social equity applicants may be eligible for reduced application fees, but specific reductions or waivers are not explicitly defined in the statute.

○ **Citation**: A.R.S. § 36-2854(A)(1)(f)​​.

● **Financial Assistance**:

○ The program does not currently specify financial assistance such as grants or loans for social equity applicants, but the intention of the program is to lower barriers to entry for disproportionately impacted individuals.

○ **Citation**: Not specified in statute​​.

● **Technical Assistance**:

○ Social equity applicants may receive technical assistance to help navigate the licensing process, although the specific scope of such assistance is not defined in the law.

○ **Citation**: Not currently specified in statute​​.

#### **5. Ownership and Control Requirements for Social Equity Businesses**

● **Ownership Percentage**:

○ Social equity businesses must meet certain ownership and control requirements, ensuring that qualifying social equity individuals retain a significant share of ownership (e.g., 51% ownership or management control).

○ **Citation**: Not specified in statute, but commonly inferred from social equity program practices​​.

● **Restrictions on Fronting**:

○ Rules are in place to prevent businesses from falsely claiming to be owned by social equity applicants (“fronting”), ensuring that ownership is genuinely held by qualifying individuals.

○ **Citation**: A.R.S. § 36-2854(A)(1)(f)​​.

#### **6. License Caps and Restrictions for Social Equity Applicants**

● **License Caps**:

○ While social equity applicants are prioritized for licensing, there is no specific cap on the number of licenses a social equity applicant can hold, other than the general statewide license caps that apply to all businesses.

○ **Citation**: A.R.S. § 36-2854(A)(1)(f)​​.

● **Types of Licenses Available**:

○ Social equity applicants are eligible to apply for standard marijuana establishment licenses (retail, cultivation, manufacturing) but must meet the program’s specific criteria.

○ **Citation**: A.R.S. § 36-2854(A)(1)(f)​​.

### **Public Health and Safety**

#### **1. Public Health Campaigns and Education**

● **State-Sponsored Public Health Campaigns**:

○ Arizona implements public health campaigns to educate the public about responsible cannabis use, focusing on preventing underage consumption and raising awareness of the risks associated with cannabis use during pregnancy.

○ **Citation**: A.R.S. § 36-2854(A)(11)​​.

● **Targeted Demographics**:

○ Specific campaigns target youth, pregnant women, and first-time cannabis users to mitigate potential risks, including the dangers of impaired driving and accidental ingestion.

○ **Citation**: A.R.S. § 36-2854(A)(11)​​.

● **Educational Resources**:

○ The state provides educational materials, including dosing guidelines and warnings about the effects of THC, to help consumers use cannabis products responsibly.

○ **Citation**: A.R.S. § 36-2854(A)(11)​​.

#### **2. Adverse Health Events and Reporting**

● **Reporting of Adverse Events**:

○ Cannabis businesses must report any adverse health effects, such as allergic reactions or overconsumption incidents, to the Arizona Department of Health Services (ADHS).

○ **Citation**: R9-18-312​​.

● **State Response to Adverse Events**:

○ If a product is linked to adverse health effects, the state may initiate an investigation, recall affected products, or suspend the licenses of businesses responsible for producing or selling the product.

○ **Citation**: R9-18-317​​.

#### **3. Cannabis Product Safety Standards**

● **Mandatory Safety Standards**:

○ All marijuana products must meet specific safety standards, including testing for potency, pesticides, mold, and other contaminants before being sold to consumers.

○ **Citation**: A.R.S. § 36-2854(A)(5); R9-18-311​​.

● **Packaging Safety Requirements**:

○ Products must be sold in child-resistant, tamper-evident packaging to prevent accidental consumption, particularly by children.

○ **Citation**: A.R.S. § 36-2854(A)(5)(b); R9-18-310​​.

#### **4. Health Warnings and Labeling Requirements**

● **General Health Warnings**:

○ Arizona requires marijuana products to carry warnings about the risks of using cannabis during pregnancy or breastfeeding, as well as warnings about impairment while driving or operating machinery.

○ **Citation**: A.R.S. § 36-2854(A)(11)​​.

● **Potency-Specific Warnings**:

○ Products with high THC content, such as concentrates or edibles, must include specific warnings about potential overconsumption and delayed effects.

○ **Citation**: A.R.S. § 36-2854(A)(7)(a)​​.

#### **5. Youth Prevention and Protection**

● **Youth Prevention Programs**:

○ Arizona supports educational programs aimed at preventing cannabis use among minors, focusing on the risks of early cannabis exposure and its impact on developing brains.

○ **Citation**: A.R.S. § 36-2854(A)(11)​​.

● **Penalties for Sales to Minors**:

○ Selling marijuana to minors is strictly prohibited. Violations result in severe penalties, including license suspension or revocation, and substantial fines.

○ **Citation**: A.R.S. § 36-2854(B)(1)(b); R9-18-317​​.

#### **6. Product Recalls and Public Safety**

● **Recall Procedures**:

○ Arizona has established procedures for recalling unsafe marijuana products. If a product is deemed unsafe, businesses must notify consumers and the state and remove the product from shelves.

○ **Citation**: R9-18-317​​.

● **Consumer Notification**:

○ Cannabis businesses are required to notify consumers directly in case of a product recall, ensuring that potentially harmful products are not consumed.

○ **Citation**: R9-18-317​​.

### **Hemp and Synthetic THC**

#### **1. Allowances for Synthetic THC**

● **Synthetic THC (e.g., Delta-8, Delta-10)**:

○ Arizona law places restrictions on synthetic versions of THC, including delta-8 THC and delta-10 THC. These cannabinoids are regulated similarly to marijuana, and synthetic cannabinoids derived from hemp are treated under the same legal framework.

○ **Citation**: A.R.S. § 36-2850(29)​​.

● **Restrictions on Sale and Production**:

○ The sale, production, and marketing of synthetic cannabinoids are regulated, and businesses are prohibited from selling these products without proper licensing. Synthetic cannabinoids are treated differently from naturally occurring cannabinoids found in marijuana or hemp.

○ **Citation**: A.R.S. § 36-2850​​.

#### **2. THC Limits in Hemp Products**

● **Per-Serving THC Limits in Hemp-Derived Products**:

○ Hemp-derived products must contain less than 0.3% delta-9 THC on a dry weight basis to be legally classified as hemp. Products exceeding this limit are classified as marijuana and subject to stricter regulation.

○ **Citation**: A.R.S. § 3-311​​.

● **Per-Package THC Limits**:

○ There is no specific limit on the amount of THC per package for hemp products, as long as the THC concentration remains below 0.3% by dry weight. Exceeding this threshold would categorize the product as marijuana.

○ **Citation**: A.R.S. § 3-311​​.

#### **3. Child Protection Provisions**

● **Marketing and Packaging Restrictions**:

○ Hemp products cannot be marketed or packaged in a way that appeals to children. Specific prohibitions exist against packaging that resembles candy or other products popular with minors.

○ **Citation**: A.R.S. § 36-2854(A)(11)​​.

● **Penalties for Sales to Minors**:

○ Selling hemp-derived products, including those containing cannabinoids, to minors is prohibited, and businesses face penalties similar to those for selling marijuana to underage individuals.

○ **Citation**: A.R.S. § 36-2854(B)(1)(b); A.R.S. § 3-311​​.

#### **4. Licensing and Operational Costs**

● **Hemp Business Licensing Fees**:

○ Hemp businesses, including cultivators and processors, must obtain licenses through the Arizona Department of Agriculture. Licensing fees are required, though the exact fee structure depends on the size and scope of the operation.

○ **Citation**: A.R.S. § 3-311​​.

● **Additional Fees for Hemp Intoxicants**:

○ Businesses that manufacture or sell intoxicating hemp products, such as those with synthetic THC, may be subject to additional fees and regulations beyond standard hemp licensing.

○ **Citation**: A.R.S. § 3-311​​.

#### **5. Regulatory Body and Oversight**

● **Regulatory Agency**:

○ The Arizona Department of Agriculture regulates the cultivation and production of hemp, while the Arizona Department of Health Services oversees the sale of hemp-derived cannabinoids, especially those that are intoxicating or resemble marijuana products.

○ **Citation**: A.R.S. § 3-311; A.R.S. § 36-2850​​.

● **Enforcement of Hemp Regulations**:

○ The Department of Agriculture conducts inspections and oversees compliance for hemp cultivators. Products found to exceed the 0.3% THC limit are classified as marijuana and may be subject to destruction or additional penalties.

○ **Citation**: A.R.S. § 3-311​​.

#### **6. Regulatory Specificity and Robustness**

● **Testing and Safety Standards**:

○ Hemp products must be tested for THC levels to ensure compliance with the 0.3% delta-9 THC limit. Testing for contaminants, such as pesticides or heavy metals, is also required for products intended for human consumption.

○ **Citation**: A.R.S. § 3-311​​.

● **Packaging and Labeling**:

○ Hemp-derived products must be labeled with accurate THC content and include warnings to keep the product out of the reach of children. Products must also state that they comply with the state's definition of hemp.

○ **Citation**: A.R.S. § 3-311​​.

**#### ARIZONA ####**

### **1. License Types and Scope**

#### **Types of Licenses Available:**

Arizona offers several types of cannabis licenses under its adult-use legalization law:

* **Retail License**: Allows the sale of marijuana products to consumers (A.R.S. § 36-2850(21)(a))​.
* **Cultivation License**: Permits the cultivation and processing of marijuana plants (A.R.S. § 36-2850(21)(b))​.
* **Manufacturing/Processing License**: Enables licensees to process marijuana, including extraction and infusion to create marijuana products (A.R.S. § 36-2850(19), (20))​.
* **Testing License**: Allows independent labs to test marijuana for potency and contaminants (A.R.S. § 36-2850(24))​.
* **Microbusiness License**: Combines retail, cultivation, and processing into a single license for smaller-scale operators (R9-18-301)​.
* **Social Equity License**: Aims to support applicants from communities disproportionately impacted by marijuana laws through ownership opportunities (A.R.S. § 36-2854(A)(1)(f))​.

#### **Permitted Activities by License Type:**

* **Retail License**: Retailers may sell marijuana products to consumers but cannot allow on-site consumption (A.R.S. § 36-2858(1)(c))​.
* **Cultivation License**: Cultivators may grow and process marijuana but cannot directly sell to consumers unless they also hold a retail license (A.R.S. § 36-2858(1)(b))​.
* **Manufacturing/Processing License**: Licensees can manufacture marijuana products through various extraction methods, though some methods (e.g., chemical extraction) require special approval (A.R.S. § 36-2850(19))​.
* **Testing License**: Required to perform mandatory testing on all marijuana products before they are sold (A.R.S. § 36-2858(3))​.
* **Microbusiness License**: Microbusinesses can perform retail, cultivation, and manufacturing activities but are limited in scale (R9-18-301)​.
* **Social Equity License**: Designed to provide additional opportunities and fee reductions for qualifying individuals (A.R.S. § 36-2854(A)(1)(f))​.

### **2. Licensing Process**

#### **Application Requirements by License Type:**

* **Background Checks**: All applicants, including owners and employees, must pass background checks and submit fingerprint data for state and federal screening (A.R.S. § 36-2854(A)(1))​.
* **Residency Requirements**: There are no residency requirements for licensees under Arizona's adult-use law (A.R.S. § 36-2854)​.
* **Financial Disclosures**: Applicants are required to disclose ownership interests and financial information, especially for publicly traded companies (A.R.S. § 36-2854(A)(1)(a))​.
* **Security and Site Plans**: Licensees must submit detailed security measures and site plans as part of their application, covering surveillance, access control, and storage of marijuana (R9-18-306, R9-18-312)​.

#### **Application Fee Structure:**

* **Initial Application Fees**:
  + Retail License: $25,000 (A.R.S. § 36-2854(A)(2))​.
  + Cultivation License: $25,000 (A.R.S. § 36-2854(A)(2))​.
  + Testing License: $25,000 (A.R.S. § 36-2854(A)(2))​.
* **Annual Renewal Fees**: $5,000 for each license type (A.R.S. § 36-2854(A)(2))​.
* **Reduced Fees for Social Equity Applicants**: Fees may be reduced or waived for qualifying social equity applicants (A.R.S. § 36-2854(A)(1)(f))​.

### **3. Eligibility and Limitations**

#### **Ownership and Licensing Caps:**

* **Out-of-State Ownership**: Arizona does not impose restrictions on out-of-state ownership (A.R.S. § 36-2854(A)(1)(h))​.
* **Criminal Background Restrictions**: Individuals with certain felony convictions are ineligible for licensing (A.R.S. § 36-2850(12))​.
* **Ownership Caps**: No specific caps are placed on the number of licenses held by an individual, but financial disclosure rules apply (A.R.S. § 36-2854(A)(1))​.

### **4. Timeline for Application Processing**

* **Average Processing Time**: The Department of Health Services must process license applications within 60 days. Priority processing is given to early applicants and social equity licensees (A.R.S. § 36-2854(A)(1)(d))​.
* **Expedited Processing for Social Equity Applicants**: Social equity applications receive priority to ensure fast-tracked processing (A.R.S. § 36-2854(A)(1)(f))​.

### **5. License Caps and Availability**

#### **Statewide License Caps:**

* **Statewide Cap**: Arizona sets a limit on the number of marijuana establishment licenses. Specifically, the Department of Health Services may not issue more than one marijuana establishment license for every ten pharmacies registered under A.R.S. § 32-1929 (A.R.S. § 36-2854(A)(1)(b))​.
* **County License Allocation**: For counties with fewer than two medical dispensaries, up to two adult-use marijuana establishment licenses may be issued. For counties with one medical dispensary, only one marijuana establishment license may be issued (A.R.S. § 36-2854(A)(1)(c))​.

#### **Local Caps and Zoning Restrictions:**

* **Local Authority**: Localities can enact zoning regulations and set limits on the number of marijuana establishments or testing facilities allowed within their jurisdictions (A.R.S. § 36-2857(A)(2))​.
* **Zoning Restrictions**: Local governments may regulate time, place, and manner of operations and restrict signage for marijuana businesses (A.R.S. § 36-2857(A)(1), (5))​.

### **6. Ownership and Transferability**

#### **Transferability of Licenses:**

* **License Transferability**: Licenses may be sold or transferred, but any change in ownership or control must be approved by the Department of Health Services (A.R.S. § 36-2858)​.

#### **Restrictions on Ownership:**

* **Public Company Ownership**: Publicly traded companies are permitted to own marijuana establishments (A.R.S. § 36-2858(C))​.
* **Foreign Ownership**: There are no explicit restrictions on foreign ownership; however, ownership information must be disclosed (A.R.S. § 36-2854(A)(1)(a))​.

### **7. Social Equity Licensing**

#### **Social Equity Program:**

* **Existence of Program**: Arizona has implemented a Social Equity Ownership Program to provide additional marijuana establishment licenses to individuals from communities disproportionately affected by previous marijuana laws (A.R.S. § 36-2854(A)(1)(f))​.

#### **Eligibility Criteria:**

* **Eligibility**: Applicants must demonstrate that they come from communities disproportionately impacted by the enforcement of marijuana laws, and specific criteria are established in rules to determine qualification (A.R.S. § 36-2854(A)(1)(f))​.

#### **Support for Social Equity Applicants:**

* **Support Mechanisms**: The program includes provisions for fee reductions and potentially other business support mechanisms, although detailed support offerings are to be finalized by the Department of Health Services (A.R.S. § 36-2854(A)(1)(f))​.

### **8. Zoning and Location Restrictions**

#### **Zoning Requirements:**

* **Zoning Restrictions**: Marijuana establishments must comply with local zoning rules, which can limit where businesses are located (A.R.S. § 36-2857(A)(1))​.

#### **Distance from Sensitive Locations:**

* **Buffer Zones**: Marijuana establishments are prohibited from being located within a certain distance of sensitive areas like schools and parks, though the exact distances are subject to local government discretion (A.R.S. § 36-2857(A)(1), (5))​.

### **9. Operational Limitations**

#### **Transaction and Possession Limits:**

* **Retail Transaction Limits**: A single transaction at a retail establishment may not exceed one ounce of marijuana, of which no more than five grams can be marijuana concentrate (A.R.S. § 36-2858(1)(c))​.
* **Cultivation Limits**: Individual adults may cultivate up to six marijuana plants for personal use, with a household cap of twelve plants where multiple adults reside (A.R.S. § 36-2852(A)(2))​.

#### **Hours of Operation:**

* **Operating Hours**: There are no specific state-mandated operating hours for marijuana businesses, but local governments may impose such restrictions (A.R.S. § 36-2857(A)(4))​.

### **10. Compliance and Enforcement**

#### **Regulatory Oversight:**

* **Department Oversight**: The Arizona Department of Health Services is responsible for regulating marijuana establishments and conducting compliance inspections (A.R.S. § 36-2854(A)(1))​.

#### **Inspections:**

* **Annual Inspections**: Marijuana establishments must undergo at least one unannounced inspection annually (A.R.S. § 36-2854(B)(3))​.

#### **Penalties:**

* **Penalties for Violations**: Non-compliance with regulations may result in fines, suspension, or revocation of licenses. The Department may assess civil penalties of up to $2,000 per violation (A.R.S. § 36-2854(B)(2))​.

### **11. Financial Requirements**

#### **Proof of Financial Stability:**

* **Financial Disclosures**: Applicants must provide proof of financial stability and disclose financial interests, particularly for publicly traded companies (A.R.S. § 36-2854(A)(1)(a))​.

#### **License Fees:**

* **Initial and Renewal Fees**: The initial application fee for a marijuana establishment is $25,000, with a renewal fee of $5,000 (A.R.S. § 36-2854(A)(2))​.

### **12. Business Operations**

#### **Permitted Activities for Each License Type:**

* **Retail License**:
  + **Delivery Services**: Delivery is currently not allowed under state law, but the Department of Health Services may begin regulating deliveries starting in 2023, with a full rollout by 2025 (A.R.S. § 36-2854(D))​.
* **Cultivation License**:
  + **Consumer Sales**: Cultivators are not permitted to sell directly to consumers unless they hold a retail license as well (A.R.S. § 36-2858(1)(b))​.
  + **Sales to Other Licensees**: Cultivators may sell to other licensed establishments, such as retail or processing facilities (A.R.S. § 36-2858(1)(b))​.
* **On-Site Consumption**:
  + On-site consumption is not allowed for any license type, including retail establishments (A.R.S. § 36-2851(8)(a))​.
* **Vertical Integration**:
  + Arizona allows vertical integration, meaning a single entity can hold cultivation, manufacturing, and retail licenses, provided they meet the state's requirements (A.R.S. § 36-2854(A)(1))​.
* **Multiple Licenses**:
  + Licensees can hold multiple types of licenses, such as cultivation and retail, allowing for vertical integration (A.R.S. § 36-2854(A)(1)(g))​.
* **Cross-Ownership Restrictions**:
  + There are no cross-ownership restrictions across different business types, provided all ownership is disclosed (A.R.S. § 36-2854(A)(1)(a))​.

#### **Operational Limitations:**

* **Transaction Limits**:
  + Consumers are limited to purchasing one ounce of marijuana per transaction, of which no more than five grams can be in the form of concentrate (A.R.S. § 36-2858(1)(c))​.
* **Operational Limits**:
  + There are no state-mandated business hours, but localities may regulate business hours for marijuana establishments (A.R.S. § 36-2857(A)(4))​.
  + Marijuana establishments must adhere to security protocols, including surveillance and restricted access to sensitive areas (R9-18-312)​.

### **13. Ownership and Management**

#### **Ownership Restrictions:**

* **Out-of-State Ownership**:
  + Arizona does not impose restrictions on out-of-state ownership, but all ownership interests must be disclosed (A.R.S. § 36-2854(A)(1)(h))​.
* **Public Companies**:
  + Public companies are allowed to own and operate marijuana establishments in Arizona (A.R.S. § 36-2858(C))​.
* **Ownership Limits**:
  + There are no specific ownership limits for marijuana establishments in Arizona, but ownership information must be fully disclosed (A.R.S. § 36-2854(A)(1)(a))​.

#### **Management Requirements:**

* **Background Checks**:
  + All managers, officers, and board members must pass background checks, including fingerprint submission (A.R.S. § 36-2854(A)(1))​.
* **Residency Requirements**:
  + There are no residency requirements for managers or owners of marijuana establishments (A.R.S. § 36-2854)​.
* **License Caps**:
  + There are no state-level caps on the number of licenses an entity or individual can hold (A.R.S. § 36-2854(A)(1)(g))​.
  + **Social Equity Exemptions**: Social equity applicants may receive special consideration regarding caps, depending on future program details (A.R.S. § 36-2854(A)(1)(f))​.

### **14. Recordkeeping and Reporting**

#### **Recordkeeping Requirements:**

* **Retention Period**:
  + Marijuana businesses must maintain records for a period of at least five years, including financial, inventory, and seed-to-sale tracking records (R9-18-308)​.
* **Types of Records**:
  + Required records include inventory records, sales reports, financial statements, and security footage (R9-18-314, R9-18-315)​.

#### **Reporting Requirements:**

* **Periodic Reports**:
  + Licensees must submit regular reports, including sales, inventory, and compliance with state tax obligations (A.R.S. § 36-2854(A)(1)(j))​.
* **Tracking Systems**:
  + Arizona requires the use of seed-to-sale tracking systems to monitor the movement of marijuana from cultivation to retail sale (A.R.S. § 36-2854(A)(4))​.
* **Financial Statements**:
  + Detailed financial statements are required for license renewals, especially for publicly traded companies (A.R.S. § 36-2854(A)(1)(a))​.

#### **Consequences for Non-Compliance:**

* **Failure to Maintain Records**:
  + Failure to maintain accurate records can result in penalties, including fines or suspension of licenses (A.R.S. § 36-2854(B)(1))​.

### **15. Zoning and Location Restrictions**

#### **Zoning Requirements:**

* **Designated Zones**:
  + Local governments can designate specific zones for marijuana businesses, often limited to commercial or industrial areas (A.R.S. § 36-2857(A)(1))​.
* **Buffer Zones**:
  + There are state-imposed buffer zones requiring marijuana establishments to be a certain distance away from schools, parks, and other sensitive areas. Local governments have discretion over the exact distances (A.R.S. § 36-2857(A)(1))​.

#### **Location-Based Limits:**

* **Proximity Limits**:
  + Local jurisdictions can impose proximity limits between marijuana establishments, ensuring that multiple businesses are not clustered too closely together (A.R.S. § 36-2857(A)(1))​.

### **16. Product Regulations**

#### **THC Limits (Per Serving and Per Package):**

* **Per-Serving THC Limit**:
  + Arizona limits the THC content in edible marijuana products to no more than **10 mg of THC per serving** (A.R.S. § 36-2854(A)(7)(a))​.
* **Per-Package THC Limit**:
  + The total THC content in a single package of edible marijuana products is capped at **100 mg** (A.R.S. § 36-2854(A)(7)(a))​.
* **Serving Size Definition**:
  + Multi-serving products must be clearly delineated into individual servings of no more than 10 mg of THC and homogenized to ensure uniform distribution of THC throughout the product (A.R.S. § 36-2854(A)(7)(b))​.

#### **Child-Resistant Packaging and Labeling:**

* **Child-Resistant Packaging**:
  + Marijuana products must be placed in child-resistant packaging upon exit from a marijuana establishment, ensuring safety (A.R.S. § 36-2854(A)(5)(b))​.
* **Labeling Requirements**:
  + Labels must clearly display health warnings regarding the use of marijuana and the risks associated with consumption, especially for pregnant or breastfeeding women (A.R.S. § 36-2854(A)(11))​.
  + Packaging must include a scannable QR code linking to information such as the THC strain, extraction method, and lab reports (A.R.S. § 36-2854.01)​.

#### **Prohibited Products:**

* **Product Design**:
  + Marijuana products that resemble human, animal, insect, fruit, toy, or cartoon shapes are prohibited to reduce their appeal to children (A.R.S. § 36-2860(A)(2))​.
* **Advertising to Children**:
  + Marijuana products cannot be advertised using names or branding that resemble food or drink products marketed to children (A.R.S. § 36-2860(A)(3))​.

### **17. Testing Requirements**

#### **Testing Standards:**

* **Mandatory Testing**:
  + All marijuana and marijuana products must undergo mandatory testing for potency, pesticides, molds, and contaminants before they can be sold to consumers (A.R.S. § 36-2854(A)(5)(a))​.
* **Testing Labs**:
  + Independent third-party laboratories licensed by the state are responsible for conducting these tests. These labs must not have any financial interest or relationship with marijuana establishments to avoid conflicts of interest (A.R.S. § 36-2855, R9-18-401)​​.
* **Required Testing Analytes**:
  + Arizona Administrative Code requires testing for various analytes, including tetrahydrocannabinol (THC) content, pesticides, microbial contaminants, and heavy metals (R9-18-408)​.

#### **Packaging and Safety Measures:**

* **Contaminant-Free Requirement**:
  + Products must be free of harmful contaminants, including pesticides, molds, and other harmful substances as verified by third-party labs (A.R.S. § 36-2854(A)(5))​.
* **Homogenization**:
  + Products containing multiple servings must be homogenized to ensure consistent distribution of THC across all servings (A.R.S. § 36-2854(A)(7)(b))​.

#### **Laboratory Oversight and Procedures:**

* **Compliance Monitoring**:
  + The Department of Health Services enforces rigorous compliance measures, including random inspections of marijuana testing facilities (A.R.S. § 36-2854(B)(3))​.
* **Proficiency Testing**:
  + Labs must participate in regular proficiency testing to ensure accuracy in testing methods (R9-18-407)​.
* **License Suspension**:
  + Any testing facility found to be non-compliant with state regulations may face suspension or revocation of its license (R9-18-415)​.

### **18. Sales and Distribution**

#### **Distribution and Transportation Rules:**

* **Transportation of Marijuana**:
  + Marijuana and marijuana products may be transported between licensed marijuana establishments by authorized agents. The transportation must comply with security protocols, including the use of unmarked vehicles equipped with GPS tracking and video surveillance (A.R.S. § 36-2854(A)(5), (A)(6))​.
* **Vehicle Requirements**:
  + Vehicles used for transporting marijuana must have locked compartments to store the products during transit, ensuring both security and compliance with state rules (A.R.S. § 36-2854(A)(5))​.

#### **Sales Limits:**

* **Retail Sales Limits**:
  + A single transaction at a marijuana retail establishment may not exceed one ounce of marijuana, of which no more than five grams can be marijuana concentrate (A.R.S. § 36-2858(1)(c))​.
* **Transfer without Remuneration**:
  + Arizona allows the transfer of up to one ounce of marijuana or six plants between individuals over 21 years old, provided the transfer is not advertised or conducted for monetary gain (A.R.S. § 36-2852(A)(3), (4))​.

#### **Wholesale Distribution:**

* **Sales to Other Licensees**:
  + Cultivators, processors, and manufacturers may sell or transfer marijuana and marijuana products to other licensed establishments (A.R.S. § 36-2858(1)(b))​.
* **Tracking Requirements**:
  + All sales and transfers must be tracked using the state-mandated seed-to-sale system to ensure accountability and compliance (A.R.S. § 36-2854(A)(4))​.

### **19. Home Delivery**

#### **Delivery Regulations:**

* **Current Status**:
  + As of 2023, delivery of marijuana to consumers is not yet permitted under Arizona law, but the Department of Health Services is required to establish regulations for delivery by January 2025 (A.R.S. § 36-2854(D))​.
* **Future Delivery Rules**:
  + Delivery must originate from a designated retail location, and the vehicle must meet stringent security requirements, including GPS tracking and video surveillance. Deliveries may only be made by licensed agents, and delivery vehicles cannot carry excess marijuana products beyond what is required for a specific order (A.R.S. § 36-2854(D)(5))​.
* **Prohibited Delivery Zones**:
  + Marijuana delivery is prohibited to federal property, state property, or any location owned by the Arizona Board of Regents (A.R.S. § 36-2854(D)(2))​.

### **20. Retail Restrictions**

#### **Age Verification:**

* **Age Limit for Purchases**:
  + Only individuals 21 years of age or older may purchase marijuana products. Retailers must verify the age of customers using government-issued identification (A.R.S. § 36-2854(A)(6))​.
* **Verification Methods**:
  + Acceptable identification includes driver’s licenses, passports, or other government-issued photo IDs (A.R.S. § 36-2854(A)(6))​.

#### **Prohibition of On-Site Consumption:**

* **No On-Site Consumption**:
  + Retailers and other licensees may not allow on-site consumption of marijuana products, as consumption in public places or in the establishment itself is strictly prohibited (A.R.S. § 36-2851(8)(a))​.

### **21. Sales to Minors**

#### **Penalties for Sales to Minors:**

* **Strict Prohibition**:
  + It is illegal to sell or provide marijuana to individuals under 21 years of age. Retail establishments must adhere to strict protocols to prevent sales to minors (A.R.S. § 36-2851(4), (5))​.
* **Penalties**:
  + Violations can result in civil penalties, license suspension, or revocation. Retailers may face fines of up to $20,000 per violation (A.R.S. § 36-2859(F))​.

### **22. Consumer Rights and Possession**

#### **Personal Possession Limits:**

* **Possession Limits**:
  + Individuals over 21 may possess up to one ounce of marijuana, of which no more than five grams can be in the form of concentrate (A.R.S. § 36-2852(A)(1))​.
* **Home Cultivation**:
  + Adults may grow up to six plants for personal use, with a limit of 12 plants per household. Cultivation must be in a secure, enclosed area that is not visible to the public (A.R.S. § 36-2852(A)(2))​.
* **Home Transfers**:
  + Adults may transfer up to one ounce of marijuana or six plants to another adult without remuneration, provided the transfer is not advertised or promoted publicly (A.R.S. § 36-2852(A)(3), (4))​.

### **23. Consumption Laws**

#### **Public Consumption Restrictions:**

* **Prohibition on Public Consumption**:
  + Smoking or consuming marijuana in public places or open spaces is prohibited. Public places include locations such as parks, sidewalks, and other areas open to the public (A.R.S. § 36-2851(8)(a))​.
* **No Consumption in Vehicles**:
  + Consumption of marijuana is also prohibited in motor vehicles, boats, or any form of transportation, whether as a driver or passenger (A.R.S. § 36-2851(8)(b))​.

#### **Private Property Consumption:**

* **Allowable Private Consumption**:
  + Individuals over 21 years old may consume marijuana in private residences. Property owners, including landlords and rental agencies, may set rules prohibiting or allowing marijuana use on their property (A.R.S. § 36-2851(7))​.

#### **Employer and School Policies:**

* **Employer Policies**:
  + Employers have the right to maintain a drug-free workplace and may restrict or prohibit the use of marijuana by employees, even off-duty. Employers are not required to accommodate marijuana use (A.R.S. § 36-2851(1), (2))​.
* **School Policies**:
  + Schools, daycare centers, and other educational facilities may prohibit the possession and use of marijuana on their property. These institutions have the right to set and enforce rules banning marijuana use among students and employees (A.R.S. § 36-2851(6))​.

### **24. Consumption by Minors**

#### **Restrictions on Minor Consumption:**

* **Prohibition for Minors**:
  + Individuals under 21 years of age are strictly prohibited from purchasing, possessing, or consuming marijuana or marijuana products (A.R.S. § 36-2851(4))​.
* **Penalties for Minors**:
  + Minors caught in possession of marijuana face civil penalties for the first violation, including a fine and possible drug education programs. Subsequent violations may result in criminal charges (A.R.S. § 36-2853(B))​.

### **25. Driving and Marijuana Use**

#### **DUI Regulations:**

* **Impairment While Driving**:
  + It is illegal to drive, operate, or control a vehicle while impaired by marijuana to any degree. Arizona enforces strict laws against driving under the influence (DUI) of marijuana, even if the individual holds a medical marijuana card (A.R.S. § 36-2851(3))​.
* **Zero-Tolerance Policy for Minors**:
  + Minors found to have any level of marijuana in their system while operating a vehicle are subject to DUI charges, regardless of whether impairment is proven (A.R.S. § 36-2851(4))​.

#### **Marijuana Metabolites and DUI:**

* **Presence of Metabolites**:
  + Arizona’s DUI laws specify that the presence of marijuana metabolites in a person’s body is only a violation if the individual is impaired to the slightest degree while driving (A.R.S. § 36-2852(B))​.
* **Odor of Marijuana**:
  + The odor of marijuana alone does not constitute reasonable suspicion for a DUI investigation or search unless there is additional evidence of impairment (A.R.S. § 36-2852(C))​.

### **26. Consumption in Designated Areas**

#### **On-Site Consumption Regulations:**

* **No On-Site Consumption at Licensed Establishments**:
  + Marijuana establishments, including retail stores and cultivation facilities, are prohibited from allowing on-site consumption of marijuana products (A.R.S. § 36-2851(8)(a))​.
* **Social Consumption Licenses**:
  + Arizona has not yet created a specific license for establishments like cannabis lounges where on-site consumption would be permitted, but local governments may pass ordinances in the future to allow this in designated areas​.

### **27. Consumption During Pregnancy and Breastfeeding**

#### **Warnings for Pregnant Women:**

* **Health Warnings**:
  + Marijuana establishments must display prominent warnings about the potential health risks of consuming marijuana while pregnant or breastfeeding. This includes the risk of birth defects and the possibility of being reported to child protection agencies (A.R.S. § 36-2854(A)(11))​.
* **Warning on Packaging**:
  + Edible products and other marijuana packaging must include warnings about the dangers of marijuana use during pregnancy, and such warnings must be included in both written and digital formats (A.R.S. § 36-2854.01(7))​.

### **28. Advertising and Marketing**

#### **General Advertising Rules:**

* **Permitted Advertising**:
  + Marijuana establishments in Arizona are allowed to advertise their products, but all advertising must comply with specific state regulations, including identifying the responsible marijuana establishment or dispensary by name and license number (A.R.S. § 36-2859(A), (B))​.
* **Advertising Platform Requirements**:
  + Advertising platforms, such as websites and social media, must ensure that any marijuana advertisements are authorized by a licensed marijuana establishment and that the establishment's license number is displayed (A.R.S. § 36-2859(B))​.

#### **Age Restrictions in Advertising:**

* **Age Verification**:
  + Any advertising or marketing communication that involves direct dialogue with consumers must use an age verification process to ensure that individuals engaging with the advertisement are at least 21 years old. This can be done via methods like user confirmation or birth date disclosure (A.R.S. § 36-2859(C))​.
* **Child-Targeted Advertising Prohibition**:
  + Arizona prohibits advertising that targets individuals under 21 years of age. Advertisements that resemble or imitate brands popular among children or include imagery such as cartoons or toys are banned (A.R.S. § 36-2860(A)(3))​.

#### **Internet and Social Media Advertising:**

* **Online Advertising Guidelines**:
  + Online platforms that host advertisements for marijuana must ensure the content is in compliance with state laws, including appropriate age verification and clear labeling of the licensed marijuana establishment responsible for the content (A.R.S. § 36-2859(B))​.
* **Content Restrictions**:
  + All advertisements must accurately represent the products being offered and may not include false or misleading claims. Additionally, ads must not promote illegal activities, such as out-of-state sales (A.R.S. § 36-2859(D))​.

### **29. Restrictions on Content**

#### **Prohibited Advertisements:**

* **False or Misleading Claims**:
  + It is unlawful for any marijuana establishment to make false or misleading claims in their advertisements. Advertisements must reflect the actual effects and benefits of marijuana products, and deceptive practices are strictly prohibited (A.R.S. § 36-2859(D))​.
* **Delivery Service Ads**:
  + Until delivery is legalized in Arizona (set for no later than 2025), it is illegal to advertise or promote any delivery services for marijuana products (A.R.S. § 36-2859(D)(1))​.

#### **Civil Penalties for Violations:**

* **Penalties for Unlawful Advertising**:
  + Establishments that violate advertising restrictions may face civil penalties of up to $20,000 per violation, in addition to other disciplinary actions such as license suspension or revocation (A.R.S. § 36-2859(F))​.

### **30. Product Packaging and Branding**

#### **Branding and Labeling Restrictions:**

* **Prohibited Packaging Designs**:
  + Marijuana products may not be packaged in a manner that is misleading or that imitates food or drink products typically marketed to children. Additionally, packaging must not resemble cartoon characters, toys, or other child-friendly imagery (A.R.S. § 36-2860(A)(1), (2))​.
* **Child-Resistant Packaging**:
  + All marijuana products must be sold in child-resistant packaging. The packaging must be properly sealed and secure to prevent access by children under five years of age (A.R.S. § 36-2854(A)(5)(b))​.

### **31. Sponsorships and Events**

#### **Event Sponsorship Regulations:**

* **Sponsorship Restrictions**:
  + Marijuana establishments are prohibited from sponsoring events or promotions that directly target individuals under the age of 21. This includes events at schools, children's sports, or other family-focused venues (A.R.S. § 36-2859(C))​.
* **No Event-Based Advertising to Minors**:
  + Any event-related advertisements must be designed to prevent exposure to minors, and any direct engagement must follow strict age verification processes (A.R.S. § 36-2859(C))​.

### **32. Taxation**

#### **Marijuana Tax Structure:**

* **Excise Tax on Marijuana Sales**:
  + Arizona imposes a **16% excise tax** on the sale of recreational marijuana and marijuana products, in addition to the state's general transaction privilege tax (A.R.S. § 36-2854(A)(2), § 42-5452(A))​.
* **Application of General Sales Tax**:
  + Marijuana and marijuana products are considered tangible personal property under Arizona tax law and are subject to the state’s transaction privilege tax (A.R.S. § 36-2864(A))​. This means consumers pay both the general sales tax and the additional excise tax when purchasing marijuana products.

#### **Allocation of Tax Revenue:**

* **Smart and Safe Arizona Fund**:
  + The revenue generated from the excise tax on marijuana is deposited into the **Smart and Safe Arizona Fund**, which is used to cover the costs of administering the marijuana program and other state expenses (A.R.S. § 36-2856(A))​.
* **Tax Revenue Distribution**:
  + After covering administrative costs, the remaining funds are distributed as follows (A.R.S. § 36-2856(D)):
    - 33% to community college districts for workforce development and technical programs.
    - 31.4% to public safety departments, including municipal police and fire departments.
    - 25.4% to the Arizona Highway User Revenue Fund for road maintenance and public transportation infrastructure.
    - 10% to the Justice Reinvestment Fund, which supports programs aimed at reducing recidivism, jail diversion, and substance use treatment.
    - 0.2% to the Arizona Attorney General’s office for enforcement of marijuana laws​.

#### **Local Taxation:**

* **Prohibition on Additional Local Taxes**:
  + Local governments in Arizona are prohibited from imposing any additional taxes on the sale of marijuana beyond the state-imposed excise tax and general sales tax, except for general retail sales tax increases that apply to all businesses (A.R.S. § 36-2864(B))​.

### **33. Filing and Payment of Taxes**

#### **Tax Reporting and Payment Requirements:**

* **Monthly Filing**:
  + Marijuana establishments are required to file monthly tax reports and remit tax payments to the Arizona Department of Revenue, following the same procedures used for other taxable goods under the state’s transaction privilege tax laws (A.R.S. § 42-5452(B))​.
* **Tax Audits**:
  + The Arizona Department of Revenue has the authority to conduct tax audits of marijuana establishments to ensure compliance with tax laws and verify that taxes are properly calculated and paid (A.R.S. § 42-5452(C))​.

### **34. Tax Deductions and Exemptions**

#### **No Federal Deductions:**

* **Federal 280E Limitations**:
  + Like other marijuana businesses in the U.S., Arizona marijuana establishments are subject to the limitations imposed by the federal tax code under **Section 280E**, which prohibits businesses engaged in the sale of controlled substances from deducting ordinary business expenses on their federal tax returns. As marijuana remains illegal at the federal level, these restrictions apply to Arizona businesses​.

#### **State-Level Deductions:**

* **State Deductions**:
  + While Arizona follows federal guidelines on income tax reporting, marijuana businesses can still deduct ordinary business expenses for state tax purposes, as state tax laws do not mirror the federal restrictions under 280E​.

### **35. Penalties for Non-Compliance**

#### **Late Payments and Underreporting:**

* **Penalties for Late Tax Payments**:
  + Marijuana establishments that fail to remit taxes on time are subject to penalties, including interest charges on the outstanding tax liability, in accordance with Arizona's general tax laws (A.R.S. § 42-5452(D))​.
* **Underreporting of Taxes**:
  + Underreporting or falsifying tax reports can result in additional penalties, including fines and potential criminal charges for tax fraud (A.R.S. § 42-5452(C))​.

### **36. Enforcement and Penalties**

#### **Regulatory Oversight:**

* **Regulatory Body**:
  + The **Arizona Department of Health Services (ADHS)** is responsible for enforcing marijuana regulations and overseeing licensed marijuana establishments. ADHS ensures compliance through routine inspections, audits, and enforcement actions (A.R.S. § 36-2854(A)(1))​.

#### **Penalties for License Violations:**

* **License Suspension or Revocation**:
  + Marijuana establishments that violate regulations may face suspension or revocation of their licenses. ADHS has the authority to suspend licenses for minor infractions and permanently revoke licenses for serious violations (A.R.S. § 36-2854(B)(2))​.
* **Civil Penalties**:
  + Establishments found in violation of marijuana regulations may be fined up to **$2,000 per violation**. Additional penalties may be imposed for repeated violations or egregious non-compliance (A.R.S. § 36-2854(B)(2))​.

### **37. Criminal Penalties**

#### **Illegal Sales and Distribution:**

* **Unlicensed Sales**:
  + Any individual or entity that sells marijuana without a valid state license faces criminal charges for unauthorized distribution. Penalties for illegal sales include imprisonment, fines, and forfeiture of assets (A.R.S. § 36-2853(A))​.
* **Sales to Minors**:
  + Selling or providing marijuana to individuals under 21 years of age is considered a serious offense. Penalties may include hefty fines, suspension of licenses, and criminal charges for endangering minors (A.R.S. § 36-2851(4))​.

#### **Consumption-Related Offenses:**

* **Public Consumption**:
  + Consuming marijuana in public places or open spaces is prohibited. Violators face civil penalties, including a fine of up to **$300** for a first offense. Repeat offenses may result in increased fines and possible arrest (A.R.S. § 36-2853(B))​.
* **Driving Under the Influence (DUI)**:
  + Driving while impaired by marijuana is a criminal offense. Arizona enforces strict DUI laws, including zero-tolerance for minors operating a vehicle under the influence of marijuana (A.R.S. § 36-2851(3))​. Penalties for DUI include license suspension, fines, mandatory substance abuse treatment, and potential jail time​.

### **38. Compliance Inspections**

#### **Routine and Unannounced Inspections:**

* **Annual Inspections**:
  + The ADHS is required to conduct at least one unannounced inspection of each licensed marijuana establishment annually. Inspections cover areas such as security, recordkeeping, packaging, labeling, and compliance with testing requirements (A.R.S. § 36-2854(B)(3))​.
* **Random Audits**:
  + In addition to scheduled inspections, ADHS can perform random audits to review financial records, inventory controls, and compliance with seed-to-sale tracking systems (A.R.S. § 36-2854(B)(1))​.

### **39. Disciplinary Actions**

#### **Progressive Enforcement Actions:**

* **Warning Notices**:
  + For minor infractions, ADHS may issue warning notices, giving marijuana establishments an opportunity to correct the issue before facing more severe penalties (A.R.S. § 36-2854(B)(1))​.
* **Fines and Probation**:
  + Establishments that fail to comply with ADHS directives or repeatedly violate regulations may be placed on probation, fined, or face additional sanctions depending on the severity of the violation (A.R.S. § 36-2854(B)(2))​.

### **40. Consumer Penalties**

#### **Personal Possession Violations:**

* **Possession Over Legal Limits**:
  + Individuals found possessing more than the legal limit of one ounce of marijuana or more than five grams of marijuana concentrate face civil penalties for first offenses and potential criminal charges for subsequent violations (A.R.S. § 36-2853(B))​.
* **Home Cultivation Violations**:
  + Arizona residents are allowed to cultivate up to six marijuana plants for personal use. Growing more than the allowed number of plants or cultivating in an unsecured area accessible to the public can result in fines and potential criminal charges (A.R.S. § 36-2852(A)(2))​.

#### **Social Equity Program Compliance:**

* **Enforcement in the Social Equity Program**:
  + Social equity licensees must comply with the same regulatory framework as other marijuana establishments. Any violations of state laws or program-specific rules may result in penalties, suspension of licenses, or exclusion from the social equity program (A.R.S. § 36-2854(A)(1)(f))​.

### **41. Social Equity and Inclusion**

#### **Social Equity Program Overview:**

* **Program Objective**:
  + Arizona's Social Equity Ownership Program is designed to promote equitable ownership opportunities for individuals from communities disproportionately affected by the enforcement of previous marijuana laws. The program aims to ensure that a significant number of marijuana licenses are awarded to eligible individuals (A.R.S. § 36-2854(A)(1)(f))​.

#### **Eligibility Criteria:**

* **Disproportionately Impacted Communities**:
  + To qualify for the social equity program, applicants must demonstrate that they come from communities that were disproportionately impacted by marijuana prohibition, including areas with high rates of marijuana-related arrests and convictions (A.R.S. § 36-2854(A)(1)(f))​.
* **Personal Impact**:
  + Individuals who have personally been impacted by previous marijuana laws, including those with prior marijuana convictions, may be eligible to participate in the social equity program, provided the convictions were for offenses now legalized under current law (A.R.S. § 36-2854(A)(1)(f))​.

#### **License Allocation:**

* **Set-Aside Licenses**:
  + Arizona allocates a specific number of marijuana establishment licenses to social equity applicants. These licenses are intended to reduce barriers to entry for individuals from disproportionately impacted communities (A.R.S. § 36-2854(A)(1)(f))​.
* **Application Process**:
  + Social equity applicants must submit documentation proving their eligibility, which may include residency in a qualifying area or documentation of prior marijuana-related convictions. The Arizona Department of Health Services oversees the evaluation and approval of these applications (A.R.S. § 36-2854(A)(1)(f))​.

#### **Support Mechanisms:**

* **Fee Reductions**:
  + Social equity applicants may be eligible for reduced licensing fees or waivers to ease the financial burden of entering the marijuana industry (A.R.S. § 36-2854(A)(1)(f))​.
* **Business Development Assistance**:
  + The state may offer business development support, including training and mentorship programs, to help social equity applicants successfully operate marijuana establishments. These programs are intended to ensure that social equity licensees have the tools and knowledge necessary to compete in the industry (A.R.S. § 36-2854(A)(1)(f))​.

#### **Program Monitoring and Accountability:**

* **Program Oversight**:
  + The Arizona Department of Health Services is responsible for monitoring the implementation of the social equity program. The department tracks the performance of social equity licensees and ensures compliance with program requirements (A.R.S. § 36-2854(A)(1)(f))​.
* **Review and Adjustments**:
  + The social equity program is subject to periodic review and adjustment to ensure it continues to meet its goals of promoting diversity and reducing barriers to entry for impacted individuals. Adjustments to eligibility criteria, support mechanisms, or the number of licenses allocated may be made based on program outcomes (A.R.S. § 36-2854(A)(1)(f))​.

### **42. Addressing Historical Inequities**

#### **Expungement Provisions:**

* **Expungement of Marijuana Convictions**:
  + Arizona's legalization law includes provisions for the expungement of certain marijuana-related convictions. Individuals with convictions for offenses that are no longer illegal under the current law (such as possession of less than one ounce of marijuana) can petition the court to have their records expunged (A.R.S. § 36-2862(A))​.
* **Expungement Process**:
  + The process for expungement involves submitting a petition to the court. Once granted, the individual's criminal record will be cleared of the marijuana-related offense, which may improve employment and housing opportunities for those previously convicted (A.R.S. § 36-2862(C))​.

#### **Impact on Disproportionately Affected Communities:**

* **Reducing Recidivism**:
  + By providing opportunities for individuals from disproportionately impacted communities to participate in the legal marijuana market, the social equity program aims to reduce recidivism rates and promote economic empowerment in these communities (A.R.S. § 36-2854(A)(1)(f))​.
* **Economic Opportunities**:
  + The program helps to create new economic opportunities for individuals from marginalized communities, addressing historical inequities in marijuana law enforcement and contributing to the long-term revitalization of these areas (A.R.S. § 36-2854(A)(1)(f))​.

### **43. Public Health and Safety**

#### **Health Warnings on Marijuana Products:**

* **Required Health Warnings**:
  + All marijuana products sold in Arizona must include clear health warnings on their packaging. These warnings must detail the potential health risks associated with marijuana use, including warnings for pregnant or breastfeeding women (A.R.S. § 36-2854(A)(11))​.
* **Specific Warnings for Pregnant Women**:
  + Packaging must include a prominent warning about the risks of using marijuana during pregnancy and breastfeeding, as exposure can harm the development of the fetus or infant (A.R.S. § 36-2854(A)(11))​.

#### **Testing for Contaminants and Potency:**

* **Mandatory Testing for Safety**:
  + All marijuana products must be tested for contaminants such as pesticides, mold, heavy metals, and other harmful substances before they can be sold. Products that fail to meet safety standards are prohibited from entering the market (A.R.S. § 36-2855)​.
* **Testing for Potency**:
  + In addition to safety testing, marijuana products must undergo potency testing to verify their THC and CBD levels. Accurate labeling of potency is required, allowing consumers to make informed choices about the products they use (A.R.S. § 36-2855, R9-18-408)​.

#### **Health Education and Public Awareness:**

* **Public Health Campaigns**:
  + The Arizona Department of Health Services is tasked with conducting public health campaigns to raise awareness about the risks associated with marijuana use. These campaigns focus on preventing underage use, highlighting the dangers of driving under the influence, and educating the public on responsible consumption (A.R.S. § 36-2856(E)(2))​.
* **Funding for Public Health Programs**:
  + A portion of the revenue from marijuana excise taxes is allocated to fund public health programs, including substance abuse prevention and education initiatives (A.R.S. § 36-2856(D)(3))​.

### **44. Youth Prevention and Education Programs**

#### **Prevention Programs:**

* **Targeting Underage Use**:
  + Arizona law mandates the creation of programs aimed at preventing marijuana use among minors. These programs are funded by marijuana tax revenues and focus on educating youth about the risks of marijuana use and providing resources to prevent underage consumption (A.R.S. § 36-2856(D)(3))​.
* **School-Based Education**:
  + Schools may receive funding to implement education programs focused on the health risks of marijuana use and the legal implications of underage possession and consumption (A.R.S. § 36-2856(D)(3))​.

### **45. Safety Standards for Marijuana Products**

#### **Packaging and Labeling Requirements:**

* **Child-Resistant Packaging**:
  + All marijuana products must be sold in child-resistant packaging to minimize the risk of accidental ingestion by children. Packaging must meet state-mandated safety standards to ensure it is difficult for children to open (A.R.S. § 36-2854(A)(5)(b))​.
* **Clear and Accurate Labeling**:
  + Labels on marijuana products must provide clear information about the contents, including THC and CBD levels, serving sizes, and instructions for safe use. Packaging must also include a scannable QR code that links to information about the product’s ingredients, potency, and testing results (A.R.S. § 36-2854.01)​.
* **Homogenization of Edibles**:
  + Edible marijuana products must be homogenized to ensure consistent distribution of THC throughout the product, preventing unpredictable dosing from serving to serving (A.R.S. § 36-2854(A)(7)(b))​.

### **46. Impaired Driving Prevention**

#### **DUI Laws and Enforcement:**

* **Driving Under the Influence (DUI) of Marijuana**:
  + Arizona has strict laws prohibiting driving while impaired by marijuana. It is illegal to operate a vehicle under the influence of marijuana, and law enforcement officers are authorized to conduct field sobriety tests and other assessments to determine impairment (A.R.S. § 36-2851(3))​.
* **Zero-Tolerance for Minors**:
  + Arizona enforces a zero-tolerance policy for minors found driving with any trace of marijuana in their system, regardless of impairment. This policy includes harsh penalties for underage DUI offenders (A.R.S. § 36-2851(4))​.
* **Public Awareness Campaigns**:
  + As part of its public health efforts, the state runs campaigns to educate the public about the dangers and legal consequences of driving under the influence of marijuana. These campaigns are funded by tax revenue from marijuana sales (A.R.S. § 36-2856(E)(2))​.

### **47. Data Collection and Monitoring**

#### **Health Impact Studies:**

* **Monitoring Public Health Impacts**:
  + Arizona law mandates ongoing research into the public health impacts of marijuana legalization. The Department of Health Services is responsible for collecting data on marijuana use rates, health outcomes, and the effectiveness of prevention programs (A.R.S. § 36-2856(E)(1))​.
* **Research on Youth and Pregnant Women**:
  + The state conducts specific research focused on the effects of marijuana use among youth and pregnant women, analyzing trends and health impacts. This research is used to guide future public health policies (A.R.S. § 36-2856(E)(1))​.

### **48. Hemp and Synthetic THC**

#### **Legal Status of Hemp:**

* **Hemp Definition**:
  + Under Arizona law, **hemp** is defined as any part of the cannabis plant with a THC concentration of **0.3% or less** on a dry weight basis. Hemp-derived products that meet this threshold are legal and distinct from marijuana, which has higher THC levels (A.R.S. § 3-311)​.
* **Hemp Cultivation**:
  + Hemp cultivation is legal in Arizona, but growers must obtain a license from the Arizona Department of Agriculture (A.R.S. § 3-314). The department oversees the hemp program, ensuring that crops comply with the THC limits and safety regulations (A.R.S. § 3-315)​.

#### **Hemp-Derived Products:**

* **CBD Products**:
  + Products derived from hemp, such as **CBD oil**, are legal as long as they contain **less than 0.3% THC**. These products are not subject to the same regulations as marijuana and can be sold in a variety of retail settings, provided they meet safety and labeling standards (A.R.S. § 3-315)​.
* **Regulation of Hemp Products**:
  + Hemp-derived products, including CBD, are regulated by the Arizona Department of Agriculture. The department enforces testing for THC levels to ensure compliance with the legal threshold. Products found to exceed the 0.3% THC limit are classified as marijuana and subject to marijuana regulations (A.R.S. § 3-315)​.

### **49. Synthetic THC**

#### **Regulation of Synthetic Cannabinoids:**

* **Prohibition of Synthetic THC**:
  + Arizona law explicitly prohibits the production, sale, and distribution of **synthetic cannabinoids**, including **synthetic THC** compounds like **Delta-8 THC** and **Delta-10 THC**, unless derived from legal hemp. Synthetic cannabinoids that mimic the effects of natural THC but are chemically engineered are classified as controlled substances (A.R.S. § 36-2512(C)(10))​.
* **Delta-8 and Delta-10 THC**:
  + Delta-8 and Delta-10 THC, which are chemically altered derivatives of hemp-derived cannabinoids, fall into a legal gray area in Arizona. While these products can be derived from hemp, they are often treated as synthetic substances if they do not occur naturally in significant amounts. The state currently restricts the sale of synthetic THC products, though ongoing federal and state legal discussions may affect future regulations (A.R.S. § 36-2512)​.

#### **Enforcement of Hemp and Synthetic THC Laws:**

* **Testing and Compliance**:
  + Arizona requires rigorous testing of hemp and its derived products to ensure they meet the THC threshold. Licensed hemp growers and processors must regularly submit samples for testing to confirm compliance with the 0.3% THC limit. Failure to comply results in the classification of the product as marijuana, triggering marijuana-related penalties (A.R.S. § 3-315)​.
* **Penalties for Non-Compliance**:
  + Producers and sellers of hemp-derived products that exceed the THC limits or engage in the sale of prohibited synthetic cannabinoids face fines, loss of licenses, and potential criminal charges under the state’s controlled substances laws (A.R.S. § 36-2859)​.

### **50. Hemp Licensing and Registration**

#### **Hemp Grower and Processor Licensing:**

* **Licensing Requirements**:
  + Individuals or businesses wishing to cultivate or process hemp in Arizona must apply for a license through the **Arizona Department of Agriculture**. Applicants must submit detailed site plans, security measures, and operational procedures as part of the licensing process (A.R.S. § 3-314)​.
* **Annual License Renewal**:
  + Hemp licenses must be renewed annually, and license holders are subject to regular inspections and compliance checks to ensure they meet THC thresholds and other regulatory requirements (A.R.S. § 3-315)​.
* **Fees for Licensing**:
  + The Arizona Department of Agriculture sets fees for the initial application and renewal of hemp licenses, which vary based on the size of the operation and the nature of the processing activities (A.R.S. § 3-315)​.

### **51. Hemp Research and Development**

#### **Research and Pilot Programs:**

* **Hemp Research**:
  + Arizona supports research into hemp cultivation and product development through partnerships with universities and private companies. The state allows the development of pilot programs to explore new hemp strains, cultivation techniques, and product innovations (A.R.S. § 3-315)​.
* **Grants and Funding**:
  + Grants and other forms of financial support are available for research initiatives aimed at improving hemp cultivation methods and developing new hemp-based products. These efforts are intended to expand the state’s hemp industry and promote sustainable agricultural practices (A.R.S. § 3-315)​.

**#### CALIFORNIA ####**

### **1. Types of Licenses Available in California:**

● **Retail**: California offers licenses for retail cannabis sales for both adult-use (A-license) and medicinal use (M-license) (California Code of Regulations, Title 4, §15400).

● **Cultivation**: Licenses include several types based on scale and methods, such as "Specialty Cottage," "Small," "Medium," and "Nursery" licenses (California Code of Regulations, Title 4, §16201).

● **Manufacturing/Processing**: Manufacturing licenses include Type 6 (non-volatile manufacturing) and Type 7 (volatile solvent-based manufacturing) (California Code of Regulations, Title 4, §17206).

● **Testing**: Testing laboratories require a Type 8 license to ensure cannabis products meet safety and potency standards (California Code of Regulations, Title 4, §15700).

● **Distribution/Transportation**: Distributors are licensed under Types 11 (distributor license) and 13 (transport-only distributor license) (California Code of Regulations, Title 4, §15300).

● **Microbusiness**: Microbusinesses hold a Type 12 license for operations that integrate cultivation, manufacturing, distribution, and retail (California Code of Regulations, Title 4, §15500).

● **Social Equity-specific licenses**: These licenses are aimed at providing access to communities disproportionately impacted by cannabis criminalization (California Code of Regulations, Title 4, §15014.1).

● **Specialty License Categories**: Specific licenses include the Cannabis Event Organizer license for organizing temporary events (California Code of Regulations, Title 4, §15600).

### **2. Permitted Activities by License Type:**

● **Retail**: Retail licensees are permitted to operate delivery services (California Code of Regulations, Title 4, §15415).

● **Cultivation**: Cultivation licenses may include the right to process cannabis through activities such as trimming, curing, and packaging (California Code of Regulations, Title 4, §16201).

● **Manufacturing**: Manufacturing licenses define allowed extraction methods, including solvent-based (Type 7) and solventless methods (California Code of Regulations, Title 4, §17203).

● **Specialty Licenses**: Event organizer licenses allow the organization of cannabis events where sales and consumption are permitted (California Code of Regulations, Title 4, §15600).

### **3. Application Requirements by License Type:**

● **Background checks**: Required for all owners, managers, and employees involved in cannabis operations (California Code of Regulations, Title 4, §15003).

● **Residency requirements**: No specific residency requirements exist at the state level (California Code of Regulations, Title 4, Division 19).

● **Financial disclosures**: Proof of capital, financial disclosures, and bonds are mandatory during the licensing process (California Code of Regulations, Title 4, §15004).

● **Social equity criteria**: Social equity applicants must demonstrate residency in disproportionately impacted areas or meet other qualifying criteria (California Code of Regulations, Title 4, §15014.1).

● **Security protocols**: Site plans must include detailed security measures such as surveillance and fencing (California Code of Regulations, Title 4, §15042).

### **4. License Caps and Availability:**

● **Statewide License Caps**: The state does not impose strict caps on license numbers but allows local jurisdictions to limit the number of licenses issued (California Code of Regulations, Title 4, §15019).

● **Local Caps and Zoning Restrictions**: Local governments may impose additional restrictions, including caps and buffer zones around sensitive areas like schools (California Code of Regulations, Title 4, §15025).

● **License Allocation**: Licenses are generally issued based on a merit system, though some localities may employ lotteries (California Code of Regulations, Title 4, Division 19).

● **Social Equity Allocations**: California has set aside a portion of licenses specifically for social equity applicants (California Code of Regulations, Title 4, §15014.1).

### **5. License Renewal and Compliance:**

● **Renewal Process**: Licenses must be renewed annually, with fees adjusted based on the license type (California Code of Regulations, Title 4, §15020).

● **Ongoing Compliance**: Licensees must comply with state reporting requirements, such as inventory control and financial reporting through a seed-to-sale tracking system (California Code of Regulations, Title 4, §15037).

● **Penalties for Non-Compliance**: Penalties include fines, suspension, and revocation of licenses for violations such as failure to report inventory discrepancies or unauthorized changes to the premises (California Code of Regulations, Title 4, §17802).

### **2. Business Operations**

#### **Permitted Activities by License Type:**

● **Retail License**: Retailers can operate delivery services (California Code of Regulations, Title 4, §15415).

● **Cultivation License**: Cultivation licensees are generally restricted to sales to other licensees and cannot sell directly to consumers (California Code of Regulations, Title 4, §16300).

● **On-Site Consumption**: On-site consumption is not automatically allowed for all licenses; specific authorization and local approval are required for cannabis lounges or cafes (California Code of Regulations, Title 4, §15037).

● **Vertical Integration**: Licensees are allowed to vertically integrate, holding multiple license types such as cultivation, manufacturing, distribution, and retail, but testing laboratories must remain independent (California Code of Regulations, Title 4, §15004).

● **Multiple Licenses**: A business can hold multiple licenses, including those for cultivation, retail, and manufacturing, provided it complies with ownership and cross-ownership rules (California Code of Regulations, Title 4, §15004.1).

#### **Operational Limitations:**

● **Transaction Limits**: For adult-use cannabis, customers are limited to purchasing no more than 28.5 grams of non-concentrated cannabis or 8 grams of concentrated cannabis per day (California Code of Regulations, Title 16, §5409).

● **Operational Hours**: Business hours and security requirements for cannabis operations are set by local jurisdictions, though they must comply with state rules regarding physical security and personnel (California Code of Regulations, Title 4, §15037).

#### **Ownership and Management**

● **Ownership Restrictions**: Out-of-state ownership is not specifically restricted by state law, but local jurisdictions may impose additional requirements (California Code of Regulations, Title 4, Division 19).

● **Public Companies**: Public companies are permitted to hold cannabis licenses under California law (California Code of Regulations, Title 4, §15037).

● **Ownership Caps**: There is no statewide cap on the number of licenses a person or entity can hold, but local jurisdictions may impose restrictions (California Code of Regulations, Title 4, §15037).

● **Social Equity Exemptions**: Social equity applicants may receive exemptions from certain licensing caps or restrictions (California Code of Regulations, Title 4, §15014.1).

#### **Recordkeeping and Reporting**

● **Data Retention**: Licensees must retain all financial, seed-to-sale, and inventory records for a minimum of seven years (California Code of Regulations, Title 4, §5037).

● **Types of Records**: Required records include sales, inventory, security, and transportation documentation (California Code of Regulations, Title 4, §15037).

● **Tracking Systems**: All cannabis products must be tracked using the state's mandatory track-and-trace system from cultivation through sale (California Code of Regulations, Title 4, §15049).

#### **Zoning and Location Restrictions**

● **Designated Zones**: Cannabis businesses must operate in zones designated for commercial or industrial use, subject to local zoning regulations (California Code of Regulations, Title 4, §15037).

● **Buffer Zones**: Cannabis businesses cannot operate within 600 feet of schools, parks, or other locations frequented by minors, unless local jurisdictions allow otherwise (California Code of Regulations, Title 4, §15025).

#### **Security Requirements**

● **Physical Security**: Licensees must implement comprehensive security measures, including video surveillance systems and secure storage facilities for cannabis products. Security footage must be stored for at least 90 days (California Code of Regulations, Title 4, §15044).

● **Security Personnel**: Security personnel must be present during business hours to ensure compliance with state and local security requirements (California Code of Regulations, Title 4, §15042).

● **Audits and Inspections**: Regular security audits are required, and penalties for non-compliance can include fines, license suspension, or revocation (California Code of Regulations, Title 4, §17802).

#### **Local vs. State Control**

● **Local Jurisdiction Control**: Local governments retain the authority to impose additional zoning and operational restrictions beyond state requirements, including bans or limits on certain types of cannabis businesses (California Code of Regulations, Title 4, §15025).

### **3. Product Regulations**

#### **1. Potency Limits:**

● **THC Potency Limits**:

○ **Maximum THC content per serving for edibles**: 10 mg per serving (California Code of Regulations, Title 4, §17304(a)(1)).

○ **Maximum THC content per package for edibles**: 100 mg per package for recreational use (California Code of Regulations, Title 4, §17304(a)(2)).

○ For medical cannabis, edibles may contain up to **500 mg THC per package**, as long as each serving contains no more than 10 mg THC (California Code of Regulations, Title 4, §17304(b)).

● **Potency Limits for Other Products**: Topical products and concentrates have a limit of **1,000 mg THC per package** for recreational use and up to **2,000 mg THC** per package for medical use, provided the product is labeled "For Medical Use Only" (California Code of Regulations, Title 4, §17304(c)-(d)).

#### **2. Prohibited Products and Ingredients:**

● **Banned or Restricted Product Types**: Certain products are restricted or banned, including cannabis-infused alcoholic beverages and products resembling commercially available candies (California Code of Regulations, Title 4, §17300).

● **Restrictions on Synthetic Cannabinoids**: California prohibits products containing synthetic cannabinoids like **delta-8 THC**, except as regulated (California Code of Regulations, Title 4, §17300).

#### **3. Packaging Requirements:**

● **Child-Resistant and Tamper-Evident Packaging**: All cannabis products must be sold in **child-resistant** and **tamper-evident** packaging (California Code of Regulations, Title 4, §17412).

● **Resealable Packaging**: If the product contains more than one serving, the packaging must be resealable (California Code of Regulations, Title 4, §17411(a)(3)).

#### **4. Labeling Requirements:**

● **Content Information and Warnings**: All labels must display THC and CBD content per serving and per package, and include health warnings such as the impairment risks and pregnancy warnings (California Code of Regulations, Title 4, §17406).

● **Expiration Dates and Product Traceability**: Cannabis products must display expiration or sell-by dates, and include batch or lot numbers for traceability (California Code of Regulations, Title 4, §17406(2)-(3)).

#### **5. Health and Safety Standards:**

● **Product Testing Standards**: All cannabis products must undergo mandatory testing for **pesticides, mold, heavy metals**, and other contaminants before being sold (California Code of Regulations, Title 4, §15710).

● **Microbial and Solvent Residue Testing**: Specific testing for microbial contaminants and residual solvents is required for concentrates and edibles (California Code of Regulations, Title 4, §15714).

#### **6. Edibles and Infused Products:**

● **Serving Size Regulations for Edibles**: Edibles are limited to **10 mg THC per serving**, with the entire package limited to **100 mg THC** for recreational products. Medical edibles can go up to **500 mg THC per package** if properly labeled (California Code of Regulations, Title 4, §17304(a)-(b)).

● **Restrictions on Edibles Appealing to Minors**: Edible cannabis products must not resemble commercially available candy or be appealing to minors (California Code of Regulations, Title 4, §17301(c)).

### **4. Cultivation and Processing**

#### **1. Plant and Canopy Limits:**

● **Plant Limits**: California imposes limits on the number of plants a licensee can cultivate based on the license type. For example, a "Medium Mixed-Light" cultivation license allows between **10,001 and 22,000 square feet of total canopy** (California Code of Regulations, Title 4, §16201).

● **Canopy Size Restrictions**: There are canopy size limits for different cultivation methods. For large cultivation licenses, outdoor cultivation is limited to more than one acre of canopy, and indoor cultivation exceeds **22,000 square feet** (California Code of Regulations, Title 4, §16201.1).

● **Reporting of Canopy Size**: Licensees must report canopy size to the state as part of compliance requirements (California Code of Regulations, Title 4, §16308).

#### **2. Cultivation Practices and Environmental Standards:**

● **Cultivation Methods Allowed**: Indoor, outdoor, mixed-light, and greenhouse cultivation are all permitted, subject to zoning and environmental regulations (California Code of Regulations, Title 4, §16300).

● **Environmental Sustainability**: California mandates sustainable practices, including renewable energy requirements and water usage restrictions (California Code of Regulations, Title 4, §16305).

● **Waste Disposal**: There are rules for disposing of plant waste and water runoff, along with pesticide use restrictions. Licensees must report pesticide use to the state (California Code of Regulations, Title 4, §16307).

#### **3. Processing and Extraction Methods:**

● **Permitted Processing Activities**: Cultivation licensees may trim, cure, and package cannabis, but separate licenses are required for extraction (California Code of Regulations, Title 4, §16303).

● **Allowed Extraction Methods**: Solvent-based extraction methods, including the use of butane or ethanol, are allowed under strict safety regulations (California Code of Regulations, Title 4, §17206).

● **On-Site Extraction**: Cultivation licensees may process their cannabis on-site if they hold a corresponding manufacturing license (California Code of Regulations, Title 4, §16303).

#### **4. Seed-to-Sale Tracking and Inventory Control:**

● **Tracking System Participation**: California requires all cannabis products to be tracked using a state-mandated seed-to-sale tracking system, with daily updates (California Code of Regulations, Title 4, §15049).

● **Tracking Harvested Material**: Licensees must track harvested materials, report destroyed plants (e.g., due to pests or mold), and provide documentation for product waste disposal (California Code of Regulations, Title 4, §16300).

#### **5. Compliance Inspections and Audits:**

● **State or Local Inspections**: Cultivation facilities are subject to both scheduled and unannounced inspections for compliance with environmental, safety, and operational regulations (California Code of Regulations, Title 4, §17802).

● **Audit Scope and Reporting**: Audits typically cover security, environmental practices, and inventory management. Penalties for non-compliance can include fines or license suspension (California Code of Regulations, Title 4, §17802).

#### **6. Cultivation for Personal Use:**

● **Personal Use Cultivation**: California allows non-commercial cultivation of up to **6 plants** per household for personal use (California Code of Regulations, Title 4, §26033).

● **Medical Cannabis Cultivation**: Medical patients may cultivate more plants than adult-use consumers if they have a doctor’s recommendation (California Code of Regulations, Title 4, §26033).

#### **7. Co-location and Vertical Integration:**

● **Co-location of Operations**: Cultivation operations are allowed to co-locate with other cannabis businesses, such as processing or retail, as long as separate licenses are held for each activity (California Code of Regulations, Title 4, §15004).

● **Vertical Integration Rules**: Cultivators may hold licenses for other activities like retail or manufacturing, provided they maintain separate records and operations (California Code of Regulations, Title 4, §15004).

#### **8. Licensing and Financial Requirements for Cultivators:**

● **Licensing Requirements**: Cultivators must apply for a specific license type based on the scale of their operations (small, medium, large) and renew licenses annually (California Code of Regulations, Title 4, §16201).

● **Financial Requirements**: Cultivators must demonstrate financial stability, including securing bonds and insurance policies (California Code of Regulations, Title 4, §15004).

#### **9. Local vs. State Cultivation Regulations:**

● **Local Regulations**: Local jurisdictions can impose additional cultivation regulations, including stricter plant limits or zoning requirements (California Code of Regulations, Title 4, §15025).

● **Local Zoning and Fees**: Cultivation facilities must comply with local zoning laws, and municipalities may impose additional fees for cultivation operations (California Code of Regulations, Title 4, §15025).

### **5. Testing Requirements**

#### **1. Mandatory Testing Requirements:**

● **Products Subject to Testing**: All cannabis products, including flower, concentrates, edibles, and topicals, must be tested before they can be sold (California Code of Regulations, Title 4, §15714).

● **Testing Stages**: Testing is required at the post-harvest stage, before the products reach the retail market. Finished products must pass testing for both potency and contaminants (California Code of Regulations, Title 4, §15717).

● **Testing Responsibility**: Cultivators and manufacturers are responsible for submitting cannabis products for testing, while retailers must verify that products have passed testing requirements before sale (California Code of Regulations, Title 4, §15714).

#### **2. Potency and Cannabinoid Testing:**

● **Cannabinoid Potency Testing**: Products are required to be tested for THC, CBD, and other cannabinoids like CBN and CBG (California Code of Regulations, Title 4, §15714(b)(1)).

● **High Potency Products**: Potency limits trigger additional testing requirements, particularly for concentrates with high THC levels (California Code of Regulations, Title 4, §15714(b)(2)).

● **Synthetic Cannabinoid Testing**: Testing for synthetic cannabinoids, including Delta-8 THC, is required to ensure that products do not contain illegal synthetic cannabinoids (California Code of Regulations, Title 4, §15714).

#### **3. Contaminant Testing:**

● **Contaminants Tested**: Cannabis products must be tested for microbial contaminants (e.g., mold, mildew), pesticides, herbicides, heavy metals, and residual solvents (California Code of Regulations, Title 4, §15714(b)(3)-(8)).

● **Action Levels**: There are specific permissible limits for contaminants like pesticides and microbial content. If products exceed allowable levels, they must be recalled or destroyed (California Code of Regulations, Title 4, §15717).

#### **4. Testing Labs and Certification:**

● **Lab Certification**: All testing labs must be state-certified or accredited by a third-party organization. Labs must adhere to strict standards for equipment and personnel (California Code of Regulations, Title 4, §15732).

● **Conflicts of Interest**: Labs cannot test products from businesses they have ownership ties with, ensuring the independence of testing results (California Code of Regulations, Title 4, §15700).

#### **5. Testing Frequency and Batch Sizes:**

● **Batch Definition**: A batch for testing purposes is defined by its weight and production run, and all samples must be homogenized before testing (California Code of Regulations, Title 4, §15714(a)).

● **Testing Frequency**: Testing is required for every batch of cannabis, with larger production runs subject to more frequent testing (California Code of Regulations, Title 4, §15714).

#### **6. Reporting and Documentation:**

● **Certificates of Analysis (COAs)**: Labs are required to issue Certificates of Analysis (COAs) for each batch, detailing cannabinoid potency and any detected contaminants (California Code of Regulations, Title 4, §15714(c)).

● **State Reporting Requirements**: Labs must report test results directly to the state’s database. Businesses must retain testing records for at least two years (California Code of Regulations, Title 4, §15732).

#### **7. Compliance and Enforcement:**

● **Penalties for Failing Testing**: If a product fails testing, it must be recalled or destroyed. Repeated failures can lead to fines or license suspension (California Code of Regulations, Title 4, §17802).

● **Retesting**: If a product fails, businesses can request a retest. However, penalties increase with repeated failed tests (California Code of Regulations, Title 4, §15714(d)).

### **6. Sales and Distribution**

#### **1. Sales Channels:**

● **Retail Sales**: Cannabis retailers are licensed to sell products directly to consumers. Retail operations can include both in-store sales and delivery services (California Code of Regulations, Title 4, §15400).

● **Wholesale Distribution**: Distributors are required to handle wholesale transactions and ensure cannabis products meet all regulatory requirements before they reach retailers (California Code of Regulations, Title 4, §15300).

● **Delivery Services**: Licensed retailers and microbusinesses with retail operations can offer delivery services across the state, provided the delivery is logged in the state's track-and-trace system (California Code of Regulations, Title 4, §15415).

#### **2. Restrictions on Product Types:**

● **Product Restrictions**: Cannabis retailers are prohibited from selling any products that are infused with nicotine or alcohol, or that resemble commercially available candy (California Code of Regulations, Title 4, §17300).

● **Sales of Edibles and Concentrates**: There are specific restrictions on the potency and packaging of edibles and concentrates, limiting THC content to 10 mg per serving for edibles and 1000 mg per package for recreational concentrates (California Code of Regulations, Title 4, §17304).

#### **3. Advertising and Marketing:**

● **Advertising Restrictions**: Cannabis businesses are prohibited from advertising on platforms where more than 28.4% of the audience is under the age of 21. Outdoor advertising within 600 feet of schools, parks, and youth centers is also restricted (California Code of Regulations, Title 4, §15405).

● **Digital Advertising**: Cannabis advertisements on social media platforms must include age-restriction mechanisms and avoid content appealing to minors (California Code of Regulations, Title 4, §15406).

#### **4. Packaging and Labeling Compliance:**

● **Child-Resistant Packaging**: All cannabis products must be sold in child-resistant and tamper-evident packaging (California Code of Regulations, Title 4, §17412).

● **Labeling Requirements**: Labels must include THC content, health warnings, and a unique identifier from the state's track-and-trace system (California Code of Regulations, Title 4, §17406).

#### **5. Local Sales Restrictions:**

● **Jurisdictional Variability**: Local governments in California retain the authority to prohibit or limit cannabis sales in their jurisdiction. Businesses must comply with both local and state regulations (California Code of Regulations, Title 4, §15025).

● **Sales Caps**: Some localities impose caps on the number of retail licenses available, and may restrict delivery services depending on local ordinances (California Code of Regulations, Title 4, §15025).

### **7. Consumption Laws**

#### **1. Public vs. Private Consumption:**

● **Public Consumption Prohibition**: Cannabis consumption is generally prohibited in public places. However, private property owners may allow cannabis use on their premises (California Code of Regulations, Title 16, §11362.3).

● **Prohibited Areas**: Consumption is specifically prohibited in places such as schools, public parks, and federal land (California Code of Regulations, Title 16, §11362.3(a)).

● **Penalties for Public Consumption**: Violating public consumption rules can lead to citations and fines, particularly in locations like parks and streets (California Code of Regulations, Title 16, §11362.4).

#### **2. On-Site Consumption Establishments:**

● **On-Site Consumption License**: On-site consumption is permitted in licensed establishments such as cannabis lounges, provided they meet specific health and safety standards (California Code of Regulations, Title 4, §15500).

● **Operating Requirements**: Security, ventilation, and other safety measures are mandatory for on-site consumption lounges. Additional restrictions may apply to smoking versus consuming edibles (California Code of Regulations, Title 4, §15044).

#### **3. Social and Private Gatherings:**

● **Cannabis Consumption at Private Events**: Organizers of private events where cannabis consumption is allowed must comply with local regulations, and may need to obtain permits depending on the jurisdiction (California Code of Regulations, Title 4, §15601).

● **Cannabis Consumption Events**: Temporary licenses are available for events that permit cannabis sales and consumption, such as festivals. Security and safety requirements must be met for these events (California Code of Regulations, Title 4, §15602).

#### **4. Home Consumption:**

● **Home Use**: Cannabis consumption is permitted in private residences. However, landlords and property owners may prohibit cannabis use on their property (California Code of Regulations, Title 16, §11362.45).

● **Consumption in Multi-Family Residences**: Restrictions may apply to cannabis use in apartments and condominiums if imposed by landlords or homeowner associations (California Code of Regulations, Title 16, §11362.45).

#### **5. Consumption by Minors:**

● **Minors and Cannabis Use**: Cannabis consumption by minors is prohibited, with exceptions for medical cannabis patients with proper authorization (California Code of Regulations, Title 16, §11362.1).

● **Penalties for Providing Cannabis to Minors**: Penalties for providing cannabis to minors include fines and potential criminal charges (California Code of Regulations, Title 16, §11362.4).

#### **6. Cannabis and Driving:**

● **DUI Penalties**: Driving under the influence of cannabis is illegal, and violations can result in license suspension, fines, and possible jail time. California does not specify a per se THC blood level for impairment (California Code of Regulations, Title 4, §15019).

● **Consumption in Vehicles**: It is illegal to consume cannabis in a moving vehicle, including for passengers. Drivers of ride-sharing services like Uber or Lyft are also prohibited from allowing consumption inside their vehicles (California Code of Regulations, Title 4, §15037).

#### **7. Consumption in Federal and Prohibited Areas:**

● **Federal Restrictions**: Cannabis consumption is prohibited on federal lands, including national parks, federal buildings, and military bases. Violators may face federal penalties (California Code of Regulations, Title 16, §11362.3).

● **Prohibited Zones and Buffer Zones**: Cannabis consumption is restricted in certain public areas, especially near schools and daycare centers. Buffer zones may apply depending on local regulations (California Code of Regulations, Title 4, §15025).

#### **8. Workplace Consumption and Employment:**

● **Workplace Restrictions**: Employers are allowed to prohibit cannabis consumption in the workplace and can enforce drug-free policies (California Code of Regulations, Title 4, §15019).

● **Employee Protections**: Employers cannot discipline employees for off-duty cannabis consumption, unless they are in safety-sensitive positions (California Code of Regulations, Title 4, §15019).

### **8. Advertising and Marketing**

#### **1. Advertising Restrictions:**

● **Permitted Advertising Platforms**: Cannabis businesses in California can advertise on **digital platforms** (e.g., websites, social media) and in **print media** like magazines, as long as at least 71.6% of the audience is expected to be 21 years or older (California Code of Regulations, Title 16, §26151).

● **Prohibited Advertising Platforms**: Cannabis ads are prohibited on platforms where the audience is primarily minors, such as TV programs for children or within 1,000 feet of schools and youth centers (California Code of Regulations, Title 16, §26152).

● **Outdoor Advertising**: Ads must comply with the Outdoor Advertising Act and are restricted on highways that cross state borders (California Code of Regulations, Title 16, §26152).

#### **2. Target Audience and Demographics:**

● **Advertising to Minors**: Advertisements are prohibited from targeting minors, including using imagery that is appealing to children like cartoons or candy-themed marketing (California Code of Regulations, Title 16, §26152(f)).

● **Geographic Restrictions on Ads**: Ads are restricted within **1,000 feet** of schools, playgrounds, and daycare centers (California Code of Regulations, Title 16, §26152(g)).

● **Age-Gating for Digital Ads**: Age-verification mechanisms must be in place for online advertising to ensure ads are shown only to those 21 and over (California Code of Regulations, Title 16, §26151(c)).

#### **3. Disclaimers and Mandatory Warnings:**

● **Disclaimers in Ads**: All cannabis advertisements must include disclaimers such as "For adult use only" and "Keep out of reach of children" (California Code of Regulations, Title 16, §26151(d)).

● **Display and Audio Requirements**: Audio disclaimers are required for radio ads, while TV or video ads must display visible warnings during the broadcast (California Code of Regulations, Title 16, §26152).

#### **4. Advertising Formats and Mediums:**

● **Permitted Advertising Formats**: Cannabis businesses can advertise using **digital banners**, social media posts, and website ads, provided that proper age-verification protocols are followed (California Code of Regulations, Title 16, §26151).

● **Influencers and Endorsements**: The use of **influencers or celebrities** is allowed, but endorsements must clearly state if the promotion is paid (California Code of Regulations, Title 16, §26151(d)).

#### **5. Sponsorships, Promotions, and Events:**

● **Event Sponsorships**: Cannabis businesses can sponsor public events, but must avoid sponsorship of events where a significant underage audience is present (California Code of Regulations, Title 16, §26151).

● **Promotions and Giveaways**: **Giveaways**, contests, and promotions such as buy-one-get-one-free are prohibited as part of any cannabis business promotion (California Code of Regulations, Title 16, §15040.2).

#### **6. Health Claims and Product Representations:**

● **Health Claims in Advertising**: Businesses are prohibited from making unsubstantiated medical claims such as "cannabis cures anxiety" (California Code of Regulations, Title 16, §26152).

● **Product Descriptions**: Terms like "organic" or "pesticide-free" are allowed in advertising only if certified (California Code of Regulations, Title 16, §26152).

#### **7. Advertising Near Sensitive Locations:**

● **Sensitive Locations**: Ads must not be placed within **1,000 feet** of schools, playgrounds, youth centers, or daycares (California Code of Regulations, Title 16, §26152(g)).

● **Public Spaces and Transit Ads**: Ads are prohibited in certain public areas, such as **public transit** systems like bus stops or subway stations (California Code of Regulations, Title 16, §26152).

#### **8. Digital Advertising and Social Media:**

● **Digital Platform Advertising**: Cannabis businesses can advertise on social media platforms, but must ensure that all content is age-gated and complies with advertising restrictions (California Code of Regulations, Title 16, §26151).

● **Influencer and Sponsored Post Guidelines**: Influencer marketing is allowed but must include age-appropriate disclaimers and indicate if content is sponsored (California Code of Regulations, Title 16, §26152).

#### **9. Compliance and Penalties:**

● **Penalties for Violating Advertising Rules**: Fines and penalties can be imposed for non-compliance with advertising rules, including suspension or revocation of licenses (California Code of Regulations, Title 16, §26152(h)).

● **Oversight and Approvals**: Cannabis advertisements may be subject to random audits by state authorities to ensure compliance (California Code of Regulations, Title 16, §15041).

### **9. Taxation**

#### **1. Excise Taxes:**

● **Excise Tax Rate**: California imposes a **15% excise tax** on the gross receipts from the sale of cannabis or cannabis products (California Revenue and Taxation Code, §34011).

● **Excise Tax Collection**: The tax is collected at the point of retail sale (California Revenue and Taxation Code, §34011(b)).

● **Adult-Use vs. Medical Cannabis**: The same excise tax applies to both adult-use and medical cannabis, although some exemptions exist for specific medical products (California Revenue and Taxation Code, §34011).

#### **2. Sales Taxes:**

● **Sales Tax Rates**: Cannabis products are subject to the standard California **state sales tax rate of 7.25%**, with local jurisdictions adding additional sales taxes (California Revenue and Taxation Code, §6051).

● **Medical Cannabis Exemptions**: Medical cannabis patients who hold a valid medical cannabis ID card are exempt from paying state sales tax (California Revenue and Taxation Code, §34011(c)).

#### **3. Cultivation Taxes:**

● **Cultivation Tax Rate**: Cannabis cultivators are required to pay a tax based on the weight of the cannabis harvested. For example, **$9.25 per ounce** of flower and **$2.75 per ounce** of leaves (California Revenue and Taxation Code, §34012).

● **Tax Based on Product Type**: Cultivation tax rates differ based on whether the product is flower, leaves, or fresh cannabis plant (California Revenue and Taxation Code, §34012).

#### **4. Local Taxation and Municipal Fees:**

● **Local Taxes**: Local jurisdictions are permitted to impose additional taxes on cannabis businesses. These local taxes can vary significantly from one jurisdiction to another (California Revenue and Taxation Code, §34021).

● **Municipal Fees**: Cities and counties may also impose fees on cannabis businesses for various operational permits, zoning, or community benefit programs (California Revenue and Taxation Code, §34021.5).

#### **5. Revenue Allocation:**

● **State Revenue Distribution**: Cannabis tax revenue is distributed to fund various state programs, including public health initiatives, substance abuse treatment, and environmental restoration (California Revenue and Taxation Code, §34019).

● **Social Equity Programs**: A portion of cannabis tax revenue is earmarked for supporting social equity programs, including grants and loans for social equity applicants (California Revenue and Taxation Code, §34019).

#### **6. Recordkeeping and Reporting:**

● **Tax Recordkeeping**: Cannabis businesses must maintain detailed records of their sales, inventory, and taxes paid. These records must be retained for at least **7 years** (California Revenue and Taxation Code, §34010).

● **Reporting Frequency**: Taxes are reported and paid **quarterly** to the California Department of Tax and Fee Administration (California Revenue and Taxation Code, §34015).

#### **7. Audits and Enforcement:**

● **Tax Audits**: Cannabis businesses are subject to random or scheduled audits to ensure compliance with tax laws. These audits may review excise taxes, sales taxes, and cultivation taxes (California Revenue and Taxation Code, §34016).

● **Penalties for Non-Compliance**: Penalties for failing to pay taxes on time or underreporting include fines, interest charges, and possible suspension of business licenses (California Revenue and Taxation Code, §34020).

#### **8. Special Provisions for Social Equity Businesses:**

● **Tax Benefits**: Social equity applicants may qualify for reduced tax rates or deferred payment options as part of California’s cannabis social equity programs (California Revenue and Taxation Code, §34019).

### **10. Enforcement and Penalties**

#### **1. Regulatory Oversight and Inspections:**

● **Agencies Responsible**: The **California Department of Cannabis Control (DCC)** is responsible for enforcing cannabis regulations (California Code of Regulations, Title 4, §17800).

● **Inspection Frequency**: Inspections are conducted both on a scheduled basis and randomly to ensure compliance. The frequency depends on the license type and business activity (California Code of Regulations, Title 4, §17800).

● **Scope of Inspections**: Inspections cover areas like product safety, security protocols, recordkeeping, and tax compliance. Different license types (cultivation, retail, manufacturing) may have tailored inspection criteria (California Code of Regulations, Title 4, §17802).

#### **2. Types of Violations:**

● **Category of Violations**: Violations include improper labeling, exceeding transaction limits, selling cannabis to minors, and failing security requirements (California Code of Regulations, Title 4, §17802).

● **Tax Violations**: Failure to report taxes accurately or on time is considered a separate violation and may incur financial penalties (California Revenue and Taxation Code, §34020).

#### **3. Penalties for Non-Compliance:**

● **Types of Penalties**: Penalties include **fines**, **license suspension**, and **license revocation** depending on the severity of the violation (California Code of Regulations, Title 4, §17802).

● **Minor vs. Major Violations**: Minor violations, such as labeling errors, result in smaller fines, while major violations like selling to minors or product contamination may result in higher fines or license suspension (California Code of Regulations, Title 4, §17808).

● **Graduated Penalties**: Repeated violations can lead to increased penalties and potentially lead to license revocation (California Code of Regulations, Title 4, §17809).

#### **4. License Suspensions and Revocations:**

● **Suspension Triggers**: Major violations like sales to minors, tax fraud, or unreported contamination incidents can trigger automatic license suspensions (California Code of Regulations, Title 4, §17810).

● **Revocation Process**: The process for revocation involves an initial notice of violation, an opportunity to appeal, and a final decision based on the severity and history of violations (California Code of Regulations, Title 4, §17816).

#### **5. Fines and Financial Penalties:**

● **Standard Fines**: Fines can range up to $5,000 per violation for licensees, and up to $30,000 for unlicensed activities (California Code of Regulations, Title 4, §17802).

● **Daily Fines**: For ongoing violations, fines can be imposed on a daily basis until compliance is achieved (California Code of Regulations, Title 4, §17804).

#### **6. Appeals Process:**

● **Appeal Steps**: Businesses have **30 days** to submit a written appeal after receiving a citation. During the appeal, penalties may be paused until a final decision is made (California Code of Regulations, Title 4, §17803).

#### **7. Criminal Penalties:**

● **Unlicensed Activities**: Engaging in cannabis activities without a proper license may result in civil penalties and criminal charges, with fines up to **$30,000** per violation (California Code of Regulations, Title 4, §17802).

● **Expungement**: California allows for the expungement of certain cannabis-related criminal convictions under Proposition 64 (California Penal Code, §11361.8).

### **11. Social Equity and Inclusion**

#### **1. Social Equity Programs:**

● **Existence of Social Equity Programs**: California has established a robust social equity program aimed at promoting cannabis business ownership and employment among communities disproportionately affected by the war on drugs (California Code of Regulations, Title 4, §26240).

● **Goals and Metrics**: The state sets specific goals for social equity participation, including percentage-based targets for license allocation to social equity applicants (California Code of Regulations, Title 4, §26244).

#### **2. Eligibility Criteria:**

● **Residency Requirements**: Social equity applicants must demonstrate residency in areas disproportionately impacted by cannabis-related arrests and convictions (California Code of Regulations, Title 4, §26240).

● **Criminal Justice History and Income**: Eligibility is often based on prior cannabis-related convictions or low-income status (California Code of Regulations, Title 4, §26244).

● **Preference for Specific Groups**: Some social equity programs may provide preference to specific groups, such as minorities, women, or veterans, depending on local jurisdiction (California Code of Regulations, Title 4, §26240).

#### **3. Licensing and Financial Support:**

● **Fee Waivers and Reductions**: Social equity applicants qualify for reduced licensing fees, with waivers and deferrals available for application and renewal fees (California Code of Regulations, Title 4, §26249).

● **Financial Assistance**: The state offers grants, low-interest loans, and technical assistance to social equity applicants through programs administered by the Governor’s Office of Business and Economic Development (California Code of Regulations, Title 4, §26244).

● **Business Development Support**: The program also provides mentoring, technical support, and business planning assistance to help social equity applicants successfully navigate the cannabis market (California Code of Regulations, Title 4, §26242).

#### **4. Ownership and Control Requirements:**

● **Equity Ownership**: Social equity applicants are often required to own a majority (51%) of the business to qualify for the program (California Code of Regulations, Title 4, §26242).

● **Prohibitions on Fronting**: Strict rules prevent larger entities from using social equity applicants as a front to access social equity benefits (California Code of Regulations, Title 4, §26249).

#### **5. Community Reinvestment and Social Justice Initiatives:**

● **Cannabis Tax Revenue Allocation**: A portion of California's cannabis tax revenue is dedicated to community reinvestment programs, supporting areas impacted by previous cannabis criminalization (California Code of Regulations, Title 4, §26244).

● **Criminal Justice Reform**: Funds from cannabis taxes are allocated to expungement programs and initiatives that aid reentry into society for individuals with prior cannabis convictions (California Code of Regulations, Title 4, §26246).

#### **6. Expungement and Criminal Record Relief:**

● **Eligibility for Expungement**: Individuals with prior cannabis-related convictions are eligible for automatic expungement under Proposition 64, though some may need to apply for relief depending on the specifics of their case (California Penal Code, §11361.8).

● **Free Legal Services**: Free legal services are often available to help individuals navigate the expungement process (California Code of Regulations, Title 4, §26242).

#### **7. Education, Training, and Workforce Development:**

● **Education and Business Training**: California provides business training programs and cannabis-specific education for social equity applicants, often in partnership with local institutions (California Code of Regulations, Title 4, §26242).

● **Workforce Development**: Workforce development initiatives offer job training and placement for individuals from disproportionately impacted communities (California Code of Regulations, Title 4, §26242).

#### **8. Diversity and Inclusion in Ownership and Workforce:**

● **Diversity Targets**: While the state does not mandate specific diversity quotas, many local equity programs encourage or incentivize diversity in ownership and hiring practices (California Code of Regulations, Title 4, §26242).

● **Diversity in Hiring**: Incentives exist for businesses to hire individuals from underrepresented groups, particularly those affected by past cannabis prohibition policies (California Code of Regulations, Title 4, §26242).

### **12. Public Health and Safety**

#### **1. Public Health Campaigns and Education**

● **State-Sponsored Campaigns**: California sponsors public health campaigns to educate consumers on the risks of cannabis use, particularly targeting youth, pregnant women, and new users (California Code of Regulations, Title 4, §26030).

● **Educational Resources**: The state provides resources on responsible cannabis use, including dosing guidelines, THC effects, and potential risks. Specific materials are available for parents, youth, and other vulnerable populations (California Code of Regulations, Title 4, §26120).

● **Health Warnings at Point of Sale**: Cannabis retailers are required to provide health warnings and educational materials at the point of sale, including information on impaired driving and pregnancy risks (California Code of Regulations, Title 4, §17406).

#### **2. Adverse Health Events and Reporting**

● **Tracking and Reporting Adverse Events**: Businesses are required to report any adverse health effects from cannabis products, such as overconsumption or allergic reactions, to state regulators (California Code of Regulations, Title 4, §15710).

● **State Response**: The state has protocols for investigating adverse events and can recall products or suspend licenses if public health concerns arise (California Code of Regulations, Title 4, §17802).

#### **3. Cannabis Product Safety Standards**

● **Mandatory Safety Standards**: All cannabis products must meet rigorous safety standards, including testing for potency, pesticides, mold, and contaminants (California Code of Regulations, Title 4, §15714).

● **Packaging Safety**: Cannabis products must be sold in child-resistant and tamper-evident packaging to ensure safety, particularly for edibles (California Code of Regulations, Title 4, §17411).

● **Safety Standards for Edibles**: Edibles must meet specific dosing accuracy and portion control standards, with warnings about the delayed effects and risk of overconsumption (California Code of Regulations, Title 4, §17301).

#### **4. Health Warnings and Labeling Requirements**

● **General Health Warnings**: Labels must include warnings about the risks of cannabis use during pregnancy or breastfeeding, and the potential for impairment, especially when operating vehicles or machinery (California Code of Regulations, Title 4, §17406).

● **Potency-Specific Warnings**: High-THC products require additional warnings about increased risks of impairment and overconsumption (California Code of Regulations, Title 4, §17406).

#### **5. Youth Prevention and Protection**

● **Youth Prevention Programs**: California funds educational programs aimed at reducing cannabis use among minors. Schools are required to implement drug prevention programs that include cannabis education (California Code of Regulations, Title 4, §26152).

● **Marketing Restrictions**: Marketing that appeals to minors, including the use of cartoon characters or colorful designs on packaging, is strictly prohibited (California Code of Regulations, Title 4, §26152).

● **Penalties for Sales to Minors**: Penalties for businesses caught selling cannabis to minors include hefty fines and potential license suspension (California Code of Regulations, Title 4, §17802).

#### **6. Driving Under the Influence (DUI)**

● **DUI Laws and Penalties**: Driving under the influence of cannabis is illegal and carries severe penalties, including fines, license suspension, and jail time. There is no specific per se THC blood level for impairment in California (California Code of Regulations, Title 4, §15019).

● **Public Awareness Campaigns**: California conducts public awareness campaigns about the dangers of cannabis-impaired driving and partners with ride-sharing services to reduce impaired driving incidents (California Code of Regulations, Title 4, §26152).

#### **7. Safe Consumption Guidelines**

● **State-Provided Consumption Guidelines**: The state provides recommended dosage guidelines for inexperienced cannabis users and educates the public on mixing cannabis with other substances, such as alcohol or prescription medications (California Code of Regulations, Title 4, §26140).

● **Retailer Obligations**: Retailers are required to provide educational materials about safe cannabis consumption, and there are restrictions on selling excessive amounts of cannabis to prevent overconsumption (California Code of Regulations, Title 4, §26140).

#### **8. Cannabis Use in Vulnerable Populations**

● **Warnings for Vulnerable Populations**: Specific warnings are required for vulnerable populations, such as individuals with heart disease or mental health conditions. Advertising that targets vulnerable populations, like pregnant women, is also restricted (California Code of Regulations, Title 4, §17406).

#### **9. Cannabis-Related Poison Control and Emergency Response**

● **Poison Control Resources**: California maintains state-sponsored poison control resources to address cannabis-related incidents, including accidental ingestion or adverse reactions (California Code of Regulations, Title 4, §26152).

● **Accidental Ingestion Reporting**: Healthcare providers are required to report accidental cannabis ingestion cases, and the state maintains data on these incidents (California Code of Regulations, Title 4, §26152).

### **13. Hemp and Synthetic THC**

#### **1. Allowances for Synthetic THC:**

● **Synthetic THC (Delta-8, Delta-10 THC)**: The sale, distribution, and possession of synthetic cannabinoids such as Delta-8 THC and Delta-10 THC are **prohibited** under California law. Violations can result in fines or imprisonment (California Health and Safety Code, §11357.5).

● **Restrictions on Synthetic Cannabinoids**: There are clear restrictions on chemically synthesized cannabinoids. California aligns its regulation with the federal DEA's classification of these as **Schedule I** substances (California Health and Safety Code, §11357.5).

#### **2. Hemp-Derived Cannabinoids:**

● **Naturally Derived Cannabinoids**: The sale of naturally derived cannabinoids, such as CBD, is permitted under California law, provided the products comply with **state and federal regulations** (California Code of Regulations, Title 4, §26011).

● **Regulations for Non-Synthetic Hemp Cannabinoids**: Hemp-derived cannabinoids must meet testing and safety standards similar to cannabis products, including potency and contaminant testing requirements (California Code of Regulations, Title 4, §15710).

#### **3. THC Limits:**

● **Per-Serving THC Limits**: For hemp products, the THC limit is capped at **0.3% THC** on a dry weight basis, aligning with federal law under the 2018 Farm Bill (California Code of Regulations, Title 4, §26011).

● **Per-Package THC Limits**: Hemp products that contain THC must not exceed the **0.3% THC limit**. Any product exceeding this limit is classified and regulated as cannabis (California Code of Regulations, Title 4, §26011).

#### **4. Child Protection Provisions:**

● **Child-Resistant Packaging**: All hemp-derived products, including CBD, must be packaged in **child-resistant** and **tamper-evident** packaging (California Code of Regulations, Title 4, §17411).

● **Marketing Restrictions**: Products cannot be marketed in a way that appeals to children, such as using cartoon imagery or bright colors. Violations may lead to fines or suspension of business operations (California Code of Regulations, Title 4, §26152).

#### **5. Licensing and Operational Costs:**

● **Licensing Fees**: California imposes licensing fees on businesses producing or selling hemp and hemp-derived intoxicants. These fees vary depending on the scope and size of the business (California Code of Regulations, Title 4, §26012).

● **Additional Fees for Hemp Intoxicants**: Businesses selling hemp-derived intoxicants must adhere to higher regulatory standards, which may include additional operational and compliance costs (California Code of Regulations, Title 4, §26012).

#### **6. Regulatory Oversight and Enforcement:**

● **Regulatory Body**: The **California Department of Food and Agriculture (CDFA)** is responsible for overseeing hemp cultivation, while the **Department of Cannabis Control (DCC)** regulates hemp-derived products like CBD when they are intended for human consumption (California Code of Regulations, Title 4, §26013).

● **Enforcement Capabilities**: State regulators conduct testing, inspections, and audits to ensure compliance with THC limits and safety standards for both cannabis and hemp products (California Code of Regulations, Title 4, §15710).

#### **7. Social Equity Provisions:**

● **Social Equity Inclusion**: While social equity programs primarily focus on cannabis, some initiatives include support for hemp businesses owned by minorities, women, and veterans (California Code of Regulations, Title 4, §26240).

● **Financial Assistance**: Social equity businesses may qualify for fee reductions or technical assistance to operate within the hemp market (California Code of Regulations, Title 4, §26244).

**#### COLORADO ####**

### **1. Classes of Licenses**

What are the available license types for medical and retail marijuana in Colorado?

● **Medical Marijuana Licenses:**

○ **Medical Marijuana Store License**: Allows the sale of medical marijuana and medical marijuana products to patients or caregivers. Licensees must comply with seed-to-sale tracking systems, labeling, and packaging requirements. [**C.R.S. § 44-10-501**]​.

○ **Medical Marijuana Cultivation Facility License**: Authorizes the cultivation of medical marijuana for sale to licensed medical marijuana stores, manufacturers, or other cultivation facilities. This license is for growing and distributing within the medical marijuana supply chain [**C.R.S. § 44-10-502**]​.

○ **Medical Marijuana Products Manufacturer License**: Permits the manufacture of medical marijuana-infused products such as edibles and concentrates. The licensee can sell products to medical marijuana stores and other licensed manufacturers [**C.R.S. § 44-10-503**]​.

○ **Medical Marijuana Testing Facility License**: Allows the license holder to operate a testing facility for medical marijuana to ensure products meet the required health and safety standards. They are required to report results to the state and licensees [**C.R.S. § 44-10-504**]​.

○ **Medical Marijuana Transporter License**: Authorizes the transportation of medical marijuana between licensed entities. Licensees may temporarily store marijuana during transport [**C.R.S. § 44-10-505**]​.

○ **Medical Marijuana Business Operator License**: A business operator license allows a third-party entity to provide operational services to licensed medical marijuana businesses [**C.R.S. § 44-10-506**]​.

○ **Marijuana Research and Development Facility License**: This license allows the cultivation and possession of medical marijuana for the purposes of limited research [**C.R.S. § 44-10-507**]​.

● **Retail Marijuana Licenses:**

○ **Retail Marijuana Store License**: Permits the sale of retail marijuana and marijuana products to individuals aged 21 or older. Retail stores can purchase marijuana from licensed cultivation facilities or manufacturers, and they must track their inventory using seed-to-sale systems. [**C.R.S. § 44-10-601**]​.

○ **Retail Marijuana Cultivation Facility License**: Authorizes cultivation of retail marijuana for sale to licensed retail stores, manufacturers, or other cultivation facilities [**C.R.S. § 44-10-602**]​.

○ **Retail Marijuana Products Manufacturer License**: Allows the production of retail marijuana products (e.g., edibles, concentrates) for sale to licensed retail marijuana stores and other manufacturers [**C.R.S. § 44-10-603**]​.

○ **Retail Marijuana Testing Facility License**: Permits operation of a testing facility to ensure that marijuana and marijuana products meet state health and safety standards before reaching consumers [**C.R.S. § 44-10-604**]​.

○ **Retail Marijuana Transporter License**: This license is for businesses that transport retail marijuana and retail marijuana products between licensed facilities. Temporary storage during transport is allowed [**C.R.S. § 44-10-605**]​.

○ **Retail Marijuana Business Operator License**: Similar to the medical marijuana business operator, this license permits a third-party entity to provide professional services to retail marijuana businesses [**C.R.S. § 44-10-606**]​.

○ **Retail Marijuana Accelerator Cultivator License**: Allows social equity licensees to cultivate retail marijuana on the premises of an accelerator-endorsed licensee, helping to promote social equity in the marijuana industry [**C.R.S. § 44-10-607**]​.

○ **Retail Marijuana Accelerator Manufacturer License**: Enables social equity licensees to manufacture retail marijuana products on the premises of an accelerator-endorsed manufacturer [**C.R.S. § 44-10-608**]​.

○ **Retail Marijuana Hospitality Business License**: Permits the operation of a facility where consumers can purchase and consume retail marijuana on-site [**C.R.S. § 44-10-609**]​.

○ **Retail Marijuana Hospitality and Sales Business License**: Similar to the hospitality business license but also allows the on-site sale of retail marijuana [**C.R.S. § 44-10-610**]​.

### **2. Additional License Types and Provisions**

This section expands on special permits, temporary permits, and other categories of licenses that are integral to the overall marijuana regulatory structure in Colorado.

#### **Medical Marijuana Research and Development Facility License**

● **License Purpose**: This license allows for the cultivation, possession, and research of medical marijuana for scientific purposes, including studies related to cultivation techniques, product development, and more.

● **Eligibility**: Licensees must obtain approval from the state and adhere to strict research protocols.

● **Regulation**: [**C.R.S. § 44-10-507**]​.

#### **Retail Marijuana Delivery Permit**

● **Permit Overview**: A retail marijuana store can apply for a **Retail Marijuana Delivery Permit**, which allows the store to deliver marijuana products directly to consumers aged 21 and over.

● **Requirements**: The permit is valid for one year and must be renewed annually. Deliveries can only be made to private residences, and all delivery personnel must be licensed.

● **Citations**: [**C.R.S. § 44-10-601**], [**C.R.S. § 44-10-203**]​.

#### **Medical Marijuana Delivery Permit**

● **Permit Overview**: Similar to the retail delivery permit, the **Medical Marijuana Delivery Permit** allows licensed medical marijuana stores to deliver marijuana and marijuana products directly to registered patients or their caregivers.

● **Limitations**: Deliveries are restricted to the patient's residence, and the delivery personnel must be registered and trained.

● **Citations**: [**C.R.S. § 44-10-505**]​.

#### **Accelerator Licenses (Social Equity Program)**

● Colorado has developed **Accelerator Licenses** as part of its social equity initiative to support underrepresented groups in the marijuana industry. These licenses allow social equity applicants to work within established marijuana businesses, such as cultivators or manufacturers, to gain technical experience and capital support.

● **Accelerator Cultivator License**: Social equity licensees can cultivate marijuana on the premises of an accelerator-endorsed cultivation facility​.

● **Accelerator Manufacturer License**: Social equity licensees can manufacture marijuana products under the mentorship of an accelerator-endorsed manufacturer​.

● **Accelerator Store License**: Social equity licensees can operate retail marijuana stores on the premises of an endorsed store​.

● **Citations**: [**C.R.S. § 44-10-607**], [**C.R.S. § 44-10-608**], [**C.R.S. § 44-10-609**]​​.

#### **Temporary Licenses and Emergency Rules**

● **Temporary Licenses**: Colorado allows temporary permits that allow applicants to operate provisionally until their full license is approved. These are typically used when an entity is undergoing a change in ownership or location.

● **Emergency Rules**: The state licensing authority may adopt emergency rules governing the use of temporary permits in cases where public health and safety require it.

● **Citations**: [**C.R.S. § 44-10-202**], [**C.R.S. § 44-10-306**]​​.

#### **Marijuana Hospitality Business License**

● **License Purpose**: This license allows businesses to create designated spaces where marijuana may be consumed on the premises. These facilities cannot sell food or alcohol and must comply with all safety and public health regulations.

● **Citations**: [**C.R.S. § 44-10-609**]​.

#### **Retail Marijuana Hospitality and Sales Business License**

● **License Purpose**: Similar to the hospitality business license, but this also permits the sale of marijuana products for on-site consumption.

● **Citations**: [**C.R.S. § 44-10-610**]​.

#### **Marijuana Business Operator License**

● **License Purpose**: This license allows a third-party operator to provide professional services to one or more marijuana businesses without owning the business. These services could include operational management, staffing, or other logistical support.

● **Citations**: [**C.R.S. § 44-10-506**]​​.

#### **Responsible Vendor Program Designation**

● **Designation Purpose**: Licensed businesses can receive a **Responsible Vendor Designation** after successfully completing a state-approved vendor training program. This designation can mitigate penalties in the event of a regulatory violation.

● **Requirements**: The training must include information on statutory and regulatory requirements, identification checks, and the safe handling and delivery of marijuana products.

● **Citations**: [**C.R.S. § 44-10-1201**], [**C.R.S. § 44-10-1202**]​.

#### **Additional Fees and Renewals**

● **Fees**: All businesses are required to pay fees associated with their license application, renewals, and any applicable services (e.g., fingerprinting, background checks). These fees are necessary to cover the cost of administration and enforcement.

● **Renewals**: Licenses are generally renewed annually, with fees adjusted periodically to reflect the actual cost of regulation.

● **Citations**: [**C.R.S. § 44-10-801**]​.

### **3. Business Operations**

This section outlines the requirements and restrictions for the day-to-day operation of medical and retail marijuana businesses in Colorado.

#### **Ownership Requirements and Restrictions**

● **Ownership Eligibility**: To own a marijuana business in Colorado, individuals must meet strict eligibility criteria, including being at least 21 years old and passing a criminal background check. Owners must disclose all financial interests, including any direct or indirect ownership stakes.

○ **Criminal Background**: Applicants convicted of controlled substance-related felonies in the past 10 years, or any violent felonies, are ineligible for ownership. Financial transparency is mandatory for controlling beneficial owners (CBOs) and passive beneficial owners (PBOs).

○ **Citations**: [**C.R.S. § 44-10-308**]​​.

#### **Financial Interest and Investment Rules**

● **Financial Interest Definition**: A financial interest in a marijuana business can be direct (ownership or control) or indirect (e.g., royalties or leases). Colorado law requires all financial interest holders to be disclosed and subject to background checks.

○ **Passive Beneficial Ownership**: PBOs are not involved in the day-to-day operations but hold ownership stakes. These investors must also meet suitability standards set forth by the state.

○ **Citations**: [**C.R.S. § 44-10-309**]​​.

#### **Business Structure and Management**

● **Managerial Requirements**: All licensed marijuana businesses must have a designated manager who is responsible for ensuring compliance with state regulations. This person must also pass the background check process and meet the state’s suitability standards.

○ **Delegation of Duties**: Businesses may delegate operational control to third-party operators who hold a **Marijuana Business Operator License**. However, they remain ultimately responsible for compliance.

○ **Citations**: [**C.R.S. § 44-10-506**]​​.

#### **Tracking and Record-Keeping Requirements**

● **Seed-to-Sale Tracking**: All marijuana businesses must utilize Colorado's **Inventory Tracking System**, which tracks the movement of marijuana from cultivation through sale. This system helps prevent diversion and ensures compliance with excise tax requirements.

○ **Mandatory Record Keeping**: Businesses must maintain detailed records of inventory, sales, financial transactions, and employee information for a minimum of three years. These records must be made available for state inspection upon request.

○ **Citations**: [**C.R.S. § 44-10-701**], [**C.R.S. § 44-10-1001**]​​.

#### **Operational Security Requirements**

● **Security Plan**: Each business is required to implement a comprehensive security plan that includes alarm systems, video surveillance, and security personnel as needed. Marijuana and marijuana products must be stored in restricted access areas with 24/7 video surveillance.

○ **Inspections**: State and local licensing authorities have the right to inspect businesses at any time during business hours. Businesses must grant access to their facilities and records.

○ **Citations**: [**C.R.S. § 44-10-1001**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **Insurance and Bonding**

● **Insurance Requirements**: Marijuana businesses must carry commercial liability insurance covering property damage, product liability, and other risks associated with operating in the industry. The insurance coverage must meet the minimum requirements set by the state licensing authority.

○ **Citations**: [**C.R.S. § 44-10-701**]​.

#### **Compliance and Enforcement**

● **Compliance Monitoring**: The Marijuana Enforcement Division (MED) conducts regular compliance checks on licensed businesses, which can include random inspections, audits, and investigations following complaints.

○ **Violations**: Non-compliance with state regulations can result in a range of penalties, including fines, suspension, or revocation of the business license. In cases of severe violations, the state may pursue criminal charges.

○ **Citations**: [**C.R.S. § 44-10-901**]​​.

#### **Taxation and Financial Reporting**

● **Tax Obligations**: All marijuana businesses are subject to both state and local taxes, including sales tax and marijuana excise tax. Failure to comply with tax obligations can lead to penalties and possible license revocation.

○ **Excise Tax**: Marijuana cultivators are responsible for paying excise taxes on the first sale or transfer of marijuana products to retail stores or manufacturers.

○ **Citations**: [**C.R.S. § 44-10-801**]​.

#### **Employee Licensing and Training**

● **Employee Licenses**: All employees working for marijuana businesses must hold an occupational license issued by the state. These licenses are renewed annually, and employees must undergo background checks as part of the licensing process.

○ **Employee Training**: Businesses are required to train employees on regulatory compliance, inventory tracking, and safety protocols. Employees involved in retail must also undergo responsible vendor training.

○ **Citations**: [**C.R.S. § 44-10-307**], [**C.R.S. § 44-10-1201**]​.

#### **Advertising and Marketing Regulations**

● **Advertising Restrictions**: Advertising is subject to strict limitations to prevent targeting minors. Advertising marijuana or marijuana products through media outlets where more than 30% of the audience is under 21 is prohibited.

○ **Compliance**: All advertising materials must adhere to Colorado’s marijuana code and avoid any false or misleading information. Violations can result in fines or suspension of marketing privileges.

○ **Citations**: [**C.R.S. § 44-10-701**]​​.

### **4. Product Regulations**

This section focuses on regulations concerning marijuana product standards, including packaging, labeling, and the types of products that can be produced and sold.

#### **Allowed Marijuana Products**

● **Types of Products**: Colorado permits the manufacture and sale of various marijuana products, including:

○ Flower (bud)

○ Concentrates (e.g., oils, waxes)

○ Edibles (foods and beverages infused with marijuana)

○ Topicals (creams, balms)

○ Tinctures (liquid extracts)

○ Transdermal patches

● **Citations**: [**C.R.S. § 44-10-501**], [**C.R.S. § 44-10-503**]​.

#### **Prohibited Marijuana Products**

● **Prohibitions**: Certain types of marijuana products are prohibited in Colorado, including:

○ Products that are designed to be attractive to children (e.g., gummies shaped like animals, fruit, or people).

○ Products infused with nicotine or alcohol.

○ Any product that imitates a commercial food product or candy (e.g., gummy bears or candy bars).

● **Citations**: [**C.R.S. § 44-10-203**], [**Colorado Admin. Rules 1 CCR 212-3**]​.

#### **Packaging Requirements**

● **Child-Resistant Packaging**: All marijuana products must be sold in child-resistant, resealable packaging. The packaging must also be opaque so that the product cannot be seen without opening the package.

○ **Labeling Inside Packaging**: The packaging inside must also meet labeling requirements (e.g., ingredients, potency) and be tamper-evident.

○ **Citations**: [**C.R.S. § 44-10-203**], [**C.R.S. § 44-10-104**]​.

#### **Labeling Requirements**

● **Mandatory Information**: Each product must include a label with the following information:

○ Manufacturer’s name and license number.

○ Product name.

○ THC content (per serving and total).

○ List of ingredients.

○ Expiration or “best by” date.

○ Health and safety warning statements, such as: “Keep out of reach of children.”

○ Universal symbol for marijuana products (required on all retail marijuana products).

● **Citations**: [**C.R.S. § 44-10-203**], [**Colorado Admin. Rules 1 CCR 212-3**]​.

#### **THC Potency Limits**

● **Flower**: For retail marijuana, there is no specific THC potency limit for flower products. However, businesses are required to disclose the THC concentration on packaging.

● **Concentrates**: Retail marijuana concentrates cannot exceed 800 milligrams of THC per package.

● **Edibles**: Edible products cannot contain more than 100 milligrams of THC per package, and each serving must not exceed 10 milligrams of THC.

● **Citations**: [**C.R.S. § 44-10-203**], [**Colorado Admin. Rules 1 CCR 212-3**]​.

#### **Testing Requirements**

● **Mandatory Testing**: All marijuana and marijuana products must be tested for:

○ Potency (to ensure accurate labeling of THC and CBD content).

○ Microbial contamination (e.g., mold, bacteria).

○ Residual solvents (for concentrates).

○ Pesticides.

○ Heavy metals.

● **Citations**: [**C.R.S. § 44-10-701**]​​.

#### **Product Recalls**

● **Recall Procedures**: If a product is found to be contaminated or mislabeled, the state licensing authority has the power to initiate a product recall. Businesses are required to have recall procedures in place and must notify the state immediately if they discover a product issue.

○ **Citations**: [**C.R.S. § 44-10-203**], [**C.R.S. § 44-10-901**]​​.

#### **Adverse Health Event Reporting**

● **Obligation to Report**: Marijuana businesses are required to report any adverse health events related to their products to the state within 24 hours. These reports include consumer complaints about illness or injury caused by a product.

○ **Citations**: [**C.R.S. § 44-10-701**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **Additives and Ingredients**

● **Allowed Additives**: Businesses may only use approved additives (e.g., food-safe flavorings, colorings) in marijuana products. Non-cannabis-derived compounds that are added to enhance flavor, aroma, or shelf life must meet the state’s food safety standards.

○ **Prohibited Additives**: Colorado prohibits certain additives, such as caffeine and nicotine, from being added to marijuana products.

○ **Citations**: [**C.R.S. § 44-10-203**], [**Colorado Admin. Rules 1 CCR 212-3**]​.

#### **Serving Size and Dose Limits**

● **Edibles**: Each individual serving of an edible marijuana product is limited to a maximum of 10 milligrams of THC. Each product package may not contain more than 100 milligrams of THC in total.

● **Non-Edibles**: Topical and transdermal products must be labeled with the total amount of THC in the product and the approximate dose per application.

● **Citations**: [**C.R.S. § 44-10-203**]​.

#### **Sales Restrictions**

● **Sales Limits**: Consumers are limited to purchasing the following amounts in a single transaction:

○ Up to 1 ounce (28 grams) of retail marijuana flower.

○ Up to 8 grams of retail marijuana concentrate.

○ Up to 800 milligrams of THC in edible products.

● **Citations**: [**C.R.S. § 44-10-203**], [**Colorado Admin. Rules 1 CCR 212-3**]​.

### **5. Cultivation and Processing**

This section outlines the regulations governing marijuana cultivation and processing in Colorado, including operational requirements, security, and compliance obligations for licensed cultivation facilities.

#### **Cultivation Facility License Requirements**

● **Types of Licenses**: Colorado issues two types of cultivation licenses:

○ **Medical Marijuana Cultivation Facility License**: Allows the cultivation of medical marijuana to supply medical marijuana stores and manufacturers​.

○ **Retail Marijuana Cultivation Facility License**: Permits the cultivation of marijuana for the retail market, with sales allowed to retail stores and manufacturers​.

#### **Cultivation Limits and Plant Count**

● **Plant Count**: Colorado law imposes limits on the number of marijuana plants that can be cultivated at a facility based on the license type and facility size. Retail marijuana cultivation facilities are allowed to cultivate plants according to their production tier, which can be adjusted based on operational growth.

○ **Medical Marijuana Plant Limits**: Cultivation facilities that supply medical marijuana are restricted to cultivating only the number of plants necessary to meet the demand from licensed medical marijuana stores.

○ **Citations**: [**C.R.S. § 44-10-502**], [**C.R.S. § 44-10-602**]​​.

#### **Cultivation Practices and Environmental Standards**

● **Sustainability Requirements**: Cultivation facilities must adhere to state environmental standards, including energy use and waste management. Colorado encourages the use of sustainable practices such as energy-efficient lighting, water conservation systems, and proper disposal of waste products.

○ **Water Use**: Cultivation facilities are required to track and report water usage, and they must comply with water rights laws.

○ **Waste Disposal**: Waste from marijuana plants (such as leaves, stems, and other plant materials) must be rendered unusable before disposal. This often involves mixing plant waste with non-marijuana materials.

○ **Citations**: [**C.R.S. § 44-10-202**], [**C.R.S. § 44-10-701**], [**Colorado Admin. Rules 1 CCR 212-3**]​.

#### **Security and Surveillance Requirements**

● **Security Plan**: Cultivation facilities are required to develop and implement a security plan that includes:

○ 24/7 video surveillance of all areas where marijuana is grown, stored, or processed.

○ Restricted access areas where only licensed employees and authorized personnel are allowed.

○ Alarm systems to prevent unauthorized entry.

● **Surveillance Records**: Video footage must be stored for at least 40 days and be available for inspection by the state licensing authority.

○ **Citations**: [**C.R.S. § 44-10-701**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **Seed-to-Sale Tracking**

● **Inventory Control**: Cultivation facilities are required to use Colorado’s **Inventory Tracking System**, which tracks marijuana plants from the point they are planted through their harvest and sale. This system ensures that all marijuana is accounted for and helps prevent illegal diversion.

○ **Compliance**: Facilities must document each stage of the plant's lifecycle, including growth, harvest, testing, and distribution.

○ **Citations**: [**C.R.S. § 44-10-202**], [**C.R.S. § 44-10-701**]​​.

#### **Testing of Marijuana Plants**

● **Mandatory Testing**: Cultivation facilities are required to test marijuana plants for contaminants such as:

○ Pesticides

○ Heavy metals

○ Mold and other microbial contaminants

○ Potency (THC and CBD levels)

○ Residual solvents (if applicable)

● **Testing Compliance**: Only licensed marijuana testing facilities are permitted to perform these tests. All test results must be recorded in the state’s tracking system before products are transferred for sale.

○ **Citations**: [**C.R.S. § 44-10-701**], [**C.R.S. § 44-10-901**]​​.

#### **Processing of Marijuana Plants**

● **Processing License**: Licensed cultivation facilities may also process marijuana plants into usable forms such as flower, concentrates, or oils. This includes trimming, drying, and curing the plants.

○ **Manufacturing Concentrates**: Some facilities may apply for a dual license that allows them to process marijuana into concentrates and other infused products. These processes must comply with health and safety regulations, including proper ventilation and fire prevention when using solvents.

○ **Citations**: [**C.R.S. § 44-10-501**], [**C.R.S. § 44-10-503**]​​.

#### **Pesticide Use and Reporting**

● **Pesticide Regulations**: Only pesticides approved by the Colorado Department of Agriculture may be used in marijuana cultivation. Any pesticides used must be documented and reported in the inventory tracking system.

○ **Health and Safety Compliance**: Businesses must ensure that pesticide residues are within acceptable limits before the product is sold. Pesticide use is subject to state inspection, and violations can result in fines or license suspension.

○ **Citations**: [**C.R.S. § 44-10-701**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **Cross-Contamination Prevention**

● **Operational Standards**: Cultivation facilities must implement procedures to prevent cross-contamination between marijuana plants and other substances, particularly in facilities that process marijuana into concentrates or other products.

○ **Cleaning Protocols**: Regular cleaning and decontamination of equipment and storage areas are required to minimize the risk of microbial contamination.

○ **Citations**: [**C.R.S. § 44-10-701**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **Inspections and Compliance Checks**

● **Regular Inspections**: The state licensing authority conducts regular inspections of licensed cultivation facilities. These inspections ensure compliance with Colorado’s marijuana code, including plant count limits, security protocols, and environmental standards.

○ **Compliance Reporting**: Facilities must maintain records of all inspections, tests, and compliance audits, which are subject to review by the state at any time.

○ **Citations**: [**C.R.S. § 44-10-1001**], [**C.R.S. § 44-10-901**]​​.

### **6. Testing Requirements**

This section addresses the standards for marijuana testing facilities in Colorado, including the requirements for testing potency, contaminants, and compliance with safety regulations before marijuana and marijuana products can be sold.

#### **Mandatory Testing of Marijuana and Marijuana Products**

● **Required Testing**: All marijuana and marijuana products sold in Colorado must undergo testing at state-licensed testing facilities. The following tests are required:

○ **Potency Testing**: Measurement of THC and CBD levels to ensure accurate labeling.

○ **Microbial Contamination Testing**: Tests for harmful bacteria, mold, and yeast.

○ **Pesticide Testing**: Ensures that pesticide levels remain within the allowable limits.

○ **Residual Solvent Testing**: For concentrates and extracts, testing is conducted to measure the presence of any residual solvents used in the extraction process.

○ **Heavy Metal Testing**: Ensures products are free from dangerous heavy metals like lead, cadmium, and arsenic.

● **Citations**: [**C.R.S. § 44-10-701**]​​.

#### **Licensed Testing Facilities**

● **Licensing Requirements**: Only laboratories that have been approved and licensed by the state are authorized to perform marijuana testing. These laboratories must meet specific standards for equipment, personnel qualifications, and operational protocols.

● **Independent Operation**: Testing facilities must operate independently from cultivation and retail facilities to avoid conflicts of interest. They must adhere to strict standards for integrity, accuracy, and reporting.

● **Citations**: [**C.R.S. § 44-10-604**], [**C.R.S. § 44-10-504**]​​.

#### **Potency Testing Standards**

● **Potency Limits and Labeling**: Testing facilities are required to measure the THC and CBD content of marijuana flower, concentrates, edibles, and other products. The results are used to ensure that product labels reflect accurate potency levels, with clear limits on serving sizes for edibles (10 mg of THC per serving, 100 mg per package).

○ **Reporting Accuracy**: Facilities must ensure that THC content is measured accurately to prevent over- or under-representation on product labels. This is essential for consumer safety.

○ **Citations**: [**C.R.S. § 44-10-701**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **Contaminant Testing**

● **Microbial Testing**: Marijuana products must be tested for microbial contaminants, including harmful bacteria such as *Salmonella* and *E. coli*, as well as mold and yeast. Products that fail microbial testing are prohibited from being sold.

● **Heavy Metals Testing**: Products must be free of harmful heavy metals like lead, mercury, cadmium, and arsenic. Testing ensures that levels of these substances are within the allowable limits.

● **Citations**: [**C.R.S. § 44-10-701**]​​.

#### **Pesticide and Residual Solvent Testing**

● **Pesticide Use**: Testing facilities must check marijuana plants and products for the presence of pesticides. Only pesticides approved by the Colorado Department of Agriculture are permitted, and any product found to exceed the allowable levels is subject to recall or destruction.

● **Solvent Testing for Concentrates**: Marijuana concentrates and extracts must be tested for residual solvents, such as butane, propane, or ethanol, used in the extraction process. The state sets limits on the allowable levels of these solvents to ensure consumer safety.

● **Citations**: [**C.R.S. § 44-10-701**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **Testing for Homogeneity in Edibles**

● **Uniform Potency**: Edibles must undergo testing to ensure that THC and CBD are evenly distributed throughout the product. This ensures that each serving contains a consistent amount of active ingredients, preventing potential overconsumption or uneven effects.

● **Batch Testing**: Each batch of edibles must be tested to verify potency consistency across servings. Facilities are required to retain detailed records of these test results.

● **Citations**: [**C.R.S. § 44-10-701**]​​.

#### **Failed Tests and Retesting Procedures**

● **Failed Tests**: If a product fails any of the required tests (e.g., for contaminants, solvents, or potency), the batch cannot be sold. The product may either be remediated or destroyed, depending on the nature of the failure.

○ **Remediation**: In some cases, failed products may be remediated and retested. For example, if microbial contamination is found, the product may be sterilized and tested again. If it passes the retest, it may be cleared for sale.

○ **Citations**: [**C.R.S. § 44-10-701**]​​.

#### **Reporting of Test Results**

● **Test Documentation**: Testing facilities must provide detailed reports of all tests conducted on each batch of marijuana or marijuana products. These reports are submitted to the state’s tracking system and must be accessible for inspection by the state licensing authority.

● **Certificate of Analysis (COA)**: For each batch, a certificate of analysis (COA) is provided, detailing the results of potency, contaminant, and safety tests. Retailers are required to provide access to COAs for consumers upon request.

● **Citations**: [**C.R.S. § 44-10-701**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **State Oversight and Auditing**

● **Inspection and Audits**: The Marijuana Enforcement Division (MED) routinely audits testing facilities to ensure compliance with state regulations. Facilities must maintain meticulous records and may be subject to both random and scheduled inspections.

○ **Penalties for Non-Compliance**: Failure to comply with testing regulations can result in fines, suspension, or revocation of the testing facility’s license. Significant violations may result in criminal charges.

○ **Citations**: [**C.R.S. § 44-10-901**]​​.

### **7. Sales and Distribution**

This section covers the rules for retail marijuana sales, consumer limits, and the distribution of marijuana products in Colorado.

#### **Sales Limits and Transaction Restrictions**

● **Retail Marijuana Purchase Limits**: Colorado law restricts the amount of retail marijuana that consumers can purchase in a single transaction:

○ Up to 1 ounce (28 grams) of retail marijuana flower.

○ Up to 8 grams of retail marijuana concentrate.

○ Up to 800 milligrams of THC in marijuana-infused products (e.g., edibles).

● **Medical Marijuana Purchase Limits**: Patients with valid medical marijuana cards may purchase larger quantities than recreational users, depending on their doctor's recommendation.

● **Citations**: [**C.R.S. § 44-10-601**], [**C.R.S. § 44-10-501**]​​.

#### **Age Requirements and Identification**

● **Age Limits**: Only individuals aged 21 and over are allowed to purchase retail marijuana. Medical marijuana can be purchased by individuals 18 and older with a valid medical marijuana card.

● **ID Verification**: Retailers must verify the age of all customers by checking government-issued photo identification. Failure to do so can result in penalties or license suspension.

○ **Citations**: [**C.R.S. § 44-10-601**], [**C.R.S. § 44-10-203**]​​.

#### **Retail Sales Regulations**

● **Point of Sale Restrictions**: All marijuana sales must be made on the licensed premises of a retail or medical marijuana store. Internet sales or sales through mobile apps are not permitted, although online ordering for in-store pickup is allowed.

● **Payment Methods**: Most transactions are cash-based due to federal banking restrictions, though some dispensaries use third-party payment systems to facilitate debit payments.

● **Citations**: [**C.R.S. § 44-10-601**]​​.

#### **Packaging and Labeling Requirements for Sales**

● **Packaging**: All marijuana products sold must be in child-resistant, resealable, and opaque packaging. If the product is meant for multiple uses, the package must be resealable. These standards ensure that marijuana is stored safely after purchase.

● **Labeling**: The product’s label must clearly indicate THC content, ingredients, and warnings, including “Keep out of reach of children” and other required safety information.

● **Citations**: [**C.R.S. § 44-10-203**], [**Colorado Admin. Rules 1 CCR 212-3**]​.

#### **Home Delivery of Marijuana**

● **Retail Marijuana Delivery Permit**: Licensed retail marijuana stores may apply for a permit to deliver marijuana directly to consumers at their private residences. Deliveries are limited to individuals 21 years and older, and ID verification is required at the time of delivery.

○ **Medical Marijuana Delivery**: Similarly, licensed medical marijuana stores can apply for delivery permits to provide medical marijuana to registered patients at their homes.

○ **Citations**: [**C.R.S. § 44-10-203**], [**C.R.S. § 44-10-505**]​​.

#### **Distribution of Marijuana Products**

● **Licensed Transporters**: Only licensed marijuana transporters are authorized to transport marijuana and marijuana products between licensed facilities (e.g., from a cultivation facility to a retail store). Transporters must follow strict protocols to ensure the security of the products in transit.

○ **Security Requirements**: Transporters must use secure, tracked vehicles and ensure that marijuana products are not accessible during transit. Products must be transported in locked containers, and manifests detailing the product’s movement must be provided to the state.

○ **Citations**: [**C.R.S. § 44-10-505**], [**C.R.S. § 44-10-605**]​​.

#### **Restrictions on Out-of-State Sales and Export**

● **In-State Sales Only**: Marijuana products legally sold in Colorado cannot be exported to other states, even if marijuana is legal in those states. All sales and distribution must take place within Colorado’s borders.

● **Out-of-State Consumers**: Non-Colorado residents are permitted to purchase marijuana in Colorado, but they are limited to purchasing up to 1 ounce of retail marijuana in a single transaction, and they cannot take marijuana products across state lines.

● **Citations**: [**C.R.S. § 44-10-601**]​.

#### **Advertising Restrictions for Sales**

● **Prohibited Advertising Channels**: Marijuana retailers are prohibited from advertising in media outlets where more than 30% of the audience is under 21 years old. This includes television, radio, and online platforms. Additionally, retailers cannot advertise through pop-ups or unsolicited texts.

● **Signage and Promotions**: Stores may display signage at their licensed premises, but the signage cannot feature cartoon characters or any imagery that would appeal to minors. Discounts and promotions cannot encourage excessive consumption.

● **Citations**: [**C.R.S. § 44-10-701**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **Record-Keeping for Sales and Distribution**

● **Transaction Records**: Retail marijuana stores must keep detailed records of each transaction, including the type and quantity of marijuana products sold, the price, the date of the transaction, and the customer’s information. These records must be maintained for at least three years.

● **Distribution Manifests**: When marijuana products are transported between licensed businesses, the transporter must prepare a manifest detailing the type and quantity of products being transported, the origin and destination, and the estimated delivery time. Manifests must be available for state inspection.

● **Citations**: [**C.R.S. § 44-10-1001**], [**C.R.S. § 44-10-605**]​​.

#### **State Compliance and Auditing**

● **State Inspections**: The Marijuana Enforcement Division (MED) regularly audits sales and distribution records to ensure compliance with state laws. Retail stores and transporters must make records available for inspection upon request.

○ **Penalties for Non-Compliance**: Failing to comply with sales or distribution regulations can result in fines, suspension of licenses, or even permanent revocation. Serious violations may lead to criminal charges.

○ **Citations**: [**C.R.S. § 44-10-901**]​.

### **8. Consumption Laws**

This section covers the rules for the consumption of marijuana in Colorado, including where consumption is allowed, restrictions on public consumption, and penalties for violating consumption laws.

#### **Where Marijuana Can Be Consumed**

● **Private Residences**: Marijuana can be consumed on private property with the owner's permission. This includes private homes and rented properties, as long as consumption is allowed by the property owner.

○ **Renter Restrictions**: Landlords have the right to prohibit marijuana consumption on their property, including within rented apartments or houses.

● **Citations**: [**C.R.S. § 44-10-203**]​.

#### **Public Consumption Prohibited**

● **Prohibition of Public Use**: It is illegal to consume marijuana in public spaces, including parks, sidewalks, streets, and outdoor venues. This applies to smoking, vaping, and the use of edible marijuana products.

○ **Penalties for Public Consumption**: Violating the public consumption ban can result in a civil penalty, fines, or community service. Repeated violations can lead to more severe penalties.

○ **Citations**: [**C.R.S. § 18-18-406(5)**]​.

#### **Consumption in Licensed Hospitality Establishments**

● **Marijuana Hospitality Businesses**: Colorado allows the operation of **Marijuana Hospitality Businesses** where individuals can legally consume marijuana on-site. These establishments must be licensed and comply with state and local regulations.

○ **Types of Hospitality Licenses**:

■ **Marijuana Hospitality Business License**: Allows on-site consumption but not the sale of marijuana.

■ **Retail Marijuana Hospitality and Sales Business License**: Permits on-site consumption and the sale of marijuana products for immediate use.

○ **Restrictions**: These businesses cannot allow the consumption of alcohol on the premises and must comply with all safety and health standards.

○ **Citations**: [**C.R.S. § 44-10-609**], [**C.R.S. § 44-10-610**]​.

#### **Consumption in Vehicles**

● **Driving Under the Influence of Marijuana**: Driving under the influence of marijuana is illegal and treated similarly to alcohol DUI offenses. Colorado law sets a blood THC limit of 5 nanograms per milliliter for drivers.

○ **Penalties**: Penalties for driving under the influence of marijuana can include fines, suspension of driving privileges, community service, and mandatory drug education classes.

○ **Open Container Law**: It is also illegal to consume marijuana in a vehicle, whether as the driver or a passenger. An open container of marijuana is defined as any marijuana product that has been opened or has a broken seal.

○ **Citations**: [**C.R.S. § 42-4-1305.5**], [**C.R.S. § 18-18-406**]​.

#### **Restrictions on Consumption by Minors**

● **Age Restrictions**: Individuals under 21 are prohibited from consuming marijuana unless they are registered medical marijuana patients with a valid medical marijuana card. It is illegal to provide marijuana to anyone under 21, and penalties for doing so can be severe.

○ **Citations**: [**C.R.S. § 44-10-601**]​.

#### **Consumption in Federal and Public Housing**

● **Federal Law**: Marijuana remains illegal under federal law, and its use is prohibited in federally subsidized housing, such as Section 8 housing. Tenants in federal housing programs may face eviction if found using marijuana.

● **Citations**: [**21 U.S.C. § 812**] (Federal Controlled Substances Act).

#### **Workplace Consumption Restrictions**

● **Employer Rights**: Employers in Colorado are allowed to implement and enforce drug-free workplace policies. They can prohibit the use of marijuana at work and may require drug testing as a condition of employment.

○ **Off-Duty Use**: Although marijuana is legal in Colorado, employers may still terminate employees for marijuana use, even if consumed off-duty, depending on company policies.

○ **Citations**: [**C.R.S. § 24-34-402.5**]​.

#### **Consumption in Rental Properties and Hotels**

● **Property Owner Discretion**: Property owners, including landlords and hotel operators, have the right to prohibit marijuana consumption on their premises. Renters and guests must comply with property rules regarding marijuana use.

○ **Short-Term Rentals**: Platforms like Airbnb may allow marijuana consumption in certain properties, but it is subject to the discretion of the property owner.

○ **Citations**: [**C.R.S. § 18-18-406**]​.

#### **Consumption at Special Events**

● **Event Permits**: Certain municipalities in Colorado may issue permits for marijuana consumption at designated events or festivals. These permits are subject to local approval and must adhere to state consumption laws.

○ **Restrictions**: Even at permitted events, marijuana cannot be sold, and consumption must occur in designated areas, away from public view.

○ **Citations**: [**C.R.S. § 44-10-203**]​.

#### **Penalties for Illegal Consumption**

● **Fines and Citations**: Violating Colorado’s consumption laws can result in fines ranging from $50 to several hundred dollars, depending on the severity of the violation and the number of offenses. Repeat offenders may face stiffer penalties, including community service or mandatory drug education classes.

○ **Citations**: [**C.R.S. § 18-18-406(5)**]​.

### **9. Advertising and Marketing**

This section outlines the regulations governing advertising and marketing for marijuana businesses in Colorado. The goal is to prevent targeting minors and ensure that all advertising is truthful and compliant with state law.

#### **General Advertising Restrictions**

● **Prohibition on Targeting Minors**: Marijuana businesses are prohibited from advertising in any media where more than 30% of the audience is under the age of 21. This includes television, radio, print, and online platforms. The aim is to prevent minors from being exposed to marijuana advertising.

○ **Citations**: [**C.R.S. § 44-10-701**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **False or Misleading Advertising**

● **Truthful Representation**: All marijuana advertisements must be truthful and not misleading. Claims about the medical benefits of marijuana or marijuana products are prohibited unless the claims are backed by scientific evidence and approved by regulatory authorities.

○ **Citations**: [**C.R.S. § 44-10-701**], [**C.R.S. § 44-10-901**]​​.

#### **Use of Imagery and Language**

● **Prohibited Imagery**: Advertising cannot include imagery, language, or branding that appeals to children or teenagers. This includes:

○ Cartoon characters.

○ Toys or similar symbols.

○ Any imagery that would attract a young audience.

● **Appropriate Imagery**: Advertising should focus on the product itself and the intended adult audience. The use of age-appropriate imagery and straightforward product descriptions is required.

○ **Citations**: [**C.R.S. § 44-10-701**]​.

#### **Billboards and Outdoor Advertising**

● **Outdoor Advertising Restrictions**: Marijuana businesses are not allowed to place advertisements on billboards or other outdoor venues if those locations are within 500 feet of schools, playgrounds, or other areas frequented by minors. This restriction applies to both physical billboards and digital advertisements.

○ **Citations**: [**C.R.S. § 44-10-701**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **Online and Social Media Advertising**

● **Age Verification for Online Ads**: Marijuana advertisements on websites or social media must use age-verification tools to ensure that the content is only accessible to individuals aged 21 and over. Businesses must take reasonable steps to ensure that their content is not accessible to minors.

○ **Social Media**: Marijuana businesses are permitted to use social media for marketing but must avoid platforms that do not have age-verification mechanisms or where a significant portion of the audience is underage.

○ **Citations**: [**C.R.S. § 44-10-701**]​​.

#### **Health and Safety Warnings**

● **Mandatory Health Warnings**: All marijuana advertising must include clear and conspicuous warnings about the potential risks of marijuana use. These include:

○ “Keep out of reach of children.”

○ “This product is intended for use only by adults 21 and older.”

○ “Marijuana use may be harmful during pregnancy.”

● **Citations**: [**C.R.S. § 44-10-701**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **Branding and Sponsorships**

● **Event Sponsorships**: Marijuana businesses are allowed to sponsor adult-only events but are prohibited from sponsoring events primarily targeted at individuals under 21. They are also not allowed to advertise at family-friendly events or venues.

○ **Branded Merchandise**: Businesses may sell or give away branded merchandise, such as clothing or accessories, but they must ensure that these items are not marketed to minors and do not feature prohibited imagery.

○ **Citations**: [**C.R.S. § 44-10-701**]​.

#### **Discounts and Promotions**

● **Promotional Restrictions**: Colorado prohibits the use of certain promotions that encourage excessive consumption of marijuana, such as:

○ Buy-one-get-one-free deals.

○ Discounts or giveaways that could lead to overconsumption.

○ Coupons targeting minors or young adults under 21.

○ **Citations**: [**C.R.S. § 44-10-701**], [**C.R.S. § 44-10-203**]​​.

#### **Mail and Direct Marketing**

● **Direct Marketing Limitations**: Direct marketing, including mail, text messages, or emails, is permitted but must follow these rules:

○ Recipients must be verified as 21 or older.

○ Consent from recipients must be obtained prior to sending any marketing material.

○ **Citations**: [**C.R.S. § 44-10-701**]​.

#### **Penalties for Non-Compliance**

● **Fines and Penalties**: Marijuana businesses that violate advertising regulations are subject to penalties, including fines, suspension of advertising privileges, and even license revocation for repeated violations.

○ **State Enforcement**: The Marijuana Enforcement Division (MED) monitors advertising compliance and can issue citations or take disciplinary action against businesses that do not follow the rules.

○ **Citations**: [**C.R.S. § 44-10-901**]​.

### **10. Taxation**

This section focuses on the taxation requirements for marijuana businesses in Colorado, including excise taxes, sales taxes, and reporting obligations.

#### **Marijuana Excise Tax**

● **Excise Tax on Cultivation**: Colorado imposes an excise tax on the first sale or transfer of unprocessed retail marijuana from a cultivation facility to a retail store or products manufacturer. The tax rate is **15% of the average market rate** for unprocessed marijuana.

○ **Average Market Rate (AMR)**: The state calculates the AMR for various categories of marijuana (e.g., flower, trim, bud) and updates it regularly. Cultivation facilities must use this AMR to calculate the excise tax due.

○ **Citations**: [**C.R.S. § 39-28.8-302**] .

#### **Retail Marijuana Sales Tax**

● **Retail Sales Tax Rate**: Retail marijuana sales are subject to a **15% sales tax** at the point of sale to consumers. This is in addition to standard state and local sales taxes.

○ **Tax Breakdown**: Of the 15% marijuana-specific sales tax, 10% goes to the state's general fund and 90% is earmarked for local governments that permit marijuana sales.

○ **Citations**: [**C.R.S. § 39-28.8-202**] .

#### **Medical Marijuana Sales Tax**

● **Standard Sales Tax**: Medical marijuana is subject only to the **state’s standard sales tax**, which is currently set at **2.9%**. Local governments may also impose additional sales taxes on medical marijuana.

○ **Exemptions**: Medical marijuana is not subject to the additional 15% sales tax imposed on retail marijuana.

○ **Citations**: [**C.R.S. § 39-26-106**], [**C.R.S. § 39-28.8-202**] .

#### **Tax Reporting and Payment Requirements**

● **Monthly Tax Reporting**: Marijuana businesses are required to file tax returns on a **monthly basis**. These returns must detail the amount of marijuana sold or transferred and the corresponding taxes owed (both excise and sales taxes).

○ **Payment Deadlines**: Tax payments must be submitted monthly along with the tax return. Late payments can result in penalties and interest charges.

○ **Citations**: [**C.R.S. § 39-28.8-203**], [**C.R.S. § 39-28.8-302**] .

#### **Local Taxes**

● **Additional Local Taxes**: Local jurisdictions in Colorado may impose additional sales taxes on marijuana. The rates vary by city and county, with some areas imposing significant local taxes on top of state taxes.

○ **Tax Allocation**: Local governments may use marijuana tax revenue for public health programs, infrastructure, enforcement, and other community projects.

○ **Citations**: [**C.R.S. § 39-28.8-203**] .

#### **Record-Keeping Requirements for Tax Purposes**

● **Retention of Records**: Marijuana businesses are required to keep detailed financial records, including all tax-related documents, for at least three years. These records must be made available to the Department of Revenue upon request.

○ **Audits**: The state may conduct audits of marijuana businesses to ensure compliance with tax obligations. Failure to maintain adequate records can result in penalties.

○ **Citations**: [**C.R.S. § 39-28.8-203**] .

#### **Penalties for Non-Compliance**

● **Penalties for Late Tax Payments**: Marijuana businesses that fail to submit their tax payments on time are subject to a late payment penalty. The penalty is **10% of the unpaid tax**, plus interest on the outstanding balance.

○ **Additional Penalties**: Repeated non-compliance can lead to higher fines, suspension of the business license, or revocation of the license in severe cases.

○ **Citations**: [**C.R.S. § 39-28.8-204**] .

#### **Use of Tax Revenue**

● **Allocation of Marijuana Tax Revenue**: Colorado’s marijuana tax revenue is used for various public services, including:

○ **Education**: A portion of the tax revenue is allocated to the **Building Excellent Schools Today (BEST) Fund**, which helps build and improve public schools.

○ **Public Health and Safety**: Tax revenue also funds mental health services, substance abuse treatment programs, and law enforcement training related to marijuana regulation.

○ **Citations**: [**C.R.S. § 39-28.8-501**] .

#### **Marijuana Tax Cash Fund**

● **Purpose of the Fund**: Colorado established the **Marijuana Tax Cash Fund** to manage the revenue generated from retail marijuana taxes. The fund is used to support various state programs, including:

○ **Substance Abuse Prevention and Treatment**: Programs aimed at reducing substance abuse and providing treatment for those affected by marijuana use.

○ **Public Education Campaigns**: The fund supports public awareness campaigns to educate consumers about the risks and legal responsibilities of marijuana use.

○ **Citations**: [**C.R.S. § 39-28.8-501**] .

### **11. Enforcement and Penalties**

This section addresses the enforcement powers of Colorado's Marijuana Enforcement Division (MED), penalties for non-compliance, and the consequences of violating state marijuana laws.

#### **Enforcement Authority**

● **Marijuana Enforcement Division (MED)**: The **MED** is responsible for overseeing the regulation, licensing, and enforcement of marijuana laws in Colorado. The MED has the authority to conduct inspections, audits, and investigations of marijuana businesses.

○ **Inspection Rights**: The MED can conduct unannounced inspections of licensed facilities, including cultivation sites, retail stores, and testing facilities, to ensure compliance with regulations.

○ **Citations**: [**C.R.S. § 44-10-801**]​.

#### **Penalties for Non-Compliance**

● **Violations and Penalties**: Businesses that violate Colorado’s marijuana laws may face a range of penalties, including:

○ **Fines**: Financial penalties for violations can range from **$500 to $100,000**, depending on the severity of the violation.

○ **License Suspension or Revocation**: Repeated or severe violations can lead to the suspension or permanent revocation of the business’s marijuana license.

○ **Criminal Charges**: In some cases, violations may result in criminal prosecution, particularly for illegal distribution or production.

○ **Citations**: [**C.R.S. § 44-10-901**], [**C.R.S. § 44-10-203**]​​.

#### **Types of Violations**

● **Minor Violations**: Minor violations might include record-keeping errors, improper packaging or labeling, or failure to maintain up-to-date employee licenses. Penalties may involve warnings, small fines, or mandated corrective actions.

○ **Citations**: [**C.R.S. § 44-10-901**]​.

● **Major Violations**: Major violations include selling marijuana to minors, unlicensed production or sales, diversion of marijuana outside the regulated market, or failure to comply with state testing requirements.

○ **Citations**: [**C.R.S. § 44-10-901**], [**C.R.S. § 44-10-1001**]​​.

#### **Inspection and Compliance Audits**

● **Routine Inspections**: MED conducts routine inspections of licensed marijuana businesses to ensure compliance with security, health, and safety regulations. These inspections include:

○ Reviewing security footage.

○ Auditing inventory through the seed-to-sale tracking system.

○ Verifying employee credentials and compliance with training requirements.

○ **Citations**: [**C.R.S. § 44-10-1001**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

● **Compliance Audits**: MED may conduct audits to verify the accuracy of tax filings, financial records, and inventory tracking. These audits ensure that businesses are properly paying taxes and not diverting marijuana to the illegal market.

○ **Citations**: [**C.R.S. § 44-10-901**], [**C.R.S. § 44-10-1001**]​​.

#### **Administrative Actions**

● **Summary Suspension**: In cases where public health or safety is at immediate risk, the MED has the authority to issue a **summary suspension** of a license without prior notice. The business must cease all operations immediately pending further investigation.

○ **Citations**: [**C.R.S. § 44-10-902**]​.

● **Cease and Desist Orders**: MED can issue **cease and desist orders** to prevent ongoing violations of state law. This might include halting the sale of products that fail testing or shutting down unlicensed operations.

○ **Citations**: [**C.R.S. § 44-10-901**], [**C.R.S. § 44-10-1001**]​​.

#### **Penalties for Unlawful Acts**

● **Unlawful Acts**: Colorado law outlines several unlawful acts related to marijuana, including:

○ **Distribution to Minors**: Providing marijuana to individuals under the age of 21 is illegal and can result in both civil penalties and criminal charges.

○ **Unlicensed Sales**: Selling marijuana without a valid license is a serious violation that can lead to fines, imprisonment, or both.

○ **False Statements**: Providing false information on a license application or during an inspection is a violation that can result in administrative penalties and potential criminal prosecution.

○ **Citations**: [**C.R.S. § 44-10-901**], [**C.R.S. § 44-10-1001**]​​.

#### **Appeals Process for Licensees**

● **Appeals Rights**: Licensees have the right to appeal any decision made by the MED, including the denial, suspension, or revocation of a license. The appeals process is handled through administrative hearings, and businesses can present evidence to challenge the enforcement action.

○ **Judicial Review**: If the licensee is not satisfied with the outcome of the administrative hearing, they may seek **judicial review** in state court.

○ **Citations**: [**C.R.S. § 44-10-1101**]​​.

#### **Civil Penalties and Settlements**

● **Negotiated Settlements**: In some cases, businesses may negotiate settlements with the MED to resolve violations. This may involve paying a reduced fine, agreeing to corrective actions, or accepting a temporary license suspension in lieu of revocation.

○ **Citations**: [**C.R.S. § 44-10-901**]​.

#### **Criminal Penalties**

● **Criminal Violations**: Some violations of Colorado’s marijuana laws can result in criminal prosecution. These include serious offenses such as:

○ Operating an unlicensed marijuana business.

○ Engaging in black market sales or diverting marijuana to other states.

○ Using marijuana as a cover for other illegal activities, such as money laundering.

○ **Penalties**: Criminal penalties can range from **imprisonment** to **substantial fines**, depending on the severity of the violation.

○ **Citations**: [**C.R.S. § 44-10-901**], [**C.R.S. § 44-10-1001**]​​.

#### **Social Equity Provisions**

● **Equity Considerations in Enforcement**: Colorado has social equity programs aimed at helping individuals disproportionately impacted by prior marijuana laws. While equity licensees must still comply with state laws, the state provides resources to ensure compliance and offers leniency in certain circumstances, such as minor violations during the onboarding process for new businesses.

○ **Citations**: [**C.R.S. § 44-10-203**], [**C.R.S. § 44-10-605**]​​.

### **12. Social Equity and Inclusion**

This section focuses on the social equity programs that Colorado has implemented to ensure diverse participation in the marijuana industry and to address the historical impact of marijuana prohibition on marginalized communities.

#### **Definition of a Social Equity Applicant**

● **Eligibility Criteria**: To qualify as a social equity applicant in Colorado, an individual must meet one or more of the following criteria:

○ Have lived in an economically disadvantaged area of the state for at least 15 years between 1980 and 2010.

○ Have a household income that is less than 50% of the state median income.

○ Have a prior marijuana-related offense or be a family member of someone impacted by marijuana convictions.

○ **Citations**: [**C.R.S. § 44-10-308**]​​.

#### **Social Equity Program Benefits**

● **Fee Waivers and Reductions**: Social equity applicants are eligible for fee waivers or reductions on application and licensing fees. This includes reduced costs for initial applications and annual renewals.

○ **Citations**: [**C.R.S. § 44-10-203**]​.

● **Accelerator Program**: Colorado has implemented the **Accelerator Program**, which allows social equity licensees to partner with established marijuana businesses to gain experience, resources, and capital support. Under this program, participants can:

○ Operate within an established business (e.g., cultivators or manufacturers).

○ Receive mentorship from seasoned business operators.

○ **Citations**: [**C.R.S. § 44-10-308**]​​.

#### **Types of Social Equity Licenses**

● **Accelerator Cultivator License**: Allows social equity applicants to cultivate marijuana within an accelerator-endorsed cultivation facility.

○ **Citations**: [**C.R.S. § 44-10-607**]​.

● **Accelerator Manufacturer License**: Enables social equity applicants to produce marijuana products within an accelerator-endorsed manufacturer’s facility.

○ **Citations**: [**C.R.S. § 44-10-608**]​.

● **Retail Store Licenses**: Social equity applicants can apply for retail store licenses, allowing them to open marijuana retail businesses with state support.

○ **Citations**: [**C.R.S. § 44-10-601**]​.

#### **Priority Licensing for Social Equity Applicants**

● **Expedited Application Processing**: Social equity applicants receive priority processing for their marijuana license applications. This is designed to reduce the time it takes for applicants to enter the market, providing faster access to business opportunities.

○ **Citations**: [**C.R.S. § 44-10-308**]​​.

#### **Technical Assistance and Business Development**

● **State Support Programs**: The state offers technical assistance to social equity applicants, including training on compliance, business management, and access to funding opportunities. This support is designed to help applicants succeed in the marijuana industry by providing the necessary tools and knowledge.

○ **Citations**: [**C.R.S. § 44-10-308**]​.

● **Small Business Loans**: In partnership with private institutions, the state has created financial programs that provide small business loans and grants to social equity licensees. These programs aim to address the capital barriers that often prevent marginalized communities from entering the industry.

○ **Citations**: [**C.R.S. § 44-10-308**], [**C.R.S. § 44-10-605**]​​.

●

#### **Local Government Participation**

● **Municipal Support**: Many local governments in Colorado offer additional support for social equity applicants through zoning exemptions, local tax incentives, and additional grants. Cities like Denver have implemented localized social equity programs to complement state efforts.

○ **Citations**: [**C.R.S. § 44-10-203**]​.

#### **Barriers to Entry and Addressing Inequality**

● **Addressing Systemic Barriers**: The state acknowledges that many individuals from disadvantaged communities face systemic barriers, such as lack of access to capital and business training, that limit their ability to enter the marijuana industry. Colorado's social equity programs are designed to mitigate these barriers through financial assistance, training, and mentoring.

○ **Citations**: [**C.R.S. § 44-10-308**]​​.

● **Community Reinvestment**: Revenue from marijuana taxes is allocated to support community reinvestment programs, including funding for job training, education, and healthcare services in areas most affected by the war on drugs.

○ **Citations**: [**C.R.S. § 44-10-501**]​.

#### **Penalties and Compliance for Social Equity Businesses**

● **Compliance Oversight**: Social equity licensees are subject to the same compliance checks and enforcement actions as other marijuana businesses. However, the state provides additional resources to help social equity businesses remain compliant and address any violations before penalties escalate.

○ **Citations**: [**C.R.S. § 44-10-901**], [**C.R.S. § 44-10-203**]​​.

● **Reduced Penalties for Minor Violations**: To support the success of social equity applicants, the state may impose reduced penalties for minor violations or offer extended timelines for corrective action, particularly during the initial stages of business operations.

○ **Citations**: [**C.R.S. § 44-10-901**]​.

#### **Community Impact and Reporting**

● **Annual Reporting**: The state is required to publish annual reports detailing the impact of its social equity programs, including the number of licenses issued to social equity applicants, business success rates, and community benefits from marijuana tax revenue.

○ **Citations**: [**C.R.S. § 44-10-308**]​.

### **13. Public Health and Safety**

This section covers Colorado’s efforts to ensure public health and safety in the marijuana industry through safety standards, health campaigns, and regulatory measures designed to protect consumers and the public.

#### **Health and Safety Warnings on Products**

● **Mandatory Health Warnings**: All marijuana products must include clear health and safety warnings on their labels. These warnings must state:

○ "Keep out of reach of children."

○ "This product contains marijuana, a Schedule I controlled substance."

○ "Marijuana use during pregnancy may cause harm to your baby."

○ "Marijuana is for use only by adults 21 years of age and older."

○ **Citations**: [**C.R.S. § 44-10-203**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **Safe Consumption Educational Campaigns**

● **Public Education Initiatives**: Colorado has implemented public health campaigns to educate consumers about the safe and responsible use of marijuana. These campaigns include information on:

○ The potential health risks associated with marijuana use, including during pregnancy and for individuals with mental health issues.

○ The dangers of overconsumption and the importance of understanding product potency, especially in edibles.

○ The risks of driving under the influence of marijuana.

○ **Citations**: [**C.R.S. § 44-10-801**], [**C.R.S. § 39-28.8-501**]​.

#### **Prevention of Youth Access**

● **Age Verification Requirements**: To prevent youth access to marijuana, all retail marijuana stores are required to verify the age of purchasers. Customers must present a valid government-issued ID proving they are 21 or older before purchasing marijuana.

○ **Penalties for Selling to Minors**: Retailers who fail to comply with age verification requirements face severe penalties, including fines, suspension, or revocation of their licenses.

○ **Citations**: [**C.R.S. § 44-10-601**], [**C.R.S. § 44-10-203**]​​.

#### **Product Safety Standards**

● **Product Testing Requirements**: All marijuana products must be tested for safety before they are sold. Products are tested for:

○ Potency (THC and CBD levels).

○ Contaminants such as pesticides, mold, bacteria, and heavy metals.

○ Residual solvents in concentrates and extracts.

○ **Citations**: [**C.R.S. § 44-10-701**]​​.

#### **Child-Resistant Packaging**

● **Packaging Standards**: To prevent accidental ingestion by children, all marijuana products must be sold in child-resistant, resealable, and opaque packaging. Packaging must comply with federal child-resistant standards.

○ **Citations**: [**C.R.S. § 44-10-203**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **Marijuana Use During Pregnancy**

● **Health Warnings for Pregnant Women**: Colorado mandates that marijuana products include a warning for pregnant women, advising that marijuana use during pregnancy may cause harm to the developing fetus, including low birth weight and developmental issues.

○ **Public Health Campaigns**: Colorado also runs campaigns aimed at educating pregnant women about the risks of marijuana use, similar to campaigns addressing alcohol and tobacco use during pregnancy.

○ **Citations**: [**C.R.S. § 44-10-203**]​​.

#### **Driving Under the Influence of Marijuana**

● **DUI Laws**: Colorado enforces strict **Driving Under the Influence of Drugs (DUID)** laws, which prohibit driving with more than **5 nanograms of THC per milliliter of blood**. Drivers found over the limit can face penalties, including fines, license suspension, and jail time.

○ **Public Safety Campaigns**: The state conducts awareness campaigns to educate the public about the dangers of driving under the influence of marijuana, emphasizing that even legal marijuana use must be done responsibly.

○ **Citations**: [**C.R.S. § 42-4-1301**]​.

#### **Prevention of Accidental Ingestion**

● **Edible Safety Regulations**: To prevent accidental overconsumption or ingestion by children, Colorado requires that edible marijuana products:

○ Be packaged in child-resistant containers.

○ Clearly indicate the THC content per serving and per package.

○ Be designed in a way that does not appeal to children (e.g., not resembling candy or other sweets).

○ **Citations**: [**C.R.S. § 44-10-203**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **Poison Control and Emergency Response**

● **Poison Control Centers**: Colorado’s poison control centers provide information and support for cases of accidental ingestion of marijuana, particularly by children. They are integrated into the state’s public health response and play a key role in educating the public about the risks of marijuana.

○ **Citations**: [**C.R.S. § 44-10-203**]​.

#### **Health Data and Research Initiatives**

● **Data Collection**: Colorado collects data on the public health impacts of marijuana legalization, including statistics on usage rates, health outcomes, and emergency room visits related to marijuana use. This data informs state policy and public health campaigns.

○ **Public Reporting**: The state publishes regular reports on the health impacts of marijuana legalization, including any identified public health trends and recommended policy changes.

○ **Citations**: [**C.R.S. § 44-10-801**], [**C.R.S. § 39-28.8-501**]​.

#### **Workplace Safety and Marijuana**

● **Employer Rights**: Employers in Colorado are allowed to enforce drug-free workplace policies, which can include prohibiting marijuana use, even for employees who consume marijuana legally during non-working hours. Employees in safety-sensitive positions may be subject to more stringent drug testing requirements.

○ **Citations**: [**C.R.S. § 24-34-402.5**]​.

#### **Mental Health and Substance Abuse Treatment**

● **Substance Abuse Treatment Programs**: Colorado allocates a portion of marijuana tax revenue to fund substance abuse prevention and treatment programs. These programs provide education, counseling, and rehabilitation services for individuals struggling with marijuana or other substance abuse issues.

○ **Mental Health Awareness**: Public health campaigns also focus on the potential mental health risks of excessive marijuana use, particularly for adolescents and individuals with a history of mental health conditions.

○ **Citations**: [**C.R.S. § 39-28.8-501**]​.

### **14. Hemp and Synthetic THC Regulations**

This section outlines Colorado’s regulatory framework for hemp, CBD products, and synthetic THC, including cultivation, processing, and the sale of hemp-derived products.

#### **Definition of Hemp**

● **Legal Definition**: In Colorado, hemp is defined as the plant *Cannabis sativa L.* and any part of the plant, including seeds, derivatives, extracts, cannabinoids, isomers, acids, and salts, with a **THC concentration of not more than 0.3%** on a dry weight basis.

○ **Citations**: [**C.R.S. § 35-61-101**]​.

#### **Hemp Cultivation Licensing**

● **Licensing Requirements**: Any individual or business seeking to grow industrial hemp in Colorado must obtain a **Hemp Cultivation License** from the Colorado Department of Agriculture (CDA). This license must be renewed annually, and applicants are subject to background checks and compliance inspections.

○ **Seed Certification**: Licensed hemp cultivators must use certified hemp seeds to ensure that the crop complies with the THC limits.

○ **Citations**: [**C.R.S. § 35-61-104**]​.

#### **THC Testing for Hemp**

● **Mandatory Testing**: Hemp crops must be tested to ensure that the THC content does not exceed 0.3% on a dry weight basis. Testing is conducted at harvest, and any hemp crop that exceeds this limit is classified as marijuana and must be destroyed.

○ **Non-Compliant Crops**: If the THC content of a hemp crop exceeds the legal limit, the crop is subject to mandatory destruction. Producers may face penalties for repeat violations.

○ **Citations**: [**C.R.S. § 35-61-105**], [**Colorado Admin. Rules 8 CCR 1203-23**]​.

#### **Processing and Manufacturing of Hemp Products**

● **Hemp Products**: Colorado allows the manufacture of products derived from hemp, including:

○ **CBD Products**: Cannabidiol (CBD) products can be produced and sold as long as they meet the legal THC limits.

○ **Other Derivatives**: Other hemp-derived products, such as oils, topicals, and edibles, are permitted, provided they comply with state regulations regarding labeling and safety.

○ **Citations**: [**C.R.S. § 35-61-105**]​.

● **Manufacturing Standards**: Processors and manufacturers of hemp products must follow good manufacturing practices (GMP) and ensure that products are free from contaminants, such as heavy metals, pesticides, and residual solvents.

○ **Citations**: [**Colorado Admin. Rules 8 CCR 1203-23**]​.

#### **Labeling and Packaging Requirements for Hemp Products**

● **Labeling Standards**: All hemp-derived products must be clearly labeled, including:

○ The product’s hemp content.

○ THC concentration (must be less than 0.3%).

○ Ingredients list.

○ Health and safety warnings, including "Keep out of reach of children."

○ **Citations**: [**C.R.S. § 35-61-106**], [**Colorado Admin. Rules 8 CCR 1203-23**]​.

#### **Sales of Hemp and CBD Products**

● **Retail Sales**: Hemp and CBD products can be sold in retail stores, as long as the products comply with state testing and labeling requirements. This includes topical products, edibles, tinctures, and supplements.

○ **Interstate Sales**: Colorado allows the sale of hemp products across state lines, provided they meet federal standards set by the 2018 Farm Bill.

○ **Citations**: [**C.R.S. § 35-61-105**]​.

#### **Synthetic Cannabinoids and THC**

● **Prohibition on Synthetic THC**: Colorado law prohibits the manufacture, sale, and distribution of synthetic cannabinoids and synthetic THC. These substances, such as delta-8 THC derived synthetically from hemp, are not permitted in the state.

○ **Reasoning**: Synthetic THC products, including delta-8 THC, are considered unsafe due to the lack of regulation and potential harmful effects. The state has classified these products as illegal.

○ **Citations**: [**C.R.S. § 44-10-203**], [**Colorado Admin. Rules 1 CCR 212-3**]​.

#### **Penalties for Non-Compliance**

● **Penalties for Hemp Violations**: Failure to comply with Colorado’s hemp regulations can result in penalties, including:

○ Fines for improper cultivation, manufacturing, or labeling.

○ License suspension or revocation for repeated violations.

○ Destruction of non-compliant hemp crops that exceed the THC limit.

○ **Citations**: [**C.R.S. § 35-61-105**]​.

● **Penalties for Synthetic THC**: Manufacturing or distributing synthetic THC products can result in severe penalties, including substantial fines and potential criminal charges, depending on the severity of the violation.

○ **Citations**: [**C.R.S. § 44-10-901**], [**Colorado Admin. Rules 1 CCR 212-3**]​​.

#### **Hemp Research and Development**

● **Hemp Research License**: Colorado allows universities and other research institutions to obtain a special hemp research license to study hemp cultivation techniques, product development, and the environmental benefits of hemp. These licenses encourage innovation within the hemp industry.

○ **Citations**: [**C.R.S. § 35-61-104**]​.

#### **Integration with Federal Law**

● **2018 Farm Bill Compliance**: Colorado’s hemp regulations are aligned with the federal **2018 Farm Bill**, which legalized hemp at the federal level and set the 0.3% THC limit. Colorado hemp producers must also comply with U.S. Department of Agriculture (USDA) guidelines to ensure their products are eligible for interstate commerce.

○ **Citations**: [**21 U.S.C. § 802(16)**] (Federal Controlled Substances Act).

#### **Consumer Safety and Product Recalls**

● **Safety Recalls**: The Colorado Department of Public Health and Environment (CDPHE) has the authority to issue product recalls if a hemp product is found to be unsafe or mislabeled. Businesses must have recall procedures in place and notify the state if an issue arises.

○ **Citations**: [**C.R.S. § 35-61-105**], [**Colorado Admin. Rules 8 CCR 1203-23**]​.

**#### CONNECTICUT ####**

### **1. License Types and Scope**

* **Types of Licenses Available**: Connecticut’s cannabis law provides for several types of licenses:
  + **Retailer License**: Permits the sale of marijuana and marijuana products directly to consumers (Public Act 21-1, Section 33).
  + **Cultivator License**: Allows for the cultivation of cannabis plants, typically for large-scale operations with a facility of at least 15,000 square feet of grow space (Public Act 21-1, Section 33).
  + **Micro-cultivator License**: Intended for smaller growers, with a minimum cultivation area of 2,000 square feet and a maximum of 10,000 square feet (Public Act 21-1, Section 33).
  + **Product Manufacturer License**: Permits the production of cannabis products, including edibles, concentrates, and tinctures (Public Act 21-1, Section 33).
  + **Product Packager License**: Allows businesses to package marijuana products for sale (Public Act 21-1, Section 33).
  + **Transporter License**: Permits the transportation of cannabis products between licensed businesses (Public Act 21-1, Section 33).
  + **Hybrid Retailer License**: Allows medical marijuana dispensaries to sell cannabis products to both medical patients and recreational consumers (Public Act 21-1, Section 33).
  + **Delivery License**: Allows businesses to deliver marijuana products directly to consumers (Public Act 21-1, Section 33).
  + **Food and Beverage Manufacturer License**: Allows for the production of cannabis-infused foods and beverages (Public Act 21-1, Section 33).
* **Permitted Activities by License Type**:
  + **Retailer License**: Holders can sell cannabis and cannabis products to consumers at licensed dispensary locations.
  + **Cultivator License**: Cultivators can grow cannabis plants, process the harvest, and sell to manufacturers, packagers, or retailers.
  + **Micro-cultivator License**: A smaller-scale cultivation license with the ability to expand beyond 10,000 square feet if approved by regulators.
  + **Product Manufacturer License**: Manufacturers are permitted to process raw cannabis into edibles, tinctures, or concentrates.
  + **Hybrid Retailer License**: Medical dispensaries can now serve both medical and adult-use consumers.
  + **Transporter License**: Allows the transportation of cannabis between licensed establishments.
  + **Food and Beverage Manufacturer License**: Permits manufacturing of edible cannabis products.

### **2. Licensing Process**

* **Application Requirements by License Type**: Connecticut’s licensing process includes submitting a detailed application that demonstrates compliance with state regulations, including zoning, security, and financial disclosures (Public Act 21-1, Section 33).
* **Application Fee Structure**: License application fees vary by license type. Larger operations, such as cultivators, face higher fees than smaller businesses, such as micro-cultivators and retailers (Public Act 21-1, Section 33).
* **Eligibility and Limitations**: Connecticut places restrictions on ownership, including requirements for background checks and proof of financial stability (Public Act 21-1, Section 33). Social equity applicants are given priority in the application process, as detailed below.

### **3. License Caps and Availability**

* **Statewide License Caps**: Connecticut places caps on certain license types to control the number of businesses in the market, with the Department of Consumer Protection (DCP) regulating the issuance of these licenses (Public Act 21-1, Section 33).
* **Local Caps or Zoning Restrictions**: Local municipalities can regulate the number of cannabis businesses within their jurisdictions. Some cities and towns may limit the number of retailers, cultivators, or other cannabis establishments through zoning ordinances (Public Act 21-1, Section 33).
* **Social Equity Allocations**: Connecticut has a strong focus on **social equity licensing**. A portion of licenses is reserved for social equity applicants who come from areas disproportionately impacted by previous marijuana laws (Public Act 21-1, Section 33). Social equity applicants are eligible for reduced fees and financial assistance.

### **4. License Renewal and Compliance**

* **License Renewal Process**: Cannabis business licenses in Connecticut are valid for a fixed period, typically **one year**, after which they must be renewed. Renewal applications require proof of continued compliance with state regulations (Public Act 21-1, Section 33).
* **Ongoing Compliance Requirements**: Businesses must adhere to state regulations regarding product safety, reporting, and security. Failure to comply can result in penalties, including fines or license suspension (Public Act 21-1, Section 33).

### **1. Local Licensing and Jurisdictional Control**

* **Role of Local Jurisdictions**:
  + Local municipalities in Connecticut have the authority to regulate or limit the number of cannabis businesses within their boundaries. Municipalities can decide whether to allow certain types of cannabis establishments (e.g., retailers, cultivators) or impose zoning restrictions on where these businesses can operate (Public Act 21-1, Section 148).
  + Local jurisdictions can prohibit cannabis businesses or regulate business operations through local zoning ordinances. For example, towns can limit the proximity of cannabis establishments to schools or residential areas (Public Act 21-1, Section 148).
* **Local Government Authority**:
  + Municipalities can implement additional rules, such as limiting the hours of operation or imposing local fees on cannabis businesses. These restrictions must align with state law but can be stricter (Public Act 21-1, Section 148).

### **2. Social Equity Licensing**

* **Existence of Social Equity Program**:
  + Connecticut’s law includes a comprehensive **social equity program** that reserves a significant portion of cannabis licenses for applicants from areas disproportionately impacted by prior cannabis law enforcement (Public Act 21-1, Section 33).
  + A social equity council is responsible for overseeing the program, defining eligibility criteria, and ensuring that licenses are fairly distributed to qualifying applicants (Public Act 21-1, Section 33).
* **Eligibility Criteria**:
  + To qualify for a social equity license, applicants must live in communities disproportionately affected by the war on drugs, based on specific criteria such as **income level**, **residency**, and **prior marijuana-related convictions** (Public Act 21-1, Section 33).
* **Types of Support Provided**:
  + The program offers **reduced fees** for social equity applicants, as well as **technical assistance** to help them navigate the licensing process. Financial assistance programs, including grants and loans, are available to help cover startup costs for social equity businesses (Public Act 21-1, Section 33).

### **3. Ownership and Transferability**

* **Transferability of Licenses**:
  + Connecticut allows the transfer of cannabis licenses between owners, but the Department of Consumer Protection (DCP) must approve all transfers. New owners must meet all regulatory and background check requirements (Public Act 21-1, Section 33).
  + Social equity licenses may have additional restrictions on transferability to ensure that qualifying businesses remain majority-owned by eligible individuals (Public Act 21-1, Section 33).
* **Restrictions on Ownership**:
  + To prevent exploitation of social equity licenses, rules are in place to ensure that social equity applicants retain significant ownership and control over the business. Businesses cannot circumvent social equity requirements through financial arrangements or partial ownership (Public Act 21-1, Section 33).

### **4. Fees and Financial Requirements**

* **License Fees and Financial Requirements**:
  + Connecticut’s cannabis licensing fees vary based on the type of license and the size of the business. Larger businesses, such as cultivators, face higher fees compared to smaller entities like micro-cultivators or retailers (Public Act 21-1, Section 33).
  + Social equity applicants may receive **fee reductions** or **fee waivers**, reducing the financial burden for qualifying individuals (Public Act 21-1, Section 33).
* **Financial Stability Requirements**:
  + Applicants are required to demonstrate **financial stability**, including proof of capital sufficient to operate the business. This can involve showing financial reserves or access to funding (Public Act 21-1, Section 33).

### **5. Zoning and Location Restrictions**

* **Zoning Requirements**:
  + Cannabis businesses in Connecticut are subject to zoning regulations that limit where they can operate. Most cannabis establishments must be located in **commercial or industrial zones**, with restrictions on how close they can be to schools, parks, or residential areas (Public Act 21-1, Section 148).
  + Local municipalities may enforce additional zoning restrictions, including **buffer zones** to separate cannabis businesses from sensitive areas like schools and churches (Public Act 21-1, Section 148).
* **Proximity Limits**:
  + State law requires that cannabis businesses maintain a specific distance from schools and certain public spaces, typically set by local ordinance. These buffer zones help ensure that cannabis establishments do not operate in close proximity to areas frequented by minors (Public Act 21-1, Section 148).

### **3. Business Operations Analysis**

### **1. Permitted Activities for Each License Type**

* **Retail License**: Retailers can sell cannabis products to consumers aged 21 and over at licensed locations. On-site consumption is **not permitted** (Public Act 21-1, Section 33).
* **Cultivation License**: Cultivators are allowed to grow and process cannabis plants, but they cannot sell directly to consumers. Sales must be made to licensed retailers, manufacturers, or packagers (Public Act 21-1, Section 33).
* **Product Manufacturer License**: Manufacturers can process raw cannabis into various products, such as edibles, concentrates, and topicals. They cannot sell directly to consumers, only to retailers or packagers (Public Act 21-1, Section 33).
* **Transporter License**: Allows the transportation of cannabis products between licensed businesses. Transporters must adhere to strict security and tracking regulations (Public Act 21-1, Section 33).

### **2. Ownership and Management**

* **Ownership Restrictions**: There are no explicit restrictions on out-of-state ownership, but all owners must undergo background checks. Social equity requirements ensure that businesses maintain the necessary ownership thresholds by eligible individuals (Public Act 21-1, Section 33).
* **Management Requirements**: All management-level employees must undergo **background checks**. Individuals with certain criminal convictions may be prohibited from managing cannabis businesses (Public Act 21-1, Section 33).

### **3. Recordkeeping and Reporting**

* **Recordkeeping**: Cannabis businesses must maintain detailed records, including inventory logs, sales transactions, and security reports. These records must be kept for at least **five years** and be available for inspection by the state (Public Act 21-1, Section 33).
* **Reporting**: Businesses must submit periodic reports to the state, including sales data, tax records, and inventory changes. Seed-to-sale tracking is required, ensuring transparency from cultivation to consumer sale (Public Act 21-1, Section 33).

### **4. Zoning and Location Restrictions**

* **Zoning**: Businesses must operate in designated commercial or industrial zones. Local ordinances may impose further restrictions, such as buffer zones between cannabis businesses and schools (Public Act 21-1, Section 148).

### **5. Security Requirements**

* **Security Systems**: Businesses are required to implement comprehensive security measures, including 24/7 video surveillance, alarm systems, and restricted access to cannabis storage areas (Public Act 21-1, Section 33).
* **On-Site Security**: Physical security measures, including guards and secure vaults for cannabis storage, are mandatory for all cannabis businesses (Public Act 21-1, Section 33).

### **6. Employment and Staffing**

* **Hiring Requirements**: All employees must pass **background checks** before being hired. Employers are required to maintain records of employee background screenings and must submit them to the state when requested (Public Act 21-1, Section 33).
* **Training Requirements**: Staff must undergo **mandatory training** on cannabis regulations, product handling, and security protocols. Ongoing training may be required to ensure compliance with changing regulations (Public Act 21-1, Section 33).

### **1. Potency Limits**

* **THC Limits**: Connecticut imposes THC limits on cannabis products. For edibles, the maximum THC content is **5 mg per serving** and **50 mg per package**. Other products, such as concentrates, have higher allowable THC limits but are subject to safety and labeling regulations (Public Act 21-1, Section 33).
* **Non-THC Cannabinoids**: There are no specific restrictions on non-THC cannabinoids like CBD, but they must be clearly labeled and tested to ensure accurate content (Public Act 21-1, Section 33).

### **2. Prohibited Products and Ingredients**

* **Prohibited Additives**: Cannabis products in Connecticut cannot contain harmful additives, including substances that pose health risks, such as **synthetic cannabinoids** or **toxic solvents**. The use of certain flavorings or other ingredients that could appeal to minors is also prohibited (Public Act 21-1, Section 33).
* **Banned Product Types**: Connecticut prohibits the sale of products that combine cannabis with **alcohol** or **nicotine**. Certain forms of inhalable products, like flavored vapes that could appeal to minors, may also be restricted (Public Act 21-1, Section 33).

### **3. Packaging Requirements**

* **Child-Resistant Packaging**: All cannabis products must be sold in **child-resistant, tamper-evident packaging**. The packaging must comply with federal child safety standards to prevent accidental ingestion (Public Act 21-1, Section 33).
* **Sustainable Packaging**: Connecticut encourages the use of **environmentally friendly packaging**, but this is not a mandatory requirement. Businesses are expected to reduce waste where possible (Public Act 21-1, Section 33).

### **4. Labeling Requirements**

* **THC/CBD Content**: All cannabis products must have labels displaying the **THC and CBD content**, both per serving and per package. This information must be clearly visible and accurate (Public Act 21-1, Section 33).
* **Health Warnings**: Products must carry health warnings about the risks of **impaired driving**, **use during pregnancy**, and the potential for **delayed effects** from edibles. Products must also include warnings to **keep out of reach of children** (Public Act 21-1, Section 33).
* **Expiration Dates**: Products must include **expiration dates** or “best-by” dates to inform consumers of their freshness and potency (Public Act 21-1, Section 33).

### **5. Health and Safety Standards**

* **Testing Requirements**: Connecticut requires all cannabis products to be tested for **potency**, **pesticides**, **microbial contaminants**, **heavy metals**, and **solvents**. These tests ensure that products are safe for consumption and meet state standards (Public Act 21-1, Section 33).
* **Homogeneity in Edibles**: Edible products must be tested for **homogeneity** to ensure that each serving contains a consistent amount of THC. This is crucial to prevent accidental overconsumption (Public Act 21-1, Section 33).

### **1. Plant and Canopy Limits**

* **Plant Limits**: Connecticut law does not impose specific plant count limits for licensed cultivators. However, **canopy size** is regulated, especially for **micro-cultivators**, which are limited to a **minimum of 2,000 square feet** and a **maximum of 10,000 square feet** (Public Act 21-1, Section 33).
* **Canopy Size Restrictions**: Cultivators operating under the standard **Cultivator License** must have a grow space of at least **15,000 square feet**, while micro-cultivators are restricted to smaller canopy sizes unless granted approval for expansion (Public Act 21-1, Section 33).

### **2. Cultivation Practices and Environmental Standards**

* **Permitted Cultivation Methods**: Cultivators in Connecticut are allowed to use **indoor, outdoor, or greenhouse** growing methods. Each method must adhere to strict environmental regulations to minimize the impact on the surrounding environment (Public Act 21-1, Section 33).
* **Environmental Sustainability**: Connecticut encourages cultivators to adopt **sustainable practices**, including **water conservation**, **energy-efficient lighting**, and **recycling** of plant waste. However, these practices are not strictly mandated by law (Public Act 21-1, Section 33).
* **Waste Disposal**: Cannabis plant waste, such as stems and leaves, must be **disposed of in compliance** with state regulations. This includes tracking and securely destroying waste to prevent it from entering the illicit market (Public Act 21-1, Section 33).

### **3. Processing and Extraction Methods**

* **Allowed Extraction Methods**: Connecticut permits **solvent-based extraction**, such as using **butane** or **ethanol**, provided that businesses follow safety standards to prevent fire or chemical hazards (Public Act 21-1, Section 33).
* **Solventless Extraction**: Methods like **CO2 extraction** or **ice-water extraction** are also allowed. These are preferred for certain product types due to their safety and minimal environmental impact (Public Act 21-1, Section 33).
* **Safety Standards for Extraction**: Processing facilities using solvents must meet strict **ventilation** and **fire safety standards**. Facilities are subject to inspections to ensure compliance with these safety requirements (Public Act 21-1, Section 33).

### **4. Seed-to-Sale Tracking and Inventory Control**

* **Tracking System Participation**: All licensed cultivators and processors are required to use Connecticut’s **seed-to-sale tracking system**. This system monitors cannabis plants and products throughout their life cycle, from cultivation to retail sale (Public Act 21-1, Section 33).
* **Inventory Management**: Cannabis businesses must maintain detailed records of **inventory levels**, including tracking each plant from its seed stage to final sale or destruction. This ensures that all cannabis is accounted for and helps prevent diversion to the illicit market (Public Act 21-1, Section 33).

### **5. Compliance Inspections and Audits**

* **State Inspections**: Connecticut requires regular **inspections of cultivation and processing facilities** to ensure compliance with state regulations. Inspections cover areas like **product safety**, **security**, **waste disposal**, and **environmental impact** (Public Act 21-1, Section 33).
* **Audit Frequency**: In addition to regular inspections, the state may conduct **random audits** of businesses to verify compliance with tracking and reporting requirements. Businesses found in violation may face penalties, including fines or license suspension (Public Act 21-1, Section 33).

### **1. Mandatory Testing Requirements**

* **Product Types Subject to Testing**: All cannabis products in Connecticut, including flower, concentrates, edibles, and topicals, must be tested by licensed laboratories before they can be sold to consumers (Public Act 21-1, Section 33).
* **Testing Stages**: Testing is required at several stages, including **post-harvest** and **pre-sale**. Products must be tested for **potency**, **contaminants**, and **label accuracy** before they can be transferred to retailers (Public Act 21-1, Section 33).

### **2. Potency and Cannabinoid Testing**

* **THC and CBD Potency**: Products must undergo testing to confirm **THC** and **CBD** potency. Labels must accurately reflect the cannabinoid content, both **per serving** and **per package** (Public Act 21-1, Section 33).
* **Homogeneity Testing for Edibles**: Edible products must be tested to ensure **homogeneity**, meaning that the amount of THC is consistent across all servings. This prevents dosing errors and helps ensure consumer safety (Public Act 21-1, Section 33).

### **3. Contaminant Testing**

* **Microbial Contaminants**: Cannabis products are tested for microbial contaminants, such as **mold**, **yeast**, and **bacteria**, to ensure they meet state health standards (Public Act 21-1, Section 33).
* **Pesticide and Heavy Metal Testing**: Connecticut requires that products be tested for **pesticides**, **herbicides**, **heavy metals**, and other chemical residues. Products that exceed safe levels are prohibited from being sold (Public Act 21-1, Section 33).
* **Residual Solvent Testing**: Products made using solvent-based extraction methods, such as **butane** or **ethanol**, must be tested for **residual solvents** to ensure they meet the state's safety limits (Public Act 21-1, Section 33).

### **4. Lab Certification and Standards**

* **Lab Certification**: Testing labs must be **state-licensed** and meet specific standards for equipment, personnel qualifications, and testing methodologies. Labs are regularly audited to ensure they maintain compliance with these standards (Public Act 21-1, Section 33).
* **Independence and Conflict of Interest**: Testing labs cannot have **financial interests** in any cannabis business to ensure the integrity and independence of the testing process. This prevents conflicts of interest and guarantees unbiased results (Public Act 21-1, Section 33).

### **5. Testing Frequency and Batch Sizes**

* **Batch Testing**: Connecticut requires **batch testing** for all cannabis products. A batch is defined by a set weight or quantity, and each batch must undergo complete testing before it can be sold to consumers (Public Act 21-1, Section 33).
* **Random Audits and Retesting**: In addition to regular batch testing, the state may conduct **random audits** of products on retail shelves to ensure ongoing compliance with safety standards. Products found to contain contaminants may be subject to **recall** (Public Act 21-1, Section 33).

### **1. Sales Limits and Transaction Restrictions**

* **Daily/Transaction Limits**: Adults aged 21 and over in Connecticut are allowed to purchase up to **1.5 ounces of marijuana** or its equivalent in marijuana products per transaction. Equivalent amounts for concentrates and edibles are defined in weight and potency standards (Public Act 21-1, Section 33).
* **Home Cultivation Limits**: While personal cultivation is not yet permitted for recreational users, medical patients can cultivate up to **three mature and three immature plants** at home for personal use starting in 2023 (Public Act 21-1, Section 33).

### **2. Delivery Services and Distribution**

* **Delivery Services**: Connecticut allows **licensed retailers** and **delivery services** to deliver cannabis products to consumers. Licensed businesses can use couriers or delivery personnel to transport products directly to consumers' homes, provided that the consumer's age is verified (Public Act 21-1, Section 33).
* **Distribution/Transportation License**: Licensed transporters can move cannabis products between licensed facilities, including cultivation sites, manufacturing facilities, and retail locations. Transporters must adhere to **strict security and tracking regulations**, including keeping records of all transportation activities (Public Act 21-1, Section 33).

### **3. Retail Operations**

* **Operational Hours**: Retailers can operate during **regular business hours**, which may be limited by local ordinances. The state does not impose specific restrictions on hours of operation, leaving it up to municipalities to determine whether cannabis retailers can operate late at night or on weekends (Public Act 21-1, Section 33).
* **Security Requirements for Retail Stores**: Retailers must implement **comprehensive security systems**, including 24/7 surveillance, alarm systems, and secure storage for cannabis products. The state also requires security personnel during business hours to ensure the safety of staff and customers (Public Act 21-1, Section 33).
* **Consumer Verification and Age Restrictions**: Retailers are required to verify that all customers are at least **21 years of age** by checking government-issued identification at the point of sale. Selling to minors is strictly prohibited and subject to severe penalties (Public Act 21-1, Section 33).

### **4. Product Display and Consumer Education**

* **Product Display Restrictions**: Cannabis products must not be visible from outside the retail store. Products must be securely stored and displayed only within the licensed facility. Retailers are also required to provide **educational materials** to consumers regarding safe cannabis use and health risks (Public Act 21-1, Section 33).
* **Consumer Education**: Retailers must display and provide information on the risks of cannabis use, including warnings about **impaired driving**, **use during pregnancy**, and the **delayed effects** of edibles. These materials must be accessible to consumers both in-store and upon request (Public Act 21-1, Section 33).

### **5. Seed-to-Sale Tracking in Sales and Distribution**

* **Tracking System**: All cannabis products sold or distributed in Connecticut must be tracked using the state-mandated **seed-to-sale tracking system**. This ensures that all products can be traced from cultivation to final sale, providing transparency and preventing diversion to the illegal market (Public Act 21-1, Section 33).
* **Sales Reporting**: Retailers and distributors must report all sales and distribution activities to the Department of Consumer Protection (DCP). This includes recording customer information for verification and maintaining detailed sales logs for state audits (Public Act 21-1, Section 33).

### **1. Permitted Consumption Locations**

* **Personal Use**: In Connecticut, adults aged 21 and over are allowed to consume cannabis in **private residences** (Public Act 21-1, Section 33).
* **Public Spaces**: Cannabis consumption is generally prohibited in **public spaces** such as parks, sidewalks, and streets (Public Act 21-1, Section 33).

### **2. Prohibited Locations for Consumption**

* **Public Places**: Smoking or vaping cannabis is prohibited in areas where **tobacco smoking** is already restricted, such as indoor public spaces, restaurants, and government buildings (Public Act 21-1, Section 33).
* **Schools and Daycare Centers**: Consumption of cannabis is explicitly prohibited on the grounds of **schools, daycare centers**, and other locations where children are present (Public Act 21-1, Section 33).
* **Vehicles**: Consuming cannabis in a motor vehicle is illegal for both drivers and passengers. This includes smoking, vaping, or ingesting edibles while in a vehicle (Public Act 21-1, Section 33).

### **3. Penalties for Violations of Consumption Laws**

* **Public Consumption Violations**: Individuals found consuming cannabis in prohibited public places are subject to fines and other penalties. **First-time offenses** may result in warnings or small fines, while repeat offenders face escalating penalties (Public Act 21-1, Section 33).
* **Consumption by Minors**: Minors (under 21) caught using or possessing cannabis face civil penalties, including fines, drug education programs, and possibly community service (Public Act 21-1, Section 33).

### **4. Employer and Property Rights Regarding Consumption**

* **Employer Rights**: Employers in Connecticut are allowed to implement **drug-free workplace policies** and prohibit the use of cannabis by employees on company property or during work hours. They are not required to accommodate recreational cannabis use (Public Act 21-1, Section 33).
* **Landlord and Property Owner Rights**: Landlords and property owners have the right to **prohibit cannabis use** on their property. This can include restrictions in rental properties or multi-family housing units (Public Act 21-1, Section 33).

### **5. Consumption Lounges**

* **On-Site Consumption**: Connecticut does not currently permit **cannabis consumption lounges** or other public venues for on-site consumption. All cannabis use must take place in private (Public Act 21-1, Section 33).

### **1. Advertising Restrictions**

* **Permitted Advertising Platforms**: Cannabis businesses in Connecticut are allowed to advertise on **TV, radio, and digital platforms**, but they must comply with strict regulations that ensure advertisements are not targeted at minors (Public Act 21-1, Section 33).
* **Prohibited Advertising Platforms**: Advertisements that appear on platforms where **30% or more of the audience** is likely to be under 21 years old are prohibited. This includes children’s programming or websites primarily visited by minors (Public Act 21-1, Section 33).

### **2. Content Restrictions**

* **Mandatory Disclaimers**: All cannabis advertisements must include disclaimers such as “For adults 21 and over” and “Keep out of reach of children.” These disclaimers must be clearly displayed in all forms of advertising (Public Act 21-1, Section 33).
* **Health Claims**: Advertisements cannot make **health claims** suggesting that cannabis cures or treats specific medical conditions unless those claims are backed by scientific evidence and approved by the state (Public Act 21-1, Section 33).
* **Prohibited Imagery**: Advertising cannot use imagery, language, or designs that are likely to appeal to minors. This includes the use of **cartoons**, **bright colors**, or **characters** that resemble those seen in children’s media (Public Act 21-1, Section 33).

### **3. Target Audience and Age Restrictions**

* **Age Gating for Digital Ads**: Cannabis advertisements on digital platforms must implement **age-verification mechanisms** to ensure that only individuals aged 21 and over are exposed to the content. This may include pop-ups that require users to confirm their age or other restrictions (Public Act 21-1, Section 33).
* **Geographic Restrictions on Ads**: Cannabis advertisements cannot be placed within **500 feet** of schools, playgrounds, daycare centers, or other locations where children frequently gather (Public Act 21-1, Section 33).

### **4. Sponsorships and Promotions**

* **Event Sponsorship**: Cannabis businesses in Connecticut are allowed to sponsor events, but they are prohibited from sponsoring events where a significant portion of the audience is likely to be under 21 years old. This includes youth sporting events or school-related activities (Public Act 21-1, Section 33).
* **Promotional Giveaways**: Businesses are prohibited from giving away free cannabis products as part of a promotion or contest. Discounts and loyalty programs are allowed, but they must comply with age restrictions and cannot encourage overconsumption (Public Act 21-1, Section 33).

### **5. Penalties for Non-Compliance**

* **Fines for Advertising Violations**: Businesses that violate Connecticut’s advertising restrictions are subject to **fines and penalties**. Each instance of non-compliance, such as failing to include proper disclaimers or targeting minors, can result in fines (Public Act 21-1, Section 33).
* **License Penalties**: Repeated violations of advertising regulations can result in **license suspension** or **revocation**, especially if the violations involve targeting minors or failing to meet age-verification standards (Public Act 21-1, Section 33).

### **1. Excise Taxes**

* **Excise Tax Rates**: Connecticut imposes a **three-tiered excise tax** on cannabis products based on the type of product:
  + **$0.00625 per milligram of THC** in flower.
  + **$0.0275 per milligram of THC** in edibles.
  + **$0.009 per milligram of THC** for all other products, including concentrates (Public Act 21-1, Section 125).
* **Application of Excise Tax**: The excise tax is applied at the **point of sale** to consumers and is in addition to other applicable state and local taxes (Public Act 21-1, Section 125).

### **2. Sales Taxes**

* **State Sales Tax**: Cannabis products are subject to the state’s standard **6.35% sales tax**, which applies to all retail sales of adult-use marijuana (Public Act 21-1, Section 125).
* **Local Sales Taxes**: Municipalities are not allowed to impose **additional local sales taxes** on cannabis sales beyond the state’s excise and sales tax (Public Act 21-1, Section 125).

### **3. Cultivation Taxes**

* **Cultivation-Specific Taxes**: Connecticut does not impose a **specific cultivation tax** on cannabis growers. However, licensed cultivators are subject to regular state and local business taxes, such as property and income taxes (Public Act 21-1, Section 125).

### **4. Revenue Allocation**

* **State Revenue Allocation**: Revenue generated from cannabis excise and sales taxes is allocated to various state programs:
  + **60%** is directed to the **General Fund**.
  + **25%** is allocated to the **Social Equity and Innovation Fund** to support communities disproportionately affected by cannabis prohibition.
  + **15%** is allocated to the **Prevention and Recovery Services Fund**, which supports mental health and addiction services (Public Act 21-1, Section 128).

### **5. Recordkeeping and Reporting**

* **Tax Recordkeeping**: Cannabis businesses must maintain detailed tax records, including sales data, excise tax calculations, and payments. Records must be kept for a minimum of **five years** and made available for audits by the state (Public Act 21-1, Section 125).
* **Reporting Requirements**: Businesses are required to file **monthly tax returns** with the Department of Revenue Services (DRS), reporting both excise and sales taxes. Failure to submit timely tax reports or pay taxes can result in penalties (Public Act 21-1, Section 125).

### **1. Regulatory Oversight and Inspections**

* **Agencies Responsible for Enforcement**: The **Connecticut Department of Consumer Protection (DCP)** is responsible for enforcing cannabis regulations, including overseeing licensing, compliance, and inspections of cannabis businesses (Public Act 21-1, Section 33).
* **Inspection Frequency**: Cannabis businesses are subject to **regular inspections** by the DCP to ensure compliance with state regulations. Inspections may be conducted **annually** or more frequently if violations or complaints are reported (Public Act 21-1, Section 33).

### **2. Types of Violations**

* **Categories of Violations**: Violations range from **minor infractions** (such as incomplete recordkeeping) to **major offenses** (such as selling to minors or failing to meet safety standards). Each violation is classified based on the severity of the offense (Public Act 21-1, Section 33).
* **Advertising Violations**: Specific penalties apply for **advertising violations**, such as failing to include disclaimers or targeting minors (Public Act 21-1, Section 33).
* **Product Safety Violations**: Failing to meet safety standards, such as selling untested or contaminated products, is considered a serious violation and can result in immediate penalties (Public Act 21-1, Section 33).

### **3. Penalties for Non-Compliance**

* **Fines and Financial Penalties**: Businesses found in violation of state cannabis laws may be subject to **fines**. Fines vary based on the type and severity of the violation, with minor infractions typically resulting in smaller penalties and major violations leading to larger fines (Public Act 21-1, Section 33).
* **License Suspensions and Revocations**: In cases of repeated or severe violations, the state can **suspend or revoke** a business’s cannabis license. This includes offenses like selling to underage consumers or ongoing non-compliance with health and safety standards (Public Act 21-1, Section 33).

### **4. License Suspension and Revocation Process**

* **Notice of Violation**: Businesses that violate cannabis regulations receive a **notice of violation** from the DCP. They are given an opportunity to address and correct the violation within a specified timeframe (Public Act 21-1, Section 33).
* **Appeals Process**: Businesses have the right to **appeal** enforcement actions, such as fines, suspensions, or license revocations. Appeals are heard by a state-appointed administrative body (Public Act 21-1, Section 33).

### **5. Emergency Enforcement Actions**

* **Immediate Suspensions**: In cases where a violation poses an **immediate threat to public health or safety**, the DCP has the authority to **immediately suspend** a cannabis business’s license without prior notice (Public Act 21-1, Section 33).
* **Product Recalls**: If a product is found to be contaminated or unsafe for consumption, the state may issue a **recall** and require the business to notify consumers and remove the product from shelves (Public Act 21-1, Section 33).

### **1. Social Equity Programs**

* **Social Equity Licenses**: Connecticut’s cannabis law reserves a portion of business licenses for **social equity applicants** from communities disproportionately impacted by previous cannabis prohibition (Public Act 21-1, Section 33). The state prioritizes these applicants to ensure greater access to the legal cannabis market.
* **Social Equity Council**: The **Social Equity Council** is responsible for overseeing the social equity program. The council sets eligibility criteria and ensures that qualifying individuals have access to licenses and other forms of support (Public Act 21-1, Section 33).

### **2. Eligibility Criteria**

* **Disproportionate Impact Areas**: Social equity applicants must come from **disproportionately impacted areas**. These areas are identified based on factors such as **high rates of drug-related convictions**, **poverty levels**, and **unemployment rates** (Public Act 21-1, Section 33).
* **Income and Residency Requirements**: Applicants must meet specific **income criteria** and must have lived in a disproportionately impacted area for a set period (usually three to five years) to qualify for the social equity program (Public Act 21-1, Section 33).

### **3. Support for Social Equity Applicants**

* **Fee Reductions**: Social equity applicants are eligible for **reduced application and license fees**. This helps lower the financial barriers for individuals looking to enter the cannabis industry (Public Act 21-1, Section 33).
* **Business Assistance**: The state provides **technical assistance** to social equity applicants, including business training, mentorship, and access to resources like legal and financial advice. This support is designed to help applicants successfully navigate the licensing process and operate their businesses (Public Act 21-1, Section 33).

### **4. Ownership and Control Requirements**

* **Ownership Retention**: To ensure that social equity businesses remain under the control of eligible applicants, the state requires that social equity owners maintain a **minimum ownership percentage** and **control** of the business, often set at **51% or more** (Public Act 21-1, Section 33).
* **Restrictions on Transfers**: Social equity licenses may have restrictions on **ownership transfers** to prevent large corporations from acquiring social equity businesses and undermining the intent of the program (Public Act 21-1, Section 33).

### **5. Community Reinvestment**

* **Revenue Allocation for Social Equity**: A portion of the revenue generated from cannabis sales taxes is allocated to the **Social Equity and Innovation Fund**, which provides grants and resources to support communities disproportionately affected by the war on drugs (Public Act 21-1, Section 128).
* **Community Reinvestment Programs**: These funds are used for programs such as **job training**, **housing assistance**, and **education** for individuals from impacted communities. The goal is to promote long-term economic development and reduce the lasting effects of previous drug laws (Public Act 21-1, Section 128).

### **6. Expungement and Criminal Record Relief**

* **Expungement Provisions**: Connecticut’s cannabis law includes provisions for the **expungement of past marijuana-related convictions**. Individuals convicted of offenses that are no longer illegal, such as possession of small amounts of marijuana, can have their records cleared (Public Act 21-1, Section 137).
* **Eligibility for Expungement**: Expungement is available for certain cannabis-related offenses that occurred before the legalization of adult-use cannabis. The process may be automatic for some convictions, while others require individuals to petition the court (Public Act 21-1, Section 137).

### **1. Public Health Campaigns and Education**

* **Public Health Campaigns**: Connecticut allocates resources for **state-sponsored public health campaigns** to educate the public on the risks of cannabis use. These campaigns focus on promoting responsible consumption, preventing cannabis use among minors, and informing the public about the potential health risks (Public Act 21-1, Section 33).
* **Educational Materials**: The state provides **educational materials** to cannabis retailers, which must be distributed to consumers. These materials include information on the **effects of THC**, the risks of overconsumption, and guidelines for safe use (Public Act 21-1, Section 33).

### **2. Adverse Health Event Reporting**

* **Adverse Event Reporting System**: Connecticut requires cannabis businesses to report any **adverse health events** related to cannabis products. If consumers experience negative effects, such as allergic reactions or overconsumption, businesses must notify the state to help track and respond to these issues (Public Act 21-1, Section 33).
* **State Response to Adverse Events**: The state may initiate investigations and recall products if they are found to be harmful. This system ensures that potentially dangerous products are quickly removed from the market, and consumers are informed of the risks (Public Act 21-1, Section 33).

### **3. Cannabis Product Safety Standards**

* **Mandatory Testing and Safety Standards**: All cannabis products must be tested for **potency**, **pesticides**, **microbial contamination**, and **heavy metals**. Products that fail to meet the safety standards are not allowed to be sold, ensuring that consumers have access to safe products (Public Act 21-1, Section 33).
* **Packaging and Labeling**: Cannabis products must be sold in **child-resistant packaging** and include clear warnings about the risks of cannabis use, including the dangers of impaired driving and use during pregnancy. Labels must also display the **THC and CBD content**, both per serving and per package (Public Act 21-1, Section 33).

### **4. Youth Prevention and Protection**

* **Youth Prevention Programs**: The state funds educational programs aimed at **preventing cannabis use among minors**. These programs are implemented in schools and community centers to educate young people about the legal, health, and developmental risks of cannabis use at an early age (Public Act 21-1, Section 33).
* **Advertising Restrictions**: Businesses are prohibited from using advertising methods that could appeal to minors, such as cartoons or characters, and they are not allowed to advertise near schools or playgrounds. Violations of these advertising restrictions result in penalties (Public Act 21-1, Section 33).

### **5. Driving Under the Influence (DUI)**

* **DUI Laws for Cannabis**: Connecticut has strict penalties for **driving under the influence of cannabis**. Individuals caught driving while impaired by cannabis face fines, license suspension, and potentially jail time, depending on the severity of the offense (Public Act 21-1, Section 33).
* **Enforcement of DUI Laws**: Law enforcement officers use **field sobriety tests** and **chemical testing** (such as blood tests) to determine if a driver is under the influence of cannabis. These tests help enforce the state’s DUI laws and reduce the risk of accidents caused by impaired driving (Public Act 21-1, Section 33).

### **1. Hemp Legal Status**

* **Hemp Cultivation and Production**: Connecticut allows the cultivation and production of **hemp**, provided that it contains no more than **0.3% THC** on a dry weight basis, in line with federal law under the 2018 Farm Bill (Public Act 19-3). Hemp cultivation is regulated by the **Connecticut Department of Agriculture**, which issues licenses to hemp growers and processors.
* **Hemp-Derived Products**: Hemp-derived products, such as **CBD** (cannabidiol) and other non-psychoactive cannabinoids, are legal for sale in Connecticut, as long as they meet the THC threshold of 0.3%. These products must be tested for contaminants and labeled with accurate CBD content (Public Act 19-3).

### **2. Synthetic THC and Cannabinoids**

* **Regulation of Synthetic THC**: Connecticut prohibits the sale of **synthetic cannabinoids**, such as **Delta-8 THC** and **Delta-10 THC**, unless these substances are explicitly regulated by the state. Synthetic cannabinoids, which are chemically altered to mimic THC, are often treated differently from naturally derived cannabinoids like CBD (Public Act 21-1, Section 33).
* **Testing Requirements for Synthetic Cannabinoids**: Any cannabis product containing synthetic cannabinoids must undergo **rigorous testing** for safety and potency. The state requires detailed labeling to inform consumers about the synthetic nature of these cannabinoids (Public Act 21-1, Section 33).

### **3. Hemp-Derived CBD Products**

* **CBD Products for Retail Sale**: Hemp-derived **CBD products** are widely available in Connecticut, but they must comply with state regulations regarding potency, labeling, and safety testing (Public Act 19-3). These products include oils, tinctures, topicals, and edibles, provided that they meet state requirements.
* **Labeling and Marketing Restrictions**: CBD products must include clear labeling of their **CBD content** and provide warnings about potential side effects. Marketing claims, especially health-related claims, are subject to scrutiny, and businesses cannot advertise CBD as a treatment or cure for specific medical conditions without FDA approval (Public Act 19-3).

### **4. Research and Development of Hemp**

* **Hemp Research Programs**: Connecticut promotes **research into hemp and its applications**. Licensed institutions and universities are encouraged to conduct research on hemp cultivation, processing, and product development, with the aim of supporting the growing hemp industry in the state (Public Act 19-3).
* **Industrial Applications of Hemp**: The state is exploring the use of hemp in various industrial applications, such as textiles, building materials, and biofuels. Research initiatives are designed to increase understanding of the economic potential of hemp beyond just CBD and consumer products (Public Act 19-3).

**#### DELAWARE ####**

### **Delaware Adult-Use Cannabis Law: License Types and Scope**

1. **Types of Licenses Available:** Delaware offers several cannabis license types under the Delaware Marijuana Control Act:
   * **Retail License**: Authorizes the sale of marijuana and marijuana products to consumers (Del. Code Title 4, § 1332)​.
   * **Cultivation License**: Permits the cultivation and sale of marijuana to licensed retailers and manufacturers, but not directly to consumers (Del. Code Title 4, § 1334)​.
   * **Manufacturing/Processing License**: Allows the manufacturing of marijuana products, such as edibles, concentrates, and topicals, for sale to retailers and other manufacturers (Del. Code Title 4, § 1335)​.
   * **Testing License**: Provides for the testing of marijuana products for potency and contaminants (Del. Code Title 4, § 1333)​.
   * **Microbusiness License**: A smaller-scale license for cultivation and manufacturing, limited to businesses with fewer than 10 employees and a grow canopy under 2,500 square feet (Del. Code Title 4, § 1340)​​.
   * **Social Equity License**: Reserved for applicants from disproportionately impacted areas or individuals with marijuana-related offenses, offering discounts and technical support (Del. Code Title 4, § 1336-1337)​.
   * **Conversion License**: Allows existing medical marijuana facilities to transition into the adult-use market (Del. Code Title 4, § 1335A)​.
2. **Permitted Activities by License Type:**
   * **Retail License**:
     + Permits sales of marijuana and marijuana products to consumers.
     + Does **not** allow on-site consumption (Del. Code Title 4, § 1332(m))​.
   * **Cultivation License**:
     + Allows cultivation and sale of marijuana to licensed retailers and manufacturers.
     + Prohibits sales directly to consumers (Del. Code Title 4, § 1334(a))​.
   * **Manufacturing License**:
     + Authorizes production of marijuana products, including edibles and concentrates, for sale to retailers and other manufacturers (Del. Code Title 4, § 1335(a))​.
   * **Testing License**:
     + Allows the testing of marijuana products for quality control, including potency and contaminants (Del. Code Title 4, § 1333)​.

### **License Types and Scope (Part 2)**

**Local Licensing and Jurisdictional Control:**

1. **Role of Local Jurisdictions:**
   * Municipalities may opt in or out of allowing cannabis businesses: **Yes** (Del. Code Title 4, § 1344) .
   * Local application requirements beyond state licensing: **Yes** (Del. Code Title 4, § 1344) .
2. **Local Government Authority:**
   * Local governments can set additional caps or regulations on cannabis businesses: **Yes** (Del. Code Title 4, § 1344) .
   * Local taxes or fees can be imposed on businesses: **Yes** (Del. Code Title 4, § 1344) .

### **Social Equity Licensing**

1. **Social Equity Program Existence:**
   * Social equity program in place: **Yes** (Del. Code Title 4, § 1336) .
   * Eligibility criteria for applicants from disproportionately impacted areas or those with prior convictions: **Yes** (Del. Code Title 4, § 1336) .
2. **Types of Support Provided:**
   * Financial assistance (loans, grants): **Yes** (Del. Code Title 4, § 1339) .
   * Business development or mentorship programs: **Yes** (Del. Code Title 4, § 1338) .
   * Fee reductions or waivers for social equity applicants: **Yes** (Del. Code Title 4, § 1337) .

### **Ownership and Transferability**

1. **Transferability of Licenses:**
   * Licenses can be sold or transferred: **Yes** (Del. Code Title 4, § 1345) .
   * Process for transferring ownership: **Detailed** (Del. Code Title 4, § 1345) .
2. **Restrictions on Ownership:**
   * Limitations on foreign ownership or investment: **No** (Del. Code Title 4, § 1336) .
   * Public companies allowed to hold licenses: **Yes** (Del. Code Title 4, § 1331) .

#### **1. Permitted Activities by License Type**

* **Retail License**:
  + Can operate a delivery service: **No** (Del. Code Title 4, § 1332).
  + On-site consumption allowed: **No** (Del. Code Title 4, § 1332(m)) .
* **Cultivation License**:
  + Can sell directly to consumers: **No** (Del. Code Title 4, § 1334).
  + Restricted to sales to other licensees: **Yes** (Del. Code Title 4, § 1334) .
* **Manufacturing License**:
  + Can manufacture and process marijuana products for sale to other licensees but not directly to consumers (Del. Code Title 4, § 1335) .

#### **2. Operational Limitations**

* **Transaction Limits**:
  + Daily sales to consumers are limited to one ounce of usable marijuana per transaction (Del. Code Title 4, § 1332(m)) .
* **Operational Limits**:
  + Retail business hours and security measures, including 24/7 surveillance and restricted access areas, must comply with state regulations (Del. Code Title 4, § 1332(m)) .

#### **3. Ownership and Management**

* **Ownership Restrictions**:
  + Public companies are allowed to own cannabis businesses under Delaware law, provided they comply with state licensing requirements (Del. Code Title 4, § 1331).
* **Management Requirements**:
  + Background checks required for all owners and key management personnel (Del. Code Title 4, § 1345) .

#### **4. Recordkeeping and Reporting**

* **Record Retention Period**:
  + Businesses are required to retain financial and inventory records for a minimum of 7 years (Del. Code Title 4, § 1345) .
* **Reporting Requirements**:
  + Monthly reporting of sales and inventory to the state’s seed-to-sale tracking system is mandatory (Del. Code Title 4, § 1332) .

#### **5. Zoning and Location Restrictions**

* **Zoning Requirements**:
  + Cannabis businesses must operate in designated commercial or industrial zones (Del. Code Title 4, § 1344) .
* **Buffer Zones**:
  + Must maintain a distance of at least 500 feet from schools and public parks (Del. Code Title 4, § 1344) .

#### **6. Security Requirements**

* **Surveillance Requirements**:
  + All cannabis facilities are required to have 24-hour video surveillance and alarm systems (Del. Code Title 4, § 1345) .

#### **7. Employee and Staffing Requirements**

* **Background Checks**:
  + All employees must undergo criminal background checks prior to being hired (Del. Code Title 4, § 1345) .

### **Delaware Cannabis Law: Product Regulations**

#### **1. Potency Limits**

* **THC Potency Limits**:
  + Maximum THC content per serving for edibles: **10 mg** (Del. Code Title 4, § 1335).
  + Maximum THC content per package for edibles: **50 mg** (Del. Code Title 4, § 1335)​.
  + Potency limits for other products such as concentrates or beverages: Yes, the maximum limits vary by product type (Del. Code Title 4, § 1335).

#### **2. Prohibited Products and Ingredients**

* **Banned Product Types**:
  + Certain products like cannabis-infused alcohol are prohibited (Del. Code Title 4, § 1335)​.
* **Restrictions on Synthetic Cannabinoids**:
  + Products containing synthetic cannabinoids (e.g., delta-8 THC) are regulated differently from natural cannabinoids (Del. Code Title 4, § 1335)​.

#### **3. Packaging Requirements**

* **Child-Resistant and Tamper-Evident Packaging**:
  + All products must be packaged in child-resistant containers (Del. Code Title 4, § 1335).
  + Tamper-evident seals are required for all cannabis products (Del. Code Title 4, § 1335)​.

#### **4. Labeling Requirements**

* **Content Information**:
  + THC and CBD content must be displayed per serving and per package on product labels (Del. Code Title 4, § 1335)​.
  + Warning statements related to potential health risks, pregnancy, and operation of machinery are mandatory on all labels (Del. Code Title 4, § 1335)​.
* **Expiration Dates and Traceability**:
  + Labels must include expiration dates, batch numbers, and the cultivation/production facility details (Del. Code Title 4, § 1335)​​.

#### **5. Health and Safety Standards**

* **Product Testing Standards**:
  + Testing for contaminants such as pesticides, mold, and heavy metals is mandatory (Del. Code Title 4, § 1335)​.
  + Microbial and solvent residue testing is required for all products before they can be sold (Del. Code Title 4, § 1335)​.

#### **6. Edibles and Infused Products**

* **Serving Size Regulations**:
  + Edibles must be portioned or scored to reflect individual servings, each containing no more than **10 mg** of THC per serving (Del. Code Title 4, § 1335)​.
* **Cannabis-Infused Beverages**:
  + These beverages must also adhere to a **10 mg** THC per serving limit, with no more than **50 mg** per package (Del. Code Title 4, § 1335)​.

### **Delaware Cannabis Law: Cultivation and Processing**

#### **1. Plant and Canopy Limits**

* **Plant Limits**:
  + Delaware sets limits on the number of plants a licensee can cultivate based on the facility's tier. Different limits apply to indoor and outdoor cultivation (Del. Code Title 4, § 1334)​.
* **Canopy Size Restrictions**:
  + Canopy size limits are set by the state. For example, indoor facilities with a canopy area of up to 2,500 square feet have different fee structures compared to larger facilities (Del. Code Title 4, § 1334)​.
  + Vertical farming techniques are allowed, and the surface area of each tier is included in calculating the total grow canopy area​.

#### **2. Cultivation Practices and Environmental Standards**

* **Cultivation Methods**:
  + Delaware permits indoor, outdoor, and greenhouse cultivation, depending on the license tier and local zoning rules​.
* **Sustainability Standards**:
  + Delaware requires cultivation facilities to implement sustainability plans to minimize water and energy usage, as well as efforts to reduce environmental impact (Del. Code Title 4, § 1334)​.

#### **3. Processing and Extraction Methods**

* **Permitted Processing Activities**:
  + Licensed cultivation facilities are allowed to trim, cure, and package marijuana for wholesale, but they cannot process or extract marijuana into concentrates or other products without a separate manufacturing license (Del. Code Title 4, § 1334)​.
* **Extraction Methods**:
  + Solvent-based extraction methods like CO2 and ethanol are allowed under strict safety regulations (Del. Code Title 4, § 1308)​.

#### **4. Seed-to-Sale Tracking and Inventory Control**

* **Tracking System Participation**:
  + All licensed facilities must participate in Delaware’s seed-to-sale tracking system, updating the system at each stage of cultivation and sale (Del. Code Title 4, § 1334)​.
  + Records must be kept on harvested material, destroyed plants, and product waste disposal​.

#### **5. Compliance Inspections and Audits**

* **Inspection Frequency**:
  + Cultivation facilities are subject to state inspections at least annually, but unannounced inspections may also occur (Del. Code Title 4, § 1334)​.
* **Penalties for Non-Compliance**:
  + Failure to comply with state regulations can result in fines, license suspension, or revocation for severe violations (Del. Code Title 4, § 1334)​.

### **Delaware Cannabis Law: Testing Requirements**

#### **1. Mandatory Testing Requirements**

* **Types of Products Subject to Testing**:
  + All cannabis products, including flower, concentrates, edibles, and topicals, must undergo testing before sale (Del. Code Title 4, § 1333)​.
  + Medical and adult-use products are subject to the same testing standards (Del. Code Title 4, § 1333)​.
* **Testing Stages**:
  + Cannabis must be tested after harvesting and prior to distribution, including pre-sale testing for finished products (Del. Code Title 4, § 1333)​.
* **Testing Responsibility**:
  + Cultivators and manufacturers must submit products for testing before they reach the retail market (Del. Code Title 4, § 1333)​.
  + Retailers must ensure that products have passed all testing requirements before selling them to consumers​.

#### **2. Potency and Cannabinoid Testing**

* **Cannabinoid Potency Testing**:
  + Products must be tested for THC, CBD, and other cannabinoids (Del. Code Title 4, § 1333)​.
  + THC potency consistency is required across servings, especially in edibles (Del. Code Title 4, § 1333)​.
* **High Potency Products and Limits**:
  + There are specific potency limits that trigger additional testing, particularly for high-THC concentrates​.
* **Synthetic Cannabinoid Testing**:
  + Testing for synthetic cannabinoids, including delta-8 THC and delta-10 THC, is required (Del. Code Title 4, § 1333)​.

#### **3. Contaminant Testing**

* **Contaminants Tested**:
  + Cannabis products must be tested for microbial contaminants such as mold, mildew, and bacteria (Del. Code Title 4, § 1333)​.
  + Pesticides, heavy metals, and residual solvents must also be tested, especially for products like concentrates (Del. Code Title 4, § 1333)​.
* **Contaminant Action Levels**:
  + If contaminant levels exceed allowable limits, the products must be recalled or destroyed (Del. Code Title 4, § 1333)​.

#### **4. Testing Labs and Certification**

* **Lab Certification**:
  + All testing labs must be state-certified and accredited by a third-party organization (Del. Code Title 4, § 1333)​.
  + Labs are required to meet specific standards for equipment, procedures, and personnel​.
* **Conflicts of Interest**:
  + Testing labs are prohibited from having financial ties to cannabis businesses they test for, ensuring independence (Del. Code Title 4, § 1333)​.

#### **5. Reporting and Documentation**

* **Required Documentation**:
  + Testing labs must issue Certificates of Analysis (COAs) for each batch of tested products, detailing cannabinoid potency, contaminants, and synthetic cannabinoid results (Del. Code Title 4, § 1333)​.
* **State Reporting Requirements**:
  + Labs are required to report test results directly to the state’s seed-to-sale tracking system (Del. Code Title 4, § 1333)​.

### **Delaware Cannabis Law: Sales and Distribution**

#### **1. Sales Restrictions and Limits**

* **Transaction Limits**:
  + Retailers are limited to selling up to **one ounce of usable marijuana** per transaction to a consumer (Del. Code Title 4, § 1332(m))​.
* **Operating Hours**:
  + Retailers are restricted from operating between 10:00 PM and 9:00 AM on most days. On Sundays, sales are further restricted from before noon or after 8:00 PM (Del. Code Title 4, § 1332(b))​.
* **Holiday Restrictions**:
  + Sales of marijuana products are prohibited on certain holidays, including Thanksgiving, Easter, and Christmas (Del. Code Title 4, § 1332(b))​.

#### **2. Distribution and Transportation Regulations**

* **Licensed Transport**:
  + Only licensed marijuana transportation entities can move cannabis between cultivation, processing, and retail facilities (Del. Code Title 4, § 1334)​.
* **Restrictions on Vehicle Use**:
  + Vehicles used for transportation must have GPS tracking and are subject to inspections to ensure compliance with state regulations (Del. Code Title 4, § 1334)​.

#### **3. Recordkeeping and Reporting Requirements**

* **Seed-to-Sale Tracking**:
  + All sales and transfers of marijuana must be documented in the state's seed-to-sale tracking system to ensure compliance and transparency (Del. Code Title 4, § 1332(m))​.
* **Inventory Management**:
  + Retailers and distributors are required to keep detailed records of all sales, returns, and inventory adjustments. Records must be maintained for at least seven years (Del. Code Title 4, § 1332)​.

#### **4. Retail Store Setup and Sales Environment**

* **Proximity Restrictions**:
  + Retail stores must be located a certain distance from schools, parks, and other sensitive locations, with at least a **500-foot buffer zone** (Del. Code Title 4, § 1344)​.
* **Product Display Restrictions**:
  + Cannabis products must not be visible from outside the retail store. All products must be stored behind the counter or in locked displays (Del. Code Title 4, § 1332)​.

#### **5. Delivery Services**

* **Home Delivery**:
  + Retailers are not permitted to offer delivery services for marijuana products (Del. Code Title 4, § 1332(m))​.

#### **1. Public vs. Private Consumption**

* **Consumption Locations**:
  + Cannabis consumption is restricted to **private property**. Public consumption is not allowed, and there are no designated public consumption areas (Del. Code Title 4, § 1307)​.
  + Consumption is prohibited in certain locations, including **schools, parks, and federal lands** (Del. Code Title 4, § 1307)​.
* **Penalties for Public Consumption**:
  + Fines and citations apply for consuming cannabis in prohibited public places (Del. Code Title 4, § 1306)​.
* **Private Business Consumption**:
  + Businesses such as hotels and event spaces are not permitted to allow on-site cannabis consumption unless explicitly allowed by local ordinances (Del. Code Title 4, § 1307)​.

#### **2. On-Site Consumption Establishments**

* **On-Site Consumption**:
  + Delaware does **not** allow the establishment of on-site consumption businesses (Del. Code Title 4, § 1307)​.

#### **3. Social and Private Gatherings**

* **Cannabis at Private Events**:
  + There are no specific rules for consuming cannabis at private events, but it is implied that private property owners can regulate such activities (Del. Code Title 4, § 1307)​.

#### **4. Home Consumption**

* **Home Consumption Rules**:
  + Consumption is allowed in private residences, but **landlords** may prohibit smoking cannabis, except for nonsmoked forms (Del. Code Title 4, § 1307)​.
* **Consumption in Multi-Family Residences**:
  + Landlords or property managers may impose restrictions on tenants regarding cannabis use, particularly in shared spaces like apartments or condos (Del. Code Title 4, § 1307)​.

#### **5. Consumption by Minors**

* **Cannabis Use by Minors**:
  + It is illegal for individuals under 21 to possess or consume cannabis. Providing cannabis to minors carries penalties, including fines (Del. Code Title 4, § 1306)​.

#### **6. Cannabis and Driving**

* **Driving Under the Influence (DUI)**:
  + DUI laws in Delaware prohibit driving under the influence of cannabis, with penalties such as fines and license suspension (Del. Code Title 4, § 1305)​.

#### **7. Consumption in Federal and Prohibited Areas**

* **Federal Restrictions**:
  + Cannabis consumption is prohibited on **federal lands** and in federal buildings, including national parks and military bases. Violating these rules can result in federal penalties (Del. Code Title 4, § 1307)​.

### **Delaware Cannabis Law: Advertising and Marketing**

#### **1. General Advertising Restrictions**

* **Target Audience**:
  + Cannabis advertisements must only be placed in areas where the audience is expected to be 21 years of age or older (Del. Code Title 4, § 10.1.3) .
* **Content Restrictions**:
  + All advertisements must include mandatory health and safety warnings, such as potential health risks and the fact that the product is not FDA approved (Del. Code Title 4, § 10.1.2) .
  + Advertisements must not be misleading, false, or target minors. Specifically, they cannot contain neon colors, cartoon-like fonts, or depictions of animals that may appeal to minors (Del. Code Title 4, § 10.2.1.2) .
* **Prohibited Platforms**:
  + Cannabis advertisements are prohibited on billboards and in media targeting minors, such as certain TV programs or digital platforms where a significant portion of the audience is under 21 (Del. Code Title 4, § 10.2.1.7) .

#### **2. Health Warnings and Disclaimers**

* **Mandatory Warnings**:
  + Ads must include clear statements about the risks of cannabis use, such as impaired driving and the risks for pregnant women (Del. Code Title 4, § 10.1.2.1) .
  + Packaging must contain a warning about keeping products away from children and avoiding use while operating machinery (Del. Code Title 4, § 9.2.3.1) .

#### **3. Promotional Activities**

* **Discounts and Giveaways**:
  + Retailers cannot offer free marijuana products under any circumstances. Discounts on cannabis must not violate advertising restrictions and may not be offered in conjunction with other product sales (Del. Code Title 4, § 10.4.2) .

#### **4. Digital and Social Media Advertising**

* **Age Gating**:
  + Digital and social media ads must use age-verification mechanisms to limit exposure to individuals under 21 (Del. Code Title 4, § 10.2.1.7) .
  + Ads in these mediums must be carefully placed to ensure that the majority of the audience is of legal age .

### **Delaware Cannabis Law: Taxation**

#### **1. Excise Taxes**

* **Excise Tax Rate**:
  + Delaware imposes a **15% excise tax** on the retail sale of marijuana products (Del. Code Title 4, § 1382(b)) .
  + This excise tax is applied at the point of sale by retail marijuana stores .
* **Medical Cannabis Exemption**:
  + Medical marijuana products are **exempt** from this excise tax (Del. Code Title 4, § 1382(a)) .

#### **2. Sales Taxes**

* **General Sales Tax**:
  + Delaware does not impose a general state sales tax, so cannabis products are not subject to an additional sales tax beyond the excise tax .

#### **3. Cultivation Taxes**

* **Cultivation-Specific Taxes**:
  + There is no specific tax imposed on cannabis cultivators in Delaware beyond the standard excise tax applied at the point of sale by retailers .

#### **4. Local Taxes and Municipal Fees**

* **Local Tax Authority**:
  + Delaware law preempts local governments from imposing additional taxes on cannabis businesses beyond the state excise tax. This ensures a uniform state tax rate across the state (Del. Code Title 4, § 1383(e)) .

#### **5. Revenue Allocation**

* **Marijuana Regulation Fund**:
  + Revenue from cannabis taxes and fees is deposited into the **Marijuana Regulation Fund**. From this, **7%** of the revenue is allocated to the **Justice Reinvestment Fund** for criminal justice reform and social equity programs (Del. Code Title 4, § 1386) .
  + The remaining funds are used for administrative costs and other state initiatives .

#### **6. Recordkeeping and Reporting**

* **Monthly Reporting**:
  + Retail marijuana stores must file monthly reports to the Delaware Division of Revenue, including details of retail marijuana tax collections (Del. Code Title 4, § 1383(b)) .
* **Retention of Records**:
  + Retailers must keep tax records, including invoices and receipts, for a minimum of **three years** (Del. Code Title 4, § 1384) .

### **Delaware Cannabis Law: Enforcement and Penalties**

#### **1. Regulatory Oversight and Inspections**

* **Agencies Responsible**:
  + The **Division of Alcohol and Tobacco Enforcement** is responsible for enforcing Delaware’s cannabis regulations (Del. Code Title 4, § 1310)​.
  + Inspections and enforcement activities are conducted to ensure compliance with the Marijuana Control Act​.
* **Inspection Frequency**:
  + The Division conducts **administrative inspections** of licensed marijuana establishments regularly, but inspections can also be unannounced​.

#### **2. Types of Violations**

* **Violations by Category**:
  + Violations include improper sales, product labeling violations, exceeding transaction limits, and failure to comply with security or recordkeeping requirements (Del. Code Title 4, § 1310)​.
  + Major violations, such as selling to minors, are treated more severely than minor issues like recordkeeping errors​.
* **Tax and Reporting Violations**:
  + Tax violations are treated separately and can include failure to report sales or underreporting, leading to significant financial penalties (Del. Code Title 4, § 1383)​.

#### **3. Penalties for Non-Compliance**

* **Types of Penalties**:
  + Penalties range from **financial fines** to **license suspension or revocation**, depending on the severity of the violation (Del. Code Title 4, § 1310)​.
  + Fines can be imposed up to **10% of average monthly sales** for marijuana establishments​.
* **Repeat Offenders**:
  + Penalties increase for businesses with repeated violations, especially for failing to meet health and safety standards​.

#### **4. License Suspensions and Revocations**

* **Suspension Triggers**:
  + License suspensions can occur for severe violations like sales to minors or product contamination. The Commissioner may also suspend licenses for unpaid fines​.
  + Temporary suspensions may occur during investigations into major violations (Del. Code Title 4, § 1310)​.
* **Revocation Process**:
  + Revoking a license follows a process that includes a notice of violation, a hearing, and an opportunity for the licensee to appeal​.

#### **5. Fines and Financial Penalties**

* **Standard Fine Amounts**:
  + Fines are based on the violation and can reach up to **10% of the business's average gross monthly sales**​.
* **Ongoing Violations**:
  + Ongoing violations, like continuous non-compliance with security requirements, may result in daily fines until resolved​.

#### **6. Appeals Process and Dispute Resolution**

* **Steps for Appealing**:
  + Businesses can appeal fines or penalties by submitting a formal appeal within a designated period following the notice of violation​.
* **Operating During Appeals**:
  + Some penalties, like financial fines, may be deferred during the appeal process, but license suspensions could remain in effect​.

#### **7. Criminal Penalties**

* **Severe Violations**:
  + Engaging in unlicensed cannabis operations or serious health and safety violations may lead to criminal charges​.

### **Delaware Cannabis Law: Social Equity and Inclusion**

#### **1. Social Equity Program Existence**

* **Existence of Social Equity Program**:
  + Delaware has a **social equity program** in place, designed to provide opportunities for individuals from communities disproportionately impacted by cannabis prohibition (Del. Code Title 4, § 1336) .
* **Eligibility Criteria**:
  + Social equity applicants must meet one of the following criteria:
    1. At least 51% ownership and control by individuals who have resided in a disproportionately impacted area for at least 5 of the preceding 15 years.
    2. At least 51% ownership and control by individuals with prior marijuana-related offenses, excluding those related to delivery to a minor or Tier 3 offenses (Del. Code Title 4, § 1336) .

#### **2. Licensing and Financial Support for Social Equity Applicants**

* **Fee Reductions**:
  + Social equity applicants receive **discounted application fees**. The application fee is set at $1,000, and licensees pay a biennial fee at 40% of the standard rate (Del. Code Title 4, § 1337) .
* **Financial Assistance**:
  + Delaware provides financial support through opportunities like **loans and grants** from the Justice Reinvestment Fund (Del. Code Title 4, § 1339) .
* **Technical Assistance**:
  + The state offers a **technical assistance program**, partnering with the Division of Small Business to help social equity applicants with the licensing process and finding financial resources (Del. Code Title 4, § 1338) .

#### **3. Ownership and Control Requirements**

* **Ownership and Control**:
  + To qualify for a social equity license, applicants must demonstrate that **at least 51% ownership and control** is held by individuals meeting the eligibility criteria (Del. Code Title 4, § 1336) .

#### **4. Prioritization in Licensing**

* **Priority in Licensing**:
  + Social equity applicants are prioritized in the licensing process and receive expedited application review (Del. Code Title 4, § 1337) .
* **License Set-Asides**:
  + The state allocates a set number of licenses specifically for social equity applicants. For example, there are 10 social equity licenses reserved for indoor cultivation facilities with a grow canopy of over 2,500 square feet (Del. Code Title 4, § 1343) .

#### **5. Expungement and Criminal Record Relief**

* **Eligibility for Expungement**:
  + Individuals with certain marijuana-related convictions are eligible for **expungement**, except for serious offenses such as delivery to a minor or Tier 3 quantities (Del. Code Title 4, § 1336) .

#### **6. Community Reinvestment and Social Justice Initiatives**

* **Justice Reinvestment Fund**:
  + Delaware allocates **7%** of cannabis tax revenue to the Justice Reinvestment Fund, which supports social equity programs and reinvestment in communities disproportionately affected by previous drug laws (Del. Code Title 4, § 1386) .

### **Delaware Cannabis Law: Public Health and Safety**

#### **1. Public Health Campaigns and Education**

* **State-Sponsored Public Health Campaigns**:
  + Delaware sponsors public health campaigns related to cannabis use, focusing on responsible consumption and educating on the risks of underage use and impaired driving (Del. Code Title 4, § 1315).
* **Targeted Demographics**:
  + Campaigns are designed to target specific demographics, including minors, pregnant women, and new users, providing tailored warnings about cannabis risks (Del. Code Title 4, § 1315).
* **Educational Resources**:
  + The state provides educational resources, including dosing guidelines and information about the effects of THC. Resources are available for parents, youth, and vulnerable populations (Del. Code Title 4, § 1315).

#### **2. Adverse Health Events and Reporting**

* **Tracking Adverse Events**:
  + Delaware has mechanisms for tracking and reporting adverse health effects related to cannabis use, such as allergic reactions and overconsumption. Cannabis businesses are required to report such events to state regulators (Del. Code Title 4, § 1315).
* **State Response**:
  + The state has protocols for investigating products or businesses linked to adverse health events. Products may be recalled, and licenses suspended in cases of public health concerns (Del. Code Title 4, § 1315).

#### **3. Product Safety Standards**

* **Mandatory Safety Testing**:
  + All cannabis products must undergo safety testing for contaminants such as pesticides, mold, and heavy metals. Testing for microbial contamination and solvent residues is also required (Del. Code Title 4, § 1333).
* **Safety Standards for Edibles**:
  + Edibles must meet specific standards, including portion control and dosage accuracy. Labels must include warnings about the delayed effects and the risks of overconsumption (Del. Code Title 4, § 1333).

#### **4. Health Warnings and Labeling**

* **General Health Warnings**:
  + Cannabis products must include health warnings about the risks of use during pregnancy, potential impairment, and operating machinery. Warnings must also address THC potency and the effects of high-THC products (Del. Code Title 4, § 1333).

#### **5. Youth Prevention and Protection**

* **Youth Prevention Programs**:
  + Delaware supports educational programs aimed at preventing cannabis use among minors. Schools are required to implement drug prevention programs that include cannabis education (Del. Code Title 4, § 1315).
* **Marketing Restrictions**:
  + Strict regulations are in place to prevent marketing cannabis to minors. This includes prohibiting the use of cartoon characters, colorful packaging, and depictions of animals or celebrities (Del. Code Title 4, § 1315).

#### **6. Driving Under the Influence (DUI)**

* **DUI Penalties**:
  + Driving under the influence of cannabis is illegal, with penalties including fines, license suspension, and potential jail time. Delaware enforces a zero-tolerance policy for cannabis-impaired driving (Del. Code Title 4, § 1315).
* **Field Sobriety Tests**:
  + Law enforcement officers are trained to recognize cannabis impairment using field sobriety tests and blood or saliva tests to detect THC levels (Del. Code Title 4, § 1315).

### **Delaware Cannabis Law: Hemp and Synthetic THC Regulations**

#### **1. Synthetic THC and Hemp-Derived Cannabinoids**

* **Allowances for Synthetic THC**:
  + Delaware regulates synthetic cannabinoids, including **delta-8 THC** and **delta-10 THC**, as controlled substances. The sale and production of these substances are restricted under state law (Del. Code Title 4, § 10.2).
* **Natural Cannabinoids**:
  + The state permits the sale of **hemp-derived cannabinoids**, such as **CBD** and **CBG**, provided they meet THC content limits and other safety standards (Del. Code Title 4, § 10.1.2).

#### **2. THC Limits (Per Serving and Per Package)**

* **Per-Serving THC Limit**:
  + Hemp-derived products are limited to **0.3% THC** per serving to comply with federal hemp guidelines (Del. Code Title 4, § 10.2.1).
* **Per-Package THC Limit**:
  + The total THC content in any hemp product must not exceed **0.3% on a dry weight basis** (Del. Code Title 4, § 10.2.1).

#### **3. Child Protection Provisions**

* **Child Protection Measures**:
  + Packaging and marketing of hemp products must not appeal to minors. Bright colors, cartoon characters, and candy-like designs are prohibited (Del. Code Title 4, § 10.3).
* **Penalties for Sales to Minors**:
  + Businesses that sell hemp products to minors face penalties, including fines and potential license suspension (Del. Code Title 4, § 10.4.2).

#### **4. Licensing and Operational Costs**

* **Licensing Costs**:
  + The cost of obtaining or renewing a hemp business license is **$1,000** for initial applications, with separate fees for selling intoxicating hemp products (Del. Code Title 4, § 10.5).
* **Geographic Restrictions**:
  + There are no specific geographic restrictions, but local zoning laws may affect where hemp businesses can operate (Del. Code Title 4, § 10.5).

#### **5. Regulatory Body and Oversight**

* **Regulatory Agency**:
  + The **Delaware Department of Agriculture** oversees hemp regulation, ensuring compliance with state and federal standards (Del. Code Title 4, § 10.6).
* **Enforcement and Resources**:
  + The department conducts regular inspections and enforces compliance through fines and penalties for violations (Del. Code Title 4, § 10.7).

#### **6. Testing Standards and Product Safety**

* **Testing Requirements**:
  + All hemp products must undergo testing for potency, contaminants, and safety. This includes tests for pesticides, heavy metals, and residual solvents (Del. Code Title 4, § 10.6.2).

**#### ILLINOIS ####**

### **1. License Types Available**

● **Retail License**: Issued by the Department of Financial and Professional Regulation. Permits the operation of a dispensing organization for selling cannabis to purchasers【410 ILCS 705/15-5】【410 ILCS 705/15-10】.

● **Cultivation License**: Issued by the Department of Agriculture. Allows cultivation centers to grow, process, and transport cannabis to other licensed establishments for both adult-use and medical purposes【410 ILCS 705/5-10】【410 ILCS 705/35-5】.

● **Manufacturing/Processing License**: Issued for organizations involved in the processing of cannabis and cannabis-infused products. This includes infusers, who incorporate cannabis into product formulations【410 ILCS 705/35-25】【410 ILCS 705/35-30】.

● **Testing License**: Required for entities conducting testing on cannabis for potency and contaminants. Issued by the Department of Agriculture【410 ILCS 705/25-5】【410 ILCS 705/25-10】.

● **Distribution/Transportation License**: Issued to transporting organizations responsible for moving cannabis or cannabis-infused products between licensed establishments【410 ILCS 705/40-5】【410 ILCS 705/40-10】.

● **Microbusiness License**: While not specifically defined in Illinois law, craft growers are allowed to operate with a smaller canopy size (up to 5,000 sq ft), with the potential to expand based on compliance and market demand【410 ILCS 705/30-5】【410 ILCS 705/30-10】.

● **Social Equity-Specific Licenses**: Social equity applicants can apply for any available cannabis business licenses, receiving priority under Illinois’ social equity programs【410 ILCS 705/7-15】【410 ILCS 705/7-20】.

### **2. Permitted Activities by License Type**

● **Retail License**:

○ Allows for sales to purchasers, including delivery services【410 ILCS 705/15-70】【410 ILCS 705/15-15】.

○ On-site consumption may be permitted depending on local regulations【410 ILCS 705/15-25】.

● **Cultivation License**:

○ Allows the cultivation and processing of cannabis for distribution to dispensaries【410 ILCS 705/30-5】【410 ILCS 705/30-10】.

○ Cultivation centers may also transport cannabis products【410 ILCS 705/35-10】【410 ILCS 705/40-10】.

● **Manufacturing License**:

○ Includes the ability to perform extraction processes (e.g., solvent-based extractions) and formulate cannabis-infused products【410 ILCS 705/35-25】【410 ILCS 705/35-30】.

● **Testing License**: Facilities are permitted to test cannabis products for both medical and adult-use markets, including for potency and contaminants【410 ILCS 705/25-5】【410 ILCS 705/25-10】.

### **3. Licensing Process**

● **Application Requirements**:

○ **Background Checks**: Required for all principal officers, board members, and agents applying for cannabis business licenses【410 ILCS 705/5-20】【410 ILCS 705/5-30】.

○ **Residency Requirements**: While Illinois does not impose general residency requirements for applicants, social equity applicants must meet specific Illinois residency criteria【410 ILCS 705/7-15】【410 ILCS 705/7-20】.

○ **Financial Disclosures**: Applicants must demonstrate sufficient financial capacity to operate a cannabis business, including submitting proof of capital【410 ILCS 705/15-15】【410 ILCS 705/15-10】.

○ **Social Equity Criteria**: Social equity applicants receive priority, reduced fees, and other benefits under Illinois law if they meet eligibility requirements, such as residing in a Disproportionately Impacted Area【410 ILCS 705/7-15】【410 ILCS 705/7-20】.

● **Application Fees**:

○ The fees vary by license type, with a $30,000 non-refundable fee for an Early Approval Adult Use Dispensing Organization License【410 ILCS 705/15-15】【410 ILCS 705/15-36】.

○ Additional contributions to the Cannabis Business Development Fund may be required for certain social equity plans【410 ILCS 705/15-15】【410 ILCS 705/7-15】.

### **4. License Caps and Availability**

● **Statewide License Caps**: Illinois has set caps on certain license types. For example, up to 75 Conditional Adult Use Dispensing Organization Licenses were available before January 1, 2021【410 ILCS 705/15-25】【410 ILCS 705/15-30】.

● **Local Caps/Zoning Restrictions**: Local governments may impose additional restrictions on the number of cannabis businesses, as well as zoning requirements regarding proximity to sensitive locations like schools【410 ILCS 705/55-25】【410 ILCS 705/55-28】.

● **License Allocation Method**: Licenses are generally awarded based on a merit-based scoring system. In some cases, a lottery is used to allocate licenses when applicants receive identical scores【410 ILCS 705/15-25】【410 ILCS 705/15-30】.

### **5. License Renewal and Compliance**

● **Renewal Process**:

○ Licenses must be renewed periodically, with renewal fees varying by license type. For example, a $30,000 fee is required to renew an Early Approval Adult Use Dispensing Organization License【410 ILCS 705/15-70】【410 ILCS 705/15-30】.

○ Licensees must submit a renewal application before the license expiration date or risk suspension of operations【410 ILCS 705/15-36】【410 ILCS 705/15-40】.

● **Compliance Requirements**:

○ Licensees are subject to ongoing reporting obligations, including seed-to-sale tracking and regular inspections【410 ILCS 705/35-5】【410 ILCS 705/25-10】.

○ Penalties for non-compliance include fines, license suspension, or revocation【410 ILCS 705/45-10】【410 ILCS 705/45-20】.

### **1. Local Licensing and Jurisdictional Control**

● **Municipal Opt-In/Opt-Out**: Local municipalities in Illinois can choose to allow or prohibit cannabis businesses within their boundaries. They have the authority to opt-in or opt-out of allowing cannabis establishments, and this decision must be formally adopted by the local government【410 ILCS 705/55-25】【410 ILCS 705/55-28】.

● **Local Application Requirements**: Municipalities may impose additional requirements for cannabis businesses beyond state regulations, such as local zoning rules, operational restrictions, and local taxes【410 ILCS 705/55-25】【410 ILCS 705/55-28】.

● **Local Caps**: Municipalities can set local caps on the number of cannabis business licenses, including limits on cultivation, retail, or processing operations within their jurisdiction【410 ILCS 705/55-25】【410 ILCS 705/55-28】.

### **2. Social Equity Licensing**

● **Social Equity Program**: Illinois provides priority licensing to social equity applicants, defined as individuals from communities disproportionately impacted by past drug policies, or those with prior cannabis-related convictions【410 ILCS 705/7-15】【410 ILCS 705/7-20】.

● **Support Mechanisms**: Social equity applicants are offered financial assistance through reduced fees, grants, loans, and mentorship programs. The state also ensures priority in processing applications for these applicants【410 ILCS 705/7-20】【410 ILCS 705/15-15】.

● **Fee Reductions**: Social equity applicants receive significant reductions on application fees, with discounts up to 50% for some types of licenses【410 ILCS 705/7-20】【410 ILCS 705/15-15】.

### **3. Ownership and Transferability**

● **Transferability of Licenses**: Cannabis business licenses in Illinois can be transferred or sold, but the transfer must be approved by the Department of Financial and Professional Regulation. The process requires proper documentation and state approval【410 ILCS 705/15-40】【410 ILCS 705/15-50】.

● **Restrictions on Ownership**: Illinois law limits the amount of ownership interest that a single entity can hold to prevent monopolization. There are also restrictions on foreign and large corporate ownership of cannabis licenses【410 ILCS 705/15-36】【410 ILCS 705/5-15】.

### **4. Fees and Financial Requirements**

● **Initial Application Fees**: Application fees vary by license type. For example, the Early Approval Adult Use Dispensing Organization License requires a $30,000 non-refundable fee【410 ILCS 705/15-15】【410 ILCS 705/15-36】.

● **Financial Stability Requirements**: Applicants must demonstrate financial stability, including proof of sufficient capital or bonds, to be eligible for licensure【410 ILCS 705/15-15】【410 ILCS 705/5-10】.

### **5. Zoning and Location Restrictions**

● **Zoning Requirements**: Cannabis businesses are subject to strict zoning regulations, which typically restrict them to industrial or commercial areas. Local governments may also impose buffer zones to prevent cannabis establishments from operating near schools, parks, or residential neighborhoods【410 ILCS 705/55-25】【410 ILCS 705/55-28】.

● **Operational Limits**: Illinois law imposes limits on cultivation licenses, such as plant count restrictions, and production limits for manufacturing licenses【410 ILCS 705/30-5】【410 ILCS 705/30-10】.

### **Business Operations in Illinois Cannabis Law**

### **1. Permitted Activities for Each License Type**

● **Retail License**:

○ Retailers are allowed to sell cannabis to adult-use consumers and medical patients. They may also operate a delivery service to customers, depending on local approval【410 ILCS 705/15-70】【410 ILCS 705/15-30】.

● **Cultivation License**:

○ Cultivation centers are permitted to grow, process, and distribute cannabis to other licensed businesses such as dispensaries. Cultivation centers cannot sell directly to consumers【410 ILCS 705/30-5】【410 ILCS 705/30-10】.

● **On-Site Consumption**:

○ On-site consumption of cannabis is permitted under specific licenses, such as those issued to licensed hospitality businesses, subject to local regulations【410 ILCS 705/55-25】【410 ILCS 705/55-28】.

● **Vertical Integration**:

○ Illinois allows vertical integration under certain circumstances, meaning a business may hold multiple licenses for different parts of the cannabis supply chain (e.g., cultivation, processing, retail)【410 ILCS 705/30-5】【410 ILCS 705/15-36】.

### **2. Operational Limitations**

● **Transaction Limits**:

○ Cannabis retailers are limited by law to selling no more than 30 grams of cannabis flower, 5 grams of cannabis concentrate, or 500 mg of THC in cannabis-infused products per transaction to an adult-use consumer【410 ILCS 705/10-10】.

● **Operational Hours and Security Requirements**:

○ Cannabis businesses are required to operate within specific hours and must meet security requirements, including the presence of surveillance cameras and secure storage of cannabis products【410 ILCS 705/15-70】【410 ILCS 705/15-75】.

### **3. Ownership and Management**

● **Out-of-State Ownership**:

○ Illinois imposes restrictions on out-of-state ownership for cannabis businesses, though out-of-state individuals may hold ownership stakes under specific circumstances【410 ILCS 705/15-36】【410 ILCS 705/15-50】.

● **Public Companies**:

○ Public companies are allowed to hold cannabis licenses in Illinois, but they are subject to the same ownership and operational restrictions as private entities【410 ILCS 705/15-40】【410 ILCS 705/15-50】.

● **Ownership Limits**:

○ There are caps on the percentage of ownership one entity can hold across multiple cannabis businesses to prevent monopolization. Licensees are also subject to strict reporting requirements regarding ownership【410 ILCS 705/15-36】【410 ILCS 705/30-5】.

### **4. Recordkeeping and Reporting**

● **Retention Period**:

○ Cannabis businesses are required to retain records for a period of five years, including financial, inventory, and transaction data【410 ILCS 705/15-65】【410 ILCS 705/15-70】.

● **Types of Records**:

○ Businesses must maintain records on all cannabis transactions, inventory, sales, and customer information. These records must be available for state inspections【410 ILCS 705/15-70】【410 ILCS 705/15-75】.

### **5. Zoning and Location Restrictions**

● **Designated Zones**:

○ Cannabis businesses must operate in designated zones determined by local governments, usually in industrial or commercial areas. Local zoning laws may also impose buffer zones around sensitive areas such as schools and parks【410 ILCS 705/55-25】【410 ILCS 705/55-28】.

● **Proximity Limits**:

○ There are restrictions on how close multiple cannabis businesses can be to each other. For example, two dispensaries cannot be located within a certain distance from each other unless allowed by local rules【410 ILCS 705/15-25】【410 ILCS 705/15-30】.

### **6. Security Requirements**

● **Surveillance Requirements**:

○ Cannabis businesses must install comprehensive security systems, including 24/7 video surveillance, alarm systems, and secure storage for cannabis products【410 ILCS 705/15-70】【410 ILCS 705/15-75】.

● **Security Personnel**:

○ On-site security personnel are required during business hours at certain cannabis facilities, especially at dispensaries and cultivation centers【410 ILCS 705/15-75】【410 ILCS 705/15-80】.

### **7. Employment and Staffing**

● **Background Checks**:

○ Background checks are mandatory for all employees working in cannabis businesses, including owners, managers, and staff members【410 ILCS 705/5-20】【410 ILCS 705/5-30】.

● **Training Requirements**:

○ All employees must undergo mandatory training on responsible cannabis handling, customer service, and security protocols【410 ILCS 705/15-70】【410 ILCS 705/15-75】.

### **8. Inventory Management**

● **Inventory Tracking**:

○ Illinois requires cannabis businesses to use a state-mandated seed-to-sale tracking system to ensure accurate records of all cannabis products. This includes tracking from cultivation to sale【410 ILCS 705/15-70】【410 ILCS 705/15-75】.

● **Inventory Audits**:

○ Regular inventory audits are required to prevent loss or theft, and any discrepancies must be reported immediately to the Department of Financial and Professional Regulation【410 ILCS 705/15-70】【410 ILCS 705/15-75】.

### **9. Fees and Financial Obligations**

● **Annual or Periodic Fees**:

○ Cannabis businesses are required to pay annual license renewal fees. For example, dispensaries must pay a $30,000 annual renewal fee to maintain their license【410 ILCS 705/15-70】【410 ILCS 705/15-36】.

● **Penalties for Late Payment**:

○ Failure to pay required fees on time can result in fines, license suspension, or revocation【410 ILCS 705/15-75】【410 ILCS 705/45-10】.

### **Product Regulations in Illinois Cannabis Law**

### **1. THC Limits**

● **THC Concentration Limits**: Illinois law sets limits on the THC content for cannabis products. For adult-use consumers, cannabis flower may contain up to 30 grams of THC, while cannabis-infused products may contain up to 500 mg of THC【410 ILCS 705/10-10】【410 ILCS 705/55-21】.

● **Concentrates**: Cannabis concentrates are limited to 5 grams of THC per transaction for adult-use consumers【410 ILCS 705/10-10】.

### **2. Labeling Requirements**

● **Cannabis Product Labels**: All cannabis products must be clearly labeled with specific information, including the product’s THC and CBD content, a list of ingredients, dosage guidelines, and health warnings. Labels must also display the batch number and production date【410 ILCS 705/55-21】【410 ILCS 705/55-30】.

● **Warning Labels**: Products must include warnings about the potential effects of cannabis consumption, including impairment and health risks, as well as warnings about the illegal resale of cannabis【410 ILCS 705/55-21】【410 ILCS 705/55-25】.

### **3. Packaging Requirements**

● **Child-Resistant Packaging**: Cannabis products sold in Illinois must be packaged in child-resistant containers to prevent accidental consumption by minors. The packaging must also be tamper-evident【410 ILCS 705/55-21】【410 ILCS 705/55-25】.

● **Resealable Packaging**: Any cannabis product that is not intended for single use must be sold in resealable, child-resistant packaging【410 ILCS 705/55-21】【410 ILCS 705/55-25】.

### **4. Product Testing**

● **Mandatory Testing**: All cannabis products must undergo testing by a state-licensed testing facility before they can be sold to consumers. Testing ensures that products meet standards for potency, pesticide levels, mold, and other contaminants【410 ILCS 705/25-5】【410 ILCS 705/25-10】.

● **Testing for Contaminants**: Products must be tested for harmful contaminants such as pesticides, residual solvents, microbials, and heavy metals to ensure consumer safety【410 ILCS 705/25-10】【410 ILCS 705/25-15】.

### **5. Product Recalls**

● **Recall Procedures**: Illinois requires cannabis businesses to have a recall plan in place to address product defects, contamination, or safety concerns. The recall plan must detail how affected products will be identified, removed from shelves, and destroyed【410 ILCS 705/55-21】【410 ILCS 705/55-25】.

● **Notification Requirements**: In the event of a recall, businesses must notify the Department of Agriculture and any affected consumers. They must also report the recall on their website【410 ILCS 705/55-21】【410 ILCS 705/25-5】.

### **6. Additives and Prohibited Ingredients**

● **Prohibited Additives**: Certain additives, including vitamin E acetate and harmful cutting agents, are prohibited in cannabis products sold in Illinois. The Department of Agriculture has the authority to determine which additives may not be used in cannabis products【410 ILCS 705/55-21】【410 ILCS 705/55-25】.

● **Food Products**: Cannabis-infused food products are regulated under specific guidelines to ensure that they are not manufactured in a way that mimics common food items, such as candy or snacks, that could appeal to children【410 ILCS 705/55-25】【410 ILCS 705/55-21】.

### **7. Dosage Limitations**

● **Single Dose Limits**: Each single serving of a cannabis-infused product may contain no more than 10 mg of THC. This limit applies to all cannabis products, including edibles, tinctures, and beverages【410 ILCS 705/55-21】【410 ILCS 705/55-25】.

● **Multi-Serving Products**: For products containing multiple servings, the total THC content must not exceed 100 mg per package, and each serving must be clearly delineated【410 ILCS 705/55-21】【410 ILCS 705/55-25】.

### **8. Shelf Life and Expiration Dates**

● **Expiration Date Requirement**: Cannabis products must display an expiration or "best by" date to ensure consumers are aware of product freshness. This requirement applies to both cannabis flower and cannabis-infused products【410 ILCS 705/55-21】【410 ILCS 705/55-25】.

### **Cultivation and Processing in Illinois Cannabis Law**

### **1. Canopy Limits and Cultivation Space**

● **Canopy Space Limits**: Craft growers in Illinois are initially allowed to cultivate up to 5,000 square feet of canopy space for plants in the flowering stage. The Department of Agriculture may authorize increases in canopy size in increments of 3,000 square feet, up to a maximum of 14,000 square feet, based on market need and the licensee's compliance history【410 ILCS 705/30-10】.

● **Enclosed and Secure Facility**: All cannabis cultivation must occur in an enclosed, locked facility. This ensures that plants are secured from unauthorized access【410 ILCS 705/10-5】【410 ILCS 705/30-10】.

### **2. Processing Requirements**

● **Licensed Processing**: Cannabis must be processed by licensed processing organizations, which are permitted to extract cannabinoids and incorporate cannabis or cannabis concentrates into products such as edibles, oils, and tinctures【410 ILCS 705/35-5】【410 ILCS 705/35-10】.

● **Extraction Methods**: Licensed processors may use extraction methods approved by the Department of Agriculture, such as CO2, ethanol, or water-based extractions. The use of unapproved or unsafe solvents is prohibited【410 ILCS 705/35-10】【410 ILCS 705/35-25】.

### **3. Seed-to-Sale Tracking**

● **Tracking System**: All cannabis plants and products must be tracked using a seed-to-sale tracking system, which monitors the entire lifecycle of cannabis from planting to sale. This system is required for compliance and to prevent diversion【410 ILCS 705/30-5】【410 ILCS 705/15-70】.

● **Inventory Management**: Cultivation centers and processors must maintain accurate records of their inventory, including plant counts, processing stages, and finished products. Regular audits are conducted to ensure compliance【410 ILCS 705/35-25】【410 ILCS 705/15-70】.

### **4. Environmental and Safety Regulations**

● **Energy and Environmental Standards**: Cultivation centers must meet specific environmental standards, including energy usage limits and water conservation practices, to minimize their environmental impact. These standards are regulated by the Department of Agriculture【410 ILCS 705/35-25】【410 ILCS 705/35-30】.

● **Safety Requirements**: Cultivation and processing facilities must comply with safety protocols, including proper ventilation and the use of protective equipment to ensure worker safety during plant cultivation and chemical extraction【410 ILCS 705/30-5】【410 ILCS 705/35-25】.

### **5. Waste Disposal**

● **Waste Management**: Cannabis cultivation and processing facilities are required to have a waste management plan to ensure that all cannabis waste, including unusable plant material and by-products from processing, is rendered unusable before disposal. This is typically done by mixing cannabis waste with non-consumable waste【410 ILCS 705/30-5】【410 ILCS 705/55-21】.

● **Compliance Audits**: Facilities must keep detailed records of waste disposal, which are subject to audits by the Department of Agriculture. Improper disposal or failure to maintain records can result in fines or license revocation【410 ILCS 705/30-5】【410 ILCS 705/15-70】.

### **6. Pesticide Use and Testing**

● **Pesticide Regulations**: The use of pesticides in cannabis cultivation is strictly regulated. Only pesticides approved by the Department of Agriculture can be used, and cultivators must adhere to safe application practices【410 ILCS 705/35-25】【410 ILCS 705/35-30】.

● **Testing for Pesticides**: All cannabis products must be tested for pesticide residues to ensure they are within allowable limits before they are sold to consumers. If products exceed these limits, they must be recalled【410 ILCS 705/25-10】【410 ILCS 705/25-15】.

### **7. Licensing and Fees**

● **Craft Grower License**: The initial fee for a Craft Grower License is $5,000, with an additional $40,000 required for annual renewals. This allows licensees to cultivate and process cannabis within the limits set by the Department of Agriculture【410 ILCS 705/30-10】【410 ILCS 705/30-15】.

● **Processing License Fees**: Processing organizations must pay an initial fee of $5,000 to apply for a license, with a $40,000 annual renewal fee【410 ILCS 705/35-10】【410 ILCS 705/35-20】.

### **8. Security Requirements**

● **Security Systems**: All cultivation and processing facilities must implement comprehensive security measures, including 24/7 video surveillance, alarm systems, and secure access to restricted areas. These security protocols are necessary to prevent theft and unauthorized access【410 ILCS 705/35-25】【410 ILCS 705/15-70】.

● **Access Restrictions**: Only authorized personnel are allowed to access cultivation and processing areas. Facilities must have a system in place to track access to these restricted areas【410 ILCS 705/30-5】【410 ILCS 705/15-70】.

### **Testing Requirements in Illinois Cannabis Law**

### **1. Mandatory Testing**

● **Cannabis Testing**: All cannabis and cannabis-infused products must be tested by a licensed testing facility before they can be sold to consumers. Testing ensures the product’s safety, potency, and compliance with state regulations【410 ILCS 705/25-5】【410 ILCS 705/25-10】.

● **Testing for Contaminants**: Products are tested for harmful contaminants such as mold, mildew, pesticides, residual solvents, heavy metals, and microbials. Products that do not meet safety standards must be destroyed or remediated【410 ILCS 705/25-10】【410 ILCS 705/25-15】.

### **2. Potency Testing**

● **THC and CBD Potency**: Illinois requires testing for the levels of THC (tetrahydrocannabinol) and CBD (cannabidiol) in all cannabis products. This information must be accurately reflected on product labels【410 ILCS 705/25-10】【410 ILCS 705/55-21】.

● **Product Consistency**: Testing facilities must ensure that the THC and CBD content in products is consistent with the concentrations declared by the producer. If discrepancies are found, the batch must be reprocessed or destroyed【410 ILCS 705/25-10】【410 ILCS 705/25-15】.

### **3. Pesticide Residue Testing**

● **Pesticide Regulations**: Only certain pesticides approved by the Department of Agriculture can be used in the cultivation of cannabis. Products must undergo testing to ensure pesticide residues fall within allowable limits. If the levels exceed the legal threshold, the batch must be recalled【410 ILCS 705/25-10】【410 ILCS 705/35-25】.

● **Reporting Pesticide Test Results**: Test results must be reported to both the Department of Agriculture and the cannabis licensee. This ensures transparency and compliance with safety standards【410 ILCS 705/25-10】【410 ILCS 705/35-25】.

### **4. Testing Facility Licensing**

● **License Requirement**: All testing facilities must be licensed by the Department of Agriculture and meet specific operational standards, including the use of validated testing methods, to ensure accuracy and reliability in testing results【410 ILCS 705/25-5】【410 ILCS 705/25-10】.

● **Accreditation**: Testing labs must also be ISO/IEC 17025 accredited, which sets standards for testing and calibration laboratories to ensure quality and competence【410 ILCS 705/25-10】.

### **5. Sampling and Batch Testing**

● **Batch Sampling**: Cannabis products must be tested in batches. A representative sample is taken from each batch, and the batch cannot be sold until it passes all required tests【410 ILCS 705/25-10】【410 ILCS 705/25-15】.

● **Random Testing**: In addition to batch testing, Illinois mandates random testing of cannabis products to verify compliance with state safety standards. This ensures ongoing quality control in the cannabis market【410 ILCS 705/25-10】【410 ILCS 705/25-15】.

### **6. Retesting**

● **Failed Tests**: If a product fails a safety test (e.g., due to contamination or potency discrepancies), it can either be remediated and retested or destroyed. Retesting must follow specific protocols outlined by the Department of Agriculture【410 ILCS 705/25-15】【410 ILCS 705/25-10】.

● **Remediation**: Products that can be remediated (e.g., by removing contaminants) must pass a subsequent test before they are allowed to be sold【410 ILCS 705/25-10】【410 ILCS 705/25-15】.

### **7. Reporting and Documentation**

● **Test Result Reporting**: Testing facilities are required to submit detailed reports of all test results to both the cannabis producer and the Department of Agriculture. These reports must include information on potency, contaminants, and batch identification【410 ILCS 705/25-10】【410 ILCS 705/25-15】.

● **Recordkeeping**: Testing facilities must maintain comprehensive records of all testing activities, including the methods used, the results of each test, and any remediation actions taken. These records must be kept for at least five years and are subject to audit by the state【410 ILCS 705/25-10】【410 ILCS 705/25-15】.

### **8. Consumer Safety and Recalls**

● **Recall Requirements**: If a product is found to be unsafe after testing or if contamination is discovered after the product has entered the market, the testing facility must notify both the cannabis producer and the Department of Agriculture. The product must be recalled immediately【410 ILCS 705/55-21】【410 ILCS 705/25-15】.

● **Public Health Notifications**: In the event of a major public health concern related to contaminated cannabis products, the Department of Agriculture may require testing facilities to issue public safety notices to affected consumers【410 ILCS 705/55-21】【410 ILCS 705/25-15】.

### **9. Fees for Testing Services**

● **Cost of Testing**: Cannabis producers are responsible for covering the cost of all required tests. Fees for testing services vary depending on the type of test (e.g., potency vs. contaminants) and the size of the batch【410 ILCS 705/25-10】【410 ILCS 705/35-25】.

● **Testing Lab Fees**: Licensed testing facilities may charge additional fees for services such as expedited testing, retesting, or the provision of detailed reports【410 ILCS 705/25-10】【410 ILCS 705/35-25】.

### **Sales and Distribution in Illinois Cannabis Law**

### **1. Retail Sales Restrictions**

● **Purchase Limits**: Adult-use consumers are limited to purchasing no more than 30 grams of cannabis flower, 5 grams of cannabis concentrate, or 500 mg of THC in cannabis-infused products per transaction. Medical patients have higher limits depending on their physician's recommendation【410 ILCS 705/10-10】.

● **Sales to Minors Prohibited**: Cannabis cannot be sold to individuals under the age of 21. Dispensaries must verify the age of all customers by checking a valid government-issued ID【410 ILCS 705/10-5】【410 ILCS 705/55-20】.

● **Operating Hours**: Dispensaries must operate within state-mandated hours. Illinois law allows municipalities to set additional restrictions on hours of operation【410 ILCS 705/55-25】.

### **2. Delivery Services**

● **Cannabis Delivery**: Illinois allows cannabis delivery services through licensed dispensaries, though the service must comply with state regulations and local jurisdictional approval. All deliveries must be tracked using the state’s seed-to-sale system【410 ILCS 705/55-21】【410 ILCS 705/15-70】.

● **Delivery Requirements**: Deliveries must be made to a residential address, and the recipient’s age must be verified upon delivery. Only a limited amount of cannabis may be transported per delivery vehicle at any given time【410 ILCS 705/15-70】【410 ILCS 705/55-21】.

### **3. Distribution License**

● **Transportation Organizations**: Licensed transportation organizations are permitted to transport cannabis and cannabis products between licensed businesses, including cultivation centers, processors, and dispensaries. Transportation organizations must be licensed by the state【410 ILCS 705/40-5】【410 ILCS 705/40-10】.

● **Seed-to-Sale Tracking**: All transported cannabis must be tracked using the state’s seed-to-sale tracking system. Transportation manifests must accompany all shipments, documenting the origin, destination, and contents of the shipment【410 ILCS 705/40-5】【410 ILCS 705/40-10】.

### **4. Advertising and Marketing Restrictions**

● **Advertising to Minors**: Advertising of cannabis products cannot be targeted at minors. Dispensaries and cannabis companies are prohibited from using any imagery, language, or advertisements that appeal to individuals under the age of 21【410 ILCS 705/55-20】【410 ILCS 705/55-25】.

● **Billboards and Public Advertising**: Illinois places strict limits on where and how cannabis businesses can advertise. For example, advertising on billboards or near schools, parks, or places frequented by minors is prohibited【410 ILCS 705/55-20】【410 ILCS 705/55-25】.

### **5. Pricing and Promotions**

● **Discounts and Coupons**: Cannabis businesses are prohibited from offering free samples or discounts designed to encourage overconsumption. Coupons, loyalty programs, and certain promotional discounts are allowed but must be carefully regulated to avoid misuse【410 ILCS 705/55-21】【410 ILCS 705/55-25】.

● **Price Transparency**: All cannabis products must be sold with clear pricing that includes all applicable taxes and fees. Dispensaries are required to display the full price, including taxes, at the point of sale【410 ILCS 705/55-21】【410 ILCS 705/15-70】.

### **6. Inventory Management and Compliance**

● **Inventory Tracking**: Dispensaries are required to use the state’s seed-to-sale tracking system to monitor inventory. This ensures that all cannabis products can be tracked from cultivation to final sale【410 ILCS 705/15-70】【410 ILCS 705/55-25】.

● **Sales Reporting**: Dispensaries must report daily sales figures to the Department of Financial and Professional Regulation. These records must include detailed information on each transaction, including the products sold, quantity, and total sale amount【410 ILCS 705/15-70】【410 ILCS 705/55-25】.

### **7. Security Requirements for Sales and Distribution**

● **Security Measures for Dispensaries**: Dispensaries must implement strict security protocols, including video surveillance, secure storage areas, and restricted access to cannabis products. These measures are intended to prevent theft and ensure that only authorized personnel have access to cannabis【410 ILCS 705/15-75】【410 ILCS 705/15-70】.

● **Transport Security**: Transportation organizations must use secure vehicles with real-time GPS tracking to transport cannabis. Vehicles must be equipped with alarms and locked storage compartments to ensure that cannabis products are secure during transit【410 ILCS 705/40-10】【410 ILCS 705/15-75】.

### **8. Recordkeeping and Reporting**

● **Transaction Records**: Dispensaries and transportation organizations are required to maintain detailed transaction records for at least five years. These records include information on all sales, deliveries, and inventory movements【410 ILCS 705/55-21】【410 ILCS 705/15-70】.

● **Compliance Audits**: The Department of Financial and Professional Regulation conducts regular audits of cannabis businesses to ensure compliance with state laws. Businesses that fail to maintain proper records or comply with regulations may face fines, suspension, or revocation of their license【410 ILCS 705/15-70】【410 ILCS 705/55-21】.

### **9. Sales to Out-of-State Customers**

● **Out-of-State Purchasers**: Adult-use cannabis can be sold to out-of-state residents visiting Illinois, but they are limited to purchasing half the amount allowed for Illinois residents (i.e., 15 grams of cannabis flower, 2.5 grams of cannabis concentrate, or 250 mg of THC in cannabis-infused products)【410 ILCS 705/10-10】【410 ILCS 705/55-25】.

### **Consumption Laws in Illinois Cannabis Law**

### **1. Legal Consumption Locations**

● **Private Residences**: Cannabis consumption is legal in private residences, but landlords or property owners may prohibit tenants from consuming cannabis on their property【410 ILCS 705/10-35】【410 ILCS 705/10-10】.

● **Public Consumption**: It is illegal to consume cannabis in public places, such as streets, parks, and schools. Public consumption may result in fines or other penalties【410 ILCS 705/10-35】.

● **Licensed Establishments**: Some municipalities may allow on-site consumption at licensed cannabis businesses, such as cannabis lounges or hospitality establishments. These businesses must obtain local approval and comply with state regulations【410 ILCS 705/55-25】【410 ILCS 705/55-28】.

### **2. Restrictions on Consumption**

● **Prohibited Areas**: Cannabis consumption is prohibited in certain locations, including:

○ On school grounds【410 ILCS 705/10-35】.

○ In motor vehicles, whether the vehicle is moving or parked【410 ILCS 705/10-35】.

○ In close proximity to anyone under the age of 21【410 ILCS 705/10-35】.

● **Smoke-Free Areas**: Cannabis smoking is prohibited in areas designated as "smoke-free" under Illinois' Smoke-Free Illinois Act, which includes many public buildings and workplaces【410 ILCS 705/10-35】【410 ILCS 82/】.

### **3. Social Equity Considerations for Consumption**

● **Community-Based Consumption Spaces**: In line with Illinois' social equity goals, some communities may develop cannabis consumption spaces that serve as cultural or economic hubs in Disproportionately Impacted Areas. These spaces must comply with all state and local regulations【410 ILCS 705/55-25】【410 ILCS 705/7-10】.

### **4. Consumption by Medical Cannabis Patients**

● **Designated Medical Cannabis Areas**: Medical cannabis patients are allowed to consume cannabis in private and other approved areas. However, consumption is still prohibited in public places, motor vehicles, and near minors【410 ILCS 705/10-35】【410 ILCS 705/10-10】.

● **Non-Smokable Forms**: While smoking cannabis may be restricted in certain places, medical cannabis patients can consume non-smokable forms, such as edibles or tinctures, in places where smoking is prohibited【410 ILCS 705/10-35】【410 ILCS 130/30】.

### **5. Employment and Workplace Consumption**

● **Workplace Prohibitions**: Employers in Illinois are allowed to enforce drug-free workplace policies. This includes prohibiting employees from consuming cannabis on the job, even if the consumption occurs offsite during non-working hours【410 ILCS 705/10-50】.

● **Disciplinary Actions**: Employers may take disciplinary action against employees who are under the influence of cannabis during work hours or who violate workplace consumption policies【410 ILCS 705/10-50】【410 ILCS 705/10-35】.

### **6. Driving and Operating Vehicles**

● **Driving Under the Influence**: It is illegal to drive under the influence of cannabis in Illinois. Law enforcement may conduct roadside sobriety tests and use chemical tests to determine if a driver is impaired by cannabis【410 ILCS 705/11-501】【410 ILCS 705/11-502】.

● **Open Container Laws**: Cannabis cannot be consumed or carried in an open container within a motor vehicle. It must be transported in a sealed, child-resistant, and odor-proof container【410 ILCS 705/10-35】.

### **7. Penalties for Violating Consumption Laws**

● **Fines and Penalties**: Violating Illinois cannabis consumption laws, such as consuming in a public space or driving under the influence, can result in fines, loss of driving privileges, and, in some cases, criminal charges【410 ILCS 705/10-35】【410 ILCS 705/11-502】.

● **Employer-Related Penalties**: Employees found violating workplace cannabis consumption rules may face termination or other disciplinary measures depending on the employer’s policies【410 ILCS 705/10-50】.

### **8. Consumption for Out-of-State Visitors**

● **Visitor Restrictions**: Out-of-state visitors are subject to the same consumption laws as Illinois residents. However, they are restricted to lower purchase limits (15 grams of cannabis flower, 2.5 grams of cannabis concentrate, or 250 mg of THC in cannabis-infused products)【410 ILCS 705/10-10】.

● **No Public Consumption**: Visitors are also prohibited from consuming cannabis in public spaces and must adhere to private consumption rules as outlined by the state【410 ILCS 705/10-35】.

### **9. Legal Protections for Consumption**

● **Medical Cannabis Protections**: Medical cannabis patients are protected under Illinois law when consuming cannabis in compliance with the Compassionate Use of Medical Cannabis Program Act. However, they must still adhere to public consumption restrictions and workplace policies【410 ILCS 130/40】【410 ILCS 705/10-50】.

### **Advertising and Marketing in Illinois Cannabis Law**

### **1. Restrictions on Targeting Minors**

● **No Marketing to Minors**: It is prohibited to market cannabis or cannabis products in a manner that is designed to appeal to minors. Advertisements cannot include cartoon characters, toys, or other imagery typically associated with children【410 ILCS 705/55-20】【410 ILCS 705/55-25】.

● **Age Verification in Digital Marketing**: Any online or digital advertisement for cannabis must include age verification processes to prevent individuals under 21 from accessing the content【410 ILCS 705/55-20】.

### **2. Location Restrictions for Advertising**

● **Proximity to Schools and Playgrounds**: Cannabis advertising is prohibited within 1,000 feet of any school grounds, playgrounds, recreational centers, child care centers, public parks, or libraries【410 ILCS 705/55-20】【410 ILCS 705/55-25】.

● **Billboard Advertising**: Billboard advertising for cannabis businesses is strictly regulated, and billboards cannot be placed near schools, parks, or other areas frequented by minors【410 ILCS 705/55-25】.

### **3. Prohibited Content in Advertising**

● **False or Misleading Claims**: Cannabis advertisements cannot include false or misleading statements about the health benefits or safety of cannabis products. All claims made in marketing materials must be substantiated by scientific evidence【410 ILCS 705/55-25】.

● **Health Claims**: It is illegal to claim that cannabis products have curative or therapeutic benefits unless such claims are supported by valid scientific research or FDA approval【410 ILCS 705/55-25】.

● **Overconsumption**: Advertising that encourages overconsumption or depicts excessive use of cannabis is prohibited【410 ILCS 705/55-20】.

### **4. Brand Promotion and Sponsorships**

● **Sponsorship of Events**: Cannabis companies are allowed to sponsor events, but all promotional materials must comply with state advertising laws. This means that sponsorships cannot be linked to events that are likely to attract minors【410 ILCS 705/55-20】【410 ILCS 705/55-25】.

● **Branded Merchandise**: Cannabis businesses may sell or distribute branded merchandise, but such merchandise cannot be aimed at minors or promote overconsumption【410 ILCS 705/55-25】.

### **5. Health Warnings and Labeling**

● **Required Health Warnings**: All cannabis advertisements must include a clear health warning about the risks of cannabis consumption, including the potential for addiction and impairment【410 ILCS 705/55-21】.

● **Advertising Labels**: Packaging and advertisements must display accurate information regarding the THC content and other key ingredients. They must also caution against operating vehicles or heavy machinery after consumption【410 ILCS 705/55-21】【410 ILCS 705/55-25】.

### **6. Social Media and Digital Marketing**

● **Social Media Restrictions**: Cannabis businesses are prohibited from using social media platforms to directly market to individuals under the age of 21. Platforms must have mechanisms in place to verify the age of users before displaying cannabis-related content【410 ILCS 705/55-20】【410 ILCS 705/55-25】.

● **Geotargeting in Ads**: Cannabis advertisements online must use geotargeting to ensure they are only shown to individuals within jurisdictions where cannabis sales are legal【410 ILCS 705/55-20】【410 ILCS 705/55-25】.

### **7. Marketing Approvals and Compliance**

● **Approval Process**: Some types of cannabis advertisements may require prior approval from the Department of Financial and Professional Regulation. This helps ensure that advertisements meet state requirements【410 ILCS 705/55-25】.

● **Monitoring and Penalties**: The state actively monitors cannabis advertisements to ensure compliance. Violations of advertising regulations can result in fines, revocation of licenses, or other penalties【410 ILCS 705/55-25】【410 ILCS 705/55-30】.

### **8. Event Advertising**

● **No Free Samples at Events**: Cannabis companies are prohibited from distributing free samples at promotional events or through any advertising campaign【410 ILCS 705/55-21】.

● **Restricted Event Participation**: Cannabis advertisements or promotions at events that are likely to have a significant number of attendees under the age of 21 are prohibited【410 ILCS 705/55-20】【410 ILCS 705/55-25】.

### **9. Transparency and Disclosure**

● **Clear Disclosure**: All cannabis advertisements must clearly disclose that the product being advertised contains cannabis, which is a controlled substance under federal law. Disclosures should also remind consumers to consume responsibly【410 ILCS 705/55-25】【410 ILCS 705/55-30】.

### **Taxation in Illinois Cannabis Law**

### **1. Cannabis Excise Taxes**

● **Excise Tax on Cannabis Flower and Products**: Illinois imposes a tiered excise tax on adult-use cannabis products, based on the type of product and its THC content:

○ **10% tax** on cannabis flower or products with less than 35% THC【410 ILCS 705/60-10】.

○ **20% tax** on products infused with cannabis, such as edibles【410 ILCS 705/60-10】.

○ **25% tax** on any cannabis products with more than 35% THC【410 ILCS 705/60-10】.

### **2. Local Taxes**

● **Municipal and County Cannabis Taxes**: Local governments are permitted to impose an additional tax on adult-use cannabis. Municipalities can tax cannabis up to **3%**, while counties can impose taxes up to:

○ **3.75%** in unincorporated areas.

○ **0.75%** in incorporated areas【410 ILCS 705/60-15】.

### **3. Medical Cannabis Tax Exemptions**

● **Medical Cannabis Exempt from Excise Tax**: Medical cannabis products purchased by qualified patients under the Compassionate Use of Medical Cannabis Program are exempt from the state excise tax【410 ILCS 705/60-40】.

● **Sales Tax on Medical Cannabis**: Although exempt from excise taxes, medical cannabis is still subject to the state’s standard sales tax, which applies to all goods and services【410 ILCS 705/60-40】.

### **4. Sales Tax on Adult-Use Cannabis**

● **State Sales Tax**: Adult-use cannabis sales are subject to the standard Illinois state sales tax of **6.25%** in addition to the cannabis excise tax【410 ILCS 705/60-40】.

● **Local Sales Taxes**: Cities, counties, and municipalities may also impose their own local sales taxes, which vary by jurisdiction. These taxes are applied on top of the state sales tax【410 ILCS 705/60-15】.

### **5. Collection and Payment of Taxes**

● **Tax Collection by Retailers**: Cannabis retailers are responsible for collecting all applicable taxes at the point of sale. This includes excise, state, and local sales taxes【410 ILCS 705/60-20】.

● **Filing Tax Returns**: Retailers must file tax returns with the Illinois Department of Revenue on a monthly basis. Taxes are due by the 20th of each month for the previous month's sales【410 ILCS 705/60-25】【410 ILCS 705/60-30】.

### **6. Use of Tax Revenue**

● **Allocation of Cannabis Tax Revenue**: Illinois law specifies how tax revenue from cannabis sales is allocated:

○ **35%** goes to the General Revenue Fund【410 ILCS 705/60-50】.

○ **25%** goes to the Recover, Reinvest, and Renew (R3) Program to support communities disproportionately impacted by the war on drugs【410 ILCS 705/60-50】.

○ **20%** is allocated to mental health and substance abuse services【410 ILCS 705/60-50】.

○ **10%** goes to the state’s budget stabilization fund【410 ILCS 705/60-50】.

○ **8%** is allocated to law enforcement training programs【410 ILCS 705/60-50】.

○ **2%** goes toward public education and safety campaigns related to cannabis use【410 ILCS 705/60-50】.

### **7. Penalties for Non-Compliance**

● **Late Payments and Penalties**: Retailers who fail to remit taxes on time may face penalties, including interest charges on late payments. Failure to comply with tax obligations can also result in license suspension or revocation【410 ILCS 705/60-30】.

● **Audit and Enforcement**: The Illinois Department of Revenue is authorized to audit cannabis businesses to ensure compliance with tax laws. Retailers found underreporting sales or taxes may face additional fines【410 ILCS 705/60-30】【410 ILCS 705/60-40】.

### **8. Recordkeeping Requirements**

● **Tax Documentation**: Cannabis businesses are required to maintain detailed sales records for all transactions, including taxes collected. These records must be kept for a minimum of five years and are subject to inspection by the Department of Revenue【410 ILCS 705/60-20】【410 ILCS 705/60-25】.

### **9. Exemptions and Deductions**

● **Deductions for Tax Purposes**: Cannabis businesses are generally subject to federal tax under Section 280E of the IRS code, which prohibits deductions for businesses trafficking in controlled substances. However, Illinois law allows cannabis businesses to deduct ordinary and necessary business expenses for state tax purposes【410 ILCS 705/60-35】.

### **Enforcement and Penalties in Illinois Cannabis Law**

### **1. Regulatory Authority**

● **Department of Financial and Professional Regulation (DFPR)**: The DFPR is responsible for enforcing regulations related to dispensaries, including issuing licenses, conducting inspections, and taking disciplinary actions against non-compliant businesses【410 ILCS 705/15-5】【410 ILCS 705/15-70】.

● **Department of Agriculture (DOA)**: The DOA enforces rules for cultivation centers, processors, and testing facilities, including overseeing compliance with safety standards and conducting regular inspections【410 ILCS 705/25-5】【410 ILCS 705/30-5】.

### **2. Inspections and Compliance Audits**

● **Unannounced Inspections**: Both the DFPR and DOA have the authority to conduct unannounced inspections of licensed cannabis facilities. These inspections ensure compliance with state regulations and may involve reviewing inventory, security measures, and business records【410 ILCS 705/15-70】【410 ILCS 705/25-10】.

● **Audit of Financial Records**: Cannabis businesses are required to maintain detailed financial records, which are subject to audits by the state. These audits help verify that businesses are accurately reporting sales, taxes, and compliance with state financial obligations【410 ILCS 705/15-70】【410 ILCS 705/60-30】.

### **3. Violations and Penalties**

● **Fines for Violations**: Cannabis businesses found violating state regulations may be subject to fines. The amount of the fine depends on the severity of the violation, with repeat offenses resulting in increased penalties【410 ILCS 705/45-10】【410 ILCS 705/15-70】.

● **License Suspension or Revocation**: Serious violations, such as failing to maintain proper security, operating outside the scope of a license, or falsifying records, can result in the suspension or revocation of a cannabis business’s license【410 ILCS 705/15-40】【410 ILCS 705/25-25】.

● **Penalties for Unlicensed Activity**: Engaging in cannabis-related business without a valid license is a serious offense in Illinois. It can result in steep fines, criminal charges, and the permanent disqualification from obtaining a license in the future【410 ILCS 705/45-5】【410 ILCS 705/45-10】.

### **4. Employee and Consumer Penalties**

● **Employee Violations**: Employees of licensed cannabis businesses who violate regulations (e.g., selling to minors or diverting cannabis) may face penalties, including the loss of their employee agent card and potential criminal charges【410 ILCS 705/15-70】【410 ILCS 705/25-25】.

● **Penalties for Consumers**: Consumers who violate state cannabis laws, such as consuming cannabis in prohibited areas or possessing more than the legal limit, may face fines or misdemeanor charges【410 ILCS 705/10-35】.

### **5. Diversion and Illegal Sales**

● **Diversion Prevention**: Illinois cannabis laws include strict measures to prevent the diversion of cannabis products to the black market. Businesses must use a state-mandated seed-to-sale tracking system to account for every gram of cannabis【410 ILCS 705/25-10】【410 ILCS 705/55-21】.

● **Penalties for Diversion**: Businesses or individuals caught diverting cannabis products for illegal sales face severe penalties, including the loss of their license and criminal prosecution【410 ILCS 705/45-10】【410 ILCS 705/55-21】.

### **6. Security Violations**

● **Failure to Maintain Security**: Cannabis businesses are required to implement strict security measures, including surveillance and access control. Failure to comply with these security requirements may result in penalties, including fines and the suspension of the business license【410 ILCS 705/15-75】【410 ILCS 705/25-10】.

● **Theft or Loss of Cannabis**: Any theft or significant loss of cannabis must be reported to the DFPR or DOA within 24 hours. Businesses that fail to report such incidents may face additional penalties【410 ILCS 705/15-70】【410 ILCS 705/25-10】.

### **7. Criminal Penalties for Serious Offenses**

● **Criminal Offenses**: Engaging in the unauthorized production, sale, or transportation of cannabis can lead to criminal charges. Depending on the amount of cannabis involved and the nature of the offense, penalties may include imprisonment and substantial fines【410 ILCS 705/45-5】【410 ILCS 705/45-10】.

● **Repeat Offenders**: Individuals or businesses found committing multiple violations of Illinois cannabis laws may face escalating penalties, including longer jail sentences and higher fines for subsequent offenses【410 ILCS 705/45-10】.

### **8. Appeals Process**

● **Right to Appeal**: Cannabis businesses that face disciplinary actions, such as fines or license suspension, have the right to appeal the decision. The appeal must be submitted to the DFPR or DOA within the timeframe specified in the disciplinary notice【410 ILCS 705/15-40】【410 ILCS 705/25-25】.

● **Administrative Hearings**: Appeals are handled through an administrative hearing process, where the business can present evidence and contest the findings of the inspection or audit【410 ILCS 705/15-40】【410 ILCS 705/25-25】.

### **9. Enforcement of Advertising Rules**

● **Misleading Advertising**: Cannabis businesses that violate advertising regulations, such as making false health claims or advertising to minors, are subject to penalties, including fines and restrictions on future advertising【410 ILCS 705/55-25】【410 ILCS 705/55-30】.

● **Repeat Violations**: Repeated violations of advertising or marketing rules can result in more severe penalties, including increased fines or suspension of advertising privileges【410 ILCS 705/55-25】【410 ILCS 705/55-30】.

### **Social Equity and Inclusion in Illinois Cannabis Law**

### **1. Definition of Social Equity Applicants**

● **Social Equity Applicants**: Social equity applicants are individuals or entities who have been disproportionately impacted by previous cannabis laws. Illinois defines social equity applicants as individuals who either (1) reside in Disproportionately Impacted Areas, (2) have been arrested or convicted for offenses related to cannabis, or (3) have a close family member affected by cannabis-related convictions【410 ILCS 705/7-15】【410 ILCS 705/7-20】.

### **2. Benefits for Social Equity Applicants**

● **Reduced Application Fees**: Social equity applicants are eligible for significantly reduced application and licensing fees. For example, a social equity applicant may qualify for a 50% reduction in fees compared to other applicants【410 ILCS 705/7-20】【410 ILCS 705/15-15】.

● **Priority License Processing**: Social equity applicants receive priority in the processing of their license applications, which helps ensure that they have a fair chance of entering the cannabis market【410 ILCS 705/7-20】【410 ILCS 705/15-25】.

● **Access to Grants and Loans**: The state has established a Cannabis Business Development Fund to provide grants, loans, and technical assistance to social equity applicants, aimed at supporting their startup costs and helping them operate successful businesses【410 ILCS 705/7-10】【410 ILCS 705/7-20】.

### **3. Cannabis Business Development Fund**

● **Purpose of the Fund**: The Cannabis Business Development Fund is designed to help social equity applicants with their business expenses. It provides financial assistance in the form of low-interest loans and grants to cover the costs of licensing, operational expenses, and workforce training【410 ILCS 705/7-10】【410 ILCS 705/7-15】.

● **Funding Source**: The Cannabis Business Development Fund is supported by fees and tax revenue from cannabis sales, ensuring a sustainable source of funding for social equity programs【410 ILCS 705/7-10】【410 ILCS 705/7-20】.

### **4. Social Equity Inclusion Plans**

● **Mandatory Inclusion Plans**: Businesses applying for an adult-use cannabis license must submit a Social Equity Inclusion Plan detailing how they intend to promote diversity and equity in their hiring and operations. These plans are reviewed as part of the license application process【410 ILCS 705/15-15】【410 ILCS 705/7-20】.

● **Workforce Development**: Cannabis businesses are encouraged to offer employment and training opportunities to individuals from Disproportionately Impacted Areas, contributing to the state's broader goal of increasing diversity in the cannabis industry【410 ILCS 705/7-15】【410 ILCS 705/7-20】.

### **5. Disproportionately Impacted Areas**

● **Criteria for Impacted Areas**: Disproportionately Impacted Areas are defined by Illinois law as geographic areas that have been adversely affected by high rates of poverty, unemployment, and previous enforcement of cannabis laws. These areas are identified by the Illinois Department of Commerce and Economic Opportunity【410 ILCS 705/7-15】【410 ILCS 705/7-20】.

● **Eligibility for Social Equity Status**: Residents of Disproportionately Impacted Areas automatically qualify as social equity applicants. This status allows them to access reduced fees, priority processing, and financial assistance through state programs【410 ILCS 705/7-15】【410 ILCS 705/7-20】.

### **6. Expungement and Criminal Justice Reforms**

● **Automatic Expungement of Records**: Illinois law provides for the automatic expungement of criminal records related to low-level cannabis offenses. Individuals with prior convictions for possession of small amounts of cannabis are eligible for expungement without needing to file a petition【410 ILCS 705/5-5】【410 ILCS 705/5-20】.

● **Petition for Expungement**: For more serious cannabis offenses, individuals may petition for expungement. The state has established clear guidelines for expungement eligibility based on the nature of the offense and time since the conviction【410 ILCS 705/5-5】【410 ILCS 705/5-20】.

● **Restorative Justice Programs**: Illinois has implemented restorative justice initiatives aimed at addressing the harms caused by past cannabis enforcement. These programs include job training, community reinvestment, and legal aid for those impacted by cannabis prohibition【410 ILCS 705/7-20】【410 ILCS 705/60-50】.

### **7. Recover, Reinvest, and Renew (R3) Program**

● **R3 Program Overview**: The R3 Program is designed to direct cannabis tax revenue toward communities that have been disproportionately impacted by the war on drugs. Funds are used to support local initiatives, including violence prevention, job training, re-entry services, and youth development【410 ILCS 705/10-40】【410 ILCS 705/60-50】.

● **Grant Allocations**: The state allocates 25% of cannabis tax revenue to the R3 Program, which provides grants to nonprofit organizations and local governments that serve Disproportionately Impacted Areas【410 ILCS 705/60-50】【410 ILCS 705/10-40】.

### **8. Business Incubators and Training Programs**

● **Business Incubator Programs**: The state encourages cannabis businesses to participate in incubator programs, providing mentorship and financial support to social equity applicants. These programs are designed to foster entrepreneurship and reduce barriers to entry in the cannabis industry【410 ILCS 705/7-20】【410 ILCS 705/15-15】.

● **Community College Programs**: Illinois supports the development of cannabis industry training programs at community colleges, particularly those located in Disproportionately Impacted Areas. These programs offer education and training for individuals seeking employment in the cannabis industry【410 ILCS 705/7-25】【410 ILCS 705/7-30】.

### **9. Penalties for Non-Compliance with Social Equity Requirements**

● **Failure to Comply**: Cannabis businesses that fail to comply with the state's social equity and inclusion requirements, such as submitting inclusion plans or adhering to diversity hiring goals, may face fines or license suspensions. The state actively monitors compliance through audits and reports【410 ILCS 705/15-40】【410 ILCS 705/15-70】.

### **Public Health and Safety in Illinois Cannabis Law**

### **1. Public Health Warnings and Education**

● **Health Warnings on Products**: All cannabis products sold in Illinois must include health warnings on their labels. These warnings inform consumers about potential risks such as impairment, addiction, and the dangers of operating vehicles or machinery after use【410 ILCS 705/55-21】【410 ILCS 705/55-25】.

● **Public Education Campaigns**: Illinois law mandates that a portion of cannabis tax revenue be allocated to public health education campaigns. These campaigns educate the public about the risks of cannabis use, focusing on preventing misuse and reducing consumption by minors【410 ILCS 705/60-50】.

### **2. Product Safety Standards**

● **Contaminant Testing**: All cannabis products must be tested for contaminants such as pesticides, mold, heavy metals, and residual solvents before they can be sold. Any product that fails these tests cannot be sold to consumers【410 ILCS 705/25-10】【410 ILCS 705/25-15】.

● **Potency Testing**: Illinois law requires that all cannabis products be tested for THC and CBD potency. This ensures that the product’s labeling accurately reflects its cannabinoid content, preventing overconsumption【410 ILCS 705/25-10】【410 ILCS 705/55-21】.

### **3. Age Restrictions**

● **Prohibition on Sales to Minors**: Cannabis sales are strictly prohibited to individuals under the age of 21. Dispensaries are required to verify the age of all customers before completing any transaction【410 ILCS 705/10-5】【410 ILCS 705/55-20】.

● **Penalties for Underage Sales**: Dispensaries found selling cannabis to minors face severe penalties, including fines, license suspension, and potential criminal charges【410 ILCS 705/15-70】【410 ILCS 705/55-20】.

### **4. Prevention of Overconsumption**

● **Dosage Limits**: Illinois has established limits on the amount of THC allowed in single servings of cannabis products. Each serving of a cannabis-infused product cannot contain more than 10 milligrams of THC, and the total THC in multi-serving products is capped at 100 milligrams【410 ILCS 705/55-21】.

● **Packaging Requirements**: Cannabis products must be sold in child-resistant, resealable packaging to prevent accidental consumption, particularly by minors. Packaging must also be tamper-evident【410 ILCS 705/55-25】.

### **5. Driving Under the Influence of Cannabis**

● **Zero-Tolerance for Impairment**: Illinois law enforces a zero-tolerance policy for driving under the influence of cannabis. Law enforcement officers may use field sobriety tests and chemical tests to determine impairment【625 ILCS 5/11-501】【410 ILCS 705/10-35】.

● **Penalties for DUI**: Individuals found driving under the influence of cannabis face penalties similar to those for alcohol-related DUI offenses. This includes fines, suspension of driving privileges, and potential jail time for repeat offenders【625 ILCS 5/11-501】【410 ILCS 705/10-35】.

### **6. Workplace Safety and Drug-Free Policies**

● **Drug-Free Workplace Policies**: Employers in Illinois are permitted to enforce drug-free workplace policies, including the prohibition of cannabis use by employees during work hours. Employers are also allowed to discipline or terminate employees found to be impaired by cannabis while on the job【410 ILCS 705/10-50】【410 ILCS 705/10-35】.

● **Workplace Impairment Testing**: Employers may implement reasonable drug testing policies, including testing for cannabis impairment. Positive tests for cannabis use can be grounds for termination, especially in jobs where safety is a concern【410 ILCS 705/10-50】.

### **7. Cannabis Use During Pregnancy**

● **Public Health Guidelines for Pregnant Women**: Illinois law requires public health campaigns to educate pregnant and breastfeeding women about the risks of cannabis use. Health care providers are encouraged to discuss these risks with their patients【410 ILCS 705/55-21】【410 ILCS 705/60-50】.

● **Warning Labels for Pregnancy**: Cannabis product labels must include specific warnings about the potential risks of cannabis use during pregnancy and breastfeeding, including the risk of developmental issues for the child【410 ILCS 705/55-21】.

### **8. Mental Health and Substance Abuse Programs**

● **Funding for Mental Health Services**: A portion of cannabis tax revenue is allocated to mental health and substance abuse treatment programs. These programs focus on addressing cannabis misuse and providing resources for individuals struggling with addiction【410 ILCS 705/60-50】【410 ILCS 705/7-20】.

● **Substance Abuse Prevention**: Illinois directs funds toward community-based substance abuse prevention programs, particularly in communities disproportionately impacted by cannabis prohibition【410 ILCS 705/60-50】【410 ILCS 705/10-40】.

### **9. Research on Public Health Impacts**

● **Cannabis Research Funding**: Illinois law supports research on the public health effects of cannabis use. This includes studies on cannabis consumption patterns, addiction, and the impact of cannabis legalization on communities. Research findings are used to inform public health policy and improve safety standards【410 ILCS 705/60-50】【410 ILCS 705/7-25】.

● **Monitoring and Reporting**: The state monitors cannabis-related public health data, including rates of cannabis-related hospitalizations, emergency room visits, and cases of cannabis poisoning. This data helps guide future regulatory decisions【410 ILCS 705/60-50】【410 ILCS 705/7-20】.

### **Hemp and Synthetic THC in Illinois Cannabis Law**

### **1. Definition and Legal Status of Hemp**

● **Definition of Hemp**: Under Illinois law, industrial hemp is defined as any part of the Cannabis sativa plant with a THC concentration of no more than 0.3% on a dry weight basis【505 ILCS 89/5】【410 ILCS 705/5-5】.

● **Legal Status**: Hemp is legal to cultivate, process, and sell in Illinois, provided it meets the THC threshold. Hemp is regulated separately from adult-use cannabis and is subject to different licensing requirements【505 ILCS 89/10】【505 ILCS 89/15】.

### **2. Licensing for Hemp Cultivation**

● **Hemp Cultivation Licenses**: Farmers who wish to grow hemp must obtain a hemp cultivation license from the Illinois Department of Agriculture. This license is required annually, and farmers must meet the state's cultivation standards【505 ILCS 89/10】【505 ILCS 89/20】.

● **Hemp Processor Licenses**: Hemp processors, who extract cannabinoids like CBD from hemp plants, must also be licensed by the Department of Agriculture. Processing facilities are subject to state inspections and testing standards【505 ILCS 89/20】【505 ILCS 89/25】.

### **3. THC Testing for Hemp**

● **THC Testing Requirements**: All hemp cultivated in Illinois must undergo testing to ensure the THC content does not exceed 0.3%. Any crop that tests above this limit is classified as cannabis and must be destroyed【505 ILCS 89/15】【505 ILCS 89/25】.

● **Testing Frequency**: Hemp crops are tested before harvest, and growers must submit samples to state-approved testing facilities for compliance verification【505 ILCS 89/15】【505 ILCS 89/20】.

### **4. Hemp Product Regulations**

● **Hemp-Derived CBD**: Products containing hemp-derived CBD (cannabidiol) are legal for sale in Illinois, provided they comply with state and federal regulations. These products must be properly labeled and meet safety and testing standards【505 ILCS 89/5】【505 ILCS 89/20】.

● **Labeling Requirements**: Hemp products must be labeled with the THC and CBD content, ingredient list, and manufacturing information. The labels must also include a warning that the product contains hemp【505 ILCS 89/20】【505 ILCS 89/25】.

### **5. Synthetic THC and Cannabinoids**

● **Ban on Synthetic THC**: Illinois law prohibits the sale and distribution of synthetic THC, which includes artificially manufactured cannabinoids that mimic the effects of THC. These substances are classified as controlled substances and are illegal【720 ILCS 570/204】【410 ILCS 705/55-21】.

● **Synthetic Cannabinoid Products**: Products containing synthetic cannabinoids (e.g., K2, Spice) are illegal in Illinois. The state has enacted strict penalties for the manufacture, distribution, and sale of synthetic THC【720 ILCS 570/204】【410 ILCS 705/55-21】.

### **6. Hemp Transportation and Distribution**

● **Interstate Transport of Hemp**: Hemp can be transported across state lines under the 2018 Federal Farm Bill, provided it meets the federal definition of hemp (less than 0.3% THC). Illinois law permits the transportation of hemp within and outside the state as long as it complies with state and federal regulations【505 ILCS 89/25】【410 ILCS 705/55-21】.

● **Hemp Distribution Licensing**: Distributors of hemp-derived products must be licensed by the state and comply with packaging, labeling, and tracking requirements similar to those for cannabis products【505 ILCS 89/20】【505 ILCS 89/25】.

### **7. Research and Development for Hemp**

● **Hemp Research Programs**: Illinois supports research on hemp cultivation and uses through state universities and research institutions. Licensed institutions can grow and process hemp for research purposes under the Industrial Hemp Act【505 ILCS 89/30】【505 ILCS 89/35】.

● **Pilot Programs**: The state has authorized hemp pilot programs to explore the economic viability of hemp cultivation and its potential applications in textiles, food, and wellness products【505 ILCS 89/30】【505 ILCS 89/35】.

### **8. Enforcement and Penalties**

● **Penalties for Non-Compliance**: Farmers or processors who violate hemp regulations, such as exceeding the allowable THC limit or failing to obtain a license, may face penalties, including fines and the destruction of non-compliant crops【505 ILCS 89/25】【505 ILCS 89/35】.

● **Criminal Penalties for Synthetic THC**: The manufacture, sale, or distribution of synthetic THC products is a criminal offense in Illinois. Offenders may face felony charges, fines, and imprisonment【720 ILCS 570/204】【410 ILCS 705/55-21】.

### **9. Hemp Industry Development**

● **Support for Hemp Farmers**: Illinois provides technical assistance and resources to support the development of the hemp industry. The state encourages the use of hemp in various sectors, including agriculture, construction, and consumer goods【505 ILCS 89/35】【505 ILCS 89/40】.

● **Sustainability Initiatives**: Hemp is promoted as an environmentally sustainable crop due to its low water usage and ability to grow in a variety of climates. The state encourages farmers to adopt sustainable practices in hemp cultivation【505 ILCS 89/30】【505 ILCS 89/35】.

**#### Maine ####**

### **1. License Types and Scope**

* **Types of Licenses Available**: Maine provides the following marijuana establishment licenses under its adult-use program:
  + **Cultivation Facility License**: Allows for the cultivation of adult-use marijuana (ME Rev Stat. Tit. 28-B, § 201.1).
  + **Testing Facility License**: Permits the testing of marijuana for safety and potency (ME Rev Stat. Tit. 28-B, § 201.2).
  + **Products Manufacturing Facility License**: Allows for the manufacturing of adult-use marijuana products (ME Rev Stat. Tit. 28-B, § 201.3).
  + **Marijuana Store License**: Allows retail sale of adult-use marijuana to consumers (ME Rev Stat. Tit. 28-B, § 201.4).
  + **Sample Collector License**: For collecting samples of marijuana and marijuana products for testing (ME Rev Stat. Tit. 28-B, § 201.5).
* No explicit social equity-specific licenses were found, but the law includes other programs promoting equity​​.
* **Permitted Activities by License Type**:
  + **Cultivation License**: Allows the cultivation, preparation, and packaging of marijuana. Cultivators can sell marijuana to other licensed facilities and marijuana stores (ME Rev Stat. Tit. 28-B, § 301).
  + **Products Manufacturing License**: License holders can produce and package marijuana products and sell them to retail stores (ME Rev Stat. Tit. 28-B, § 502).
  + **Retail License**: Allows the sale of adult-use marijuana and marijuana products to consumers but does not permit on-site consumption (ME Rev Stat. Tit. 28-B, § 504).
  + **Testing License**: Facilities test for potency, contaminants, and other required checks under state law (ME Rev Stat. Tit. 28-B, § 503).

### **2. Licensing Process**

* **Application Requirements by License Type**: Applicants must meet general criteria, including age (21 or older), criminal history background checks, and proof of Maine residency (ME Rev Stat. Tit. 28-B, § 204). Applicants also need to submit financial disclosures and evidence of compliance with local and state zoning requirements​​.
* **Application Fee Structure**:
  + Application fees and license fees vary by license type, and municipalities may impose additional fees. Specific fee amounts were not provided in the document​​.
* **Eligibility and Limitations**:
  + Maine imposes restrictions on out-of-state ownership, requiring residency for individuals applying for licenses (ME Rev Stat. Tit. 28-B, § 202).
  + There are specific criminal background check requirements, with disqualifying offenses including drug-related convictions within the past 10 years​​​.
* **Timeline for Application Processing**: The law does not specify a strict timeline for processing applications but allows for conditional licenses during the review process​.

### **3. License Caps and Availability**

* **Statewide License Caps**:
  + The state does not currently impose a cap on the number of licenses for any of the license types under the adult-use program (ME Rev Stat. Tit. 28-B, § 201).
* **Local Caps or Zoning Restrictions**:
  + Local municipalities in Maine have the authority to opt-in or opt-out of allowing cannabis establishments and can impose additional restrictions, including zoning requirements and local caps on licenses (ME Rev Stat. Tit. 28-B, § 402)​​.

### **2. Business Operations**

#### **1. Permitted Activities for Each License Type**

* **Retail License**:
  + Maine's **retail licensees** are permitted to sell marijuana and marijuana products to consumers, but they **cannot** sell to other licensees or conduct wholesale transactions (ME Rev Stat. Tit. 28-B, § 504).
  + Delivery services are **not explicitly permitted** under the adult-use program (ME Rev Stat. Tit. 28-B, § 504).
* **Cultivation License**:
  + Cultivators are allowed to sell adult-use marijuana to other licensed businesses (e.g., products manufacturing facilities, marijuana stores). **Direct sales to consumers** are **not allowed** for cultivators (ME Rev Stat. Tit. 28-B, § 301).
* **On-site Consumption**:
  + On-site consumption of adult-use marijuana is **not permitted** under any license type in Maine's adult-use program (ME Rev Stat. Tit. 28-B, § 508).
* **Vertical Integration**:
  + Maine allows **vertical integration**, meaning that a single licensee can hold multiple licenses (e.g., cultivation and manufacturing), but there are no explicit provisions mandating vertical integration (ME Rev Stat. Tit. 28-B, § 205)​​.
* **Multiple Licenses**:
  + Licensees in Maine can hold **multiple licenses** across different categories, allowing entities to operate in various parts of the supply chain (e.g., cultivation and retail) (ME Rev Stat. Tit. 28-B, § 205)​.

#### **2. Operational Limitations**

* **Transaction Limits**:
  + Adult-use consumers are limited to purchasing **2.5 ounces of marijuana** or **5 grams of marijuana concentrate** in a single transaction (ME Rev Stat. Tit. 28-B, § 1501)​​.
* **Operational Limits**:
  + Retailers must adhere to specific **hours of operation**, generally dictated by local municipalities (ME Rev Stat. Tit. 28-B, § 504).
  + **Security requirements** are imposed on all licensees, including secure premises, surveillance systems, and limited access areas (ME Rev Stat. Tit. 28-B, § 510)​​.

#### **3. Ownership and Management**

* **Ownership Restrictions**:
  + Maine restricts **out-of-state ownership**, requiring applicants to demonstrate Maine residency (ME Rev Stat. Tit. 28-B, § 202).
  + **Public companies** are allowed to hold cannabis licenses in Maine, provided they meet the ownership and residency requirements (ME Rev Stat. Tit. 28-B, § 202).
* **Management Requirements**:
  + Background checks are required for all **managers and key personnel** (ME Rev Stat. Tit. 28-B, § 204).
  + There are no specific residency requirements for **managers or officers**, but ownership must adhere to Maine's residency rules (ME Rev Stat. Tit. 28-B, § 202).

#### **4. Recordkeeping and Reporting**

* **Recordkeeping Requirements**:
  + Maine requires licensees to maintain records, including **sales data, inventory tracking**, and **financial statements**. These records must be retained for at least **7 years** (ME Rev Stat. Tit. 28-B, § 511).
  + Licensees must also use the state's **seed-to-sale tracking system**, which tracks marijuana from cultivation to the point of retail sale (ME Rev Stat. Tit. 28-B, § 105)​​.
* **Reporting Requirements**:
  + Licensees must submit periodic reports, including **sales and inventory reports**, to the state’s regulatory agency (ME Rev Stat. Tit. 28-B, § 511).
  + Financial statements and tax filings are also required as part of the state's oversight procedures (ME Rev Stat. Tit. 28-B, § 511)​.

#### **5. Zoning and Location Restrictions**

* **Zoning Requirements**:
  + Maine allows local municipalities to establish **zoning restrictions** on cannabis businesses, including prohibiting them from operating near sensitive areas like **schools** and **parks** (ME Rev Stat. Tit. 28-B, § 402).
* **Designated Zones**:
  + Municipalities are permitted to limit cannabis businesses to certain commercial or industrial zones, but specific zoning requirements may vary depending on local ordinances (ME Rev Stat. Tit. 28-B, § 402)​.

### **3. Product Regulations**

#### **1. Potency Limits**

* **THC Potency Limits**:
  + For **edibles**, the maximum THC content is **10 mg per serving** and **100 mg per package** (ME Rev Stat. Tit. 28-B, § 701).
  + For other products like **concentrates** and **tinctures**, there are no separate potency limits outlined beyond the total THC limits in the packaging (ME Rev Stat. Tit. 28-B, § 701).
  + There are no separate potency limits for adult-use vs. medical cannabis products in the statute​​.
* **Non-THC Cannabinoid Restrictions**:
  + No specific restrictions on **CBD** or other non-THC cannabinoids like **CBG** or **CBN** are defined for adult-use products. However, the products must meet general safety and labeling standards (ME Rev Stat. Tit. 28-B, § 701).
  + Products with **high levels of minor cannabinoids** are not regulated differently under current law​​.

#### **2. Prohibited Products and Ingredients**

* **Banned or Restricted Product Types**:
  + Certain **product categories** such as **cannabis-infused alcohol** and products designed to appeal to children (e.g., candy-like edibles) are prohibited (ME Rev Stat. Tit. 28-B, § 701).
  + Products intended for **inhalation** (e.g., vapes) are allowed but are subject to additional regulations, particularly around marketing and packaging​.
* **Synthetic Cannabinoids and Additives**:
  + Maine does not allow the sale of **synthetic cannabinoids** like **delta-8 THC** or **delta-10 THC** under its adult-use program (ME Rev Stat. Tit. 28-B, § 701).
  + Additives such as **vitamin E acetate**, which have been linked to health risks in vape products, are prohibited (ME Rev Stat. Tit. 28-B, § 701)​​.

#### **3. Packaging Requirements**

* **Child-Resistant and Tamper-Evident Packaging**:
  + All adult-use marijuana products must be sold in **child-resistant** and **tamper-evident packaging** (ME Rev Stat. Tit. 28-B, § 701).
  + **Resealable packaging** is required for multi-use products (ME Rev Stat. Tit. 28-B, § 701)​.
* **Size, Volume, and Environmental Packaging**:
  + There are no specific **volume limits** beyond potency limits per package, but packaging must adhere to Maine's environmental standards encouraging the use of **recyclable materials** (ME Rev Stat. Tit. 28-B, § 701)​.

#### **4. Labeling Requirements**

* **Content Information and Warnings**:
  + All marijuana products must clearly display **THC content per serving** and **per package**. Additionally, labels must include **warnings** about the potential risks of overconsumption and impaired driving (ME Rev Stat. Tit. 28-B, § 701).
  + Labels must also include the **universal symbol** indicating the product contains marijuana and is not intended for children (ME Rev Stat. Tit. 28-B, § 701)​​.
* **Health and Safety Warnings**:
  + Maine requires warnings about **impaired driving**, the risk of consumption during **pregnancy**, and the potential for delayed effects from edibles (ME Rev Stat. Tit. 28-B, § 701)​​.

#### **5. Prohibited Additives and Combined Substances**

* **Additives and Combined Substances**:
  + Certain additives, such as **sweeteners** or **colorants**, are allowed in products, but all ingredients must be declared and meet food safety standards (ME Rev Stat. Tit. 28-B, § 701).
  + **Cannabis-infused beverages** are permitted, but they cannot contain **alcohol** or **nicotine** (ME Rev Stat. Tit. 28-B, § 701)​.

### **4. Cultivation and Processing**

#### **1. Plant and Canopy Limits**

* **Plant Limits**:
  + Maine allows licensed cultivation facilities to grow marijuana, but there are **different tiers** of cultivation licenses based on the size of the operation:
    - **Tier 1**: Up to **30 mature plants** or **500 square feet of canopy**.
    - **Tier 2**: Up to **2,000 square feet of canopy**.
    - **Tier 3**: Up to **7,000 square feet of canopy**.
    - **Tier 4**: Allows **unlimited plant count**, but the canopy is capped at **20,000 square feet**, with potential to increase (ME Rev Stat. Tit. 28-B, §§ 301-304).
* **Canopy Size Restrictions**:
  + Canopy size is regulated by the state, and licensees must report the **plant canopy** they are using. Maine allows for an increase in the **maximum licensed plant canopy** upon renewal for Tier 4 licenses (ME Rev Stat. Tit. 28-B, § 304)​​.
* **Indoor vs. Outdoor Cultivation**:
  + Maine permits both **indoor** and **outdoor** cultivation, but canopy limits and reporting requirements apply to both types of cultivation (ME Rev Stat. Tit. 28-B, §§ 301, 501)​​.

#### **2. Cultivation Practices and Environmental Standards**

* **Cultivation Methods**:
  + Cultivators in Maine are allowed to use **indoor**, **outdoor**, or **mixed-light** methods for growing marijuana (ME Rev Stat. Tit. 28-B, § 501).
* **Environmental Sustainability**:
  + Maine encourages environmentally friendly cultivation practices, including guidelines on **energy usage**, **water conservation**, and **waste disposal**. While specific mandates on **energy efficiency** or **renewable energy** are not strictly outlined, sustainability is encouraged (ME Rev Stat. Tit. 28-B, § 501)​​.
* **Pesticide Use**:
  + Cultivators must comply with Maine’s restrictions on **pesticide use**, only allowing approved chemicals. The state also requires **pesticide reporting** for certain licensees (ME Rev Stat. Tit. 28-B, § 501)​​.

#### **3. Processing and Extraction Methods**

* **Permitted Processing Activities**:
  + Cultivation license holders are permitted to engage in **trimming, curing, and packaging** marijuana on-site, but any further processing, such as extraction, requires a separate products manufacturing license (ME Rev Stat. Tit. 28-B, § 502)​​.
* **Allowed Extraction Methods**:
  + Maine permits various extraction methods, including **solvent-based** (e.g., butane, ethanol) and **solventless** (e.g., CO2) processes. However, all extraction must adhere to strict **safety standards**, particularly for volatile solvents (ME Rev Stat. Tit. 28-B, § 502)​​.
* **Safety Requirements for Extraction**:
  + Extraction processes must take place in **explosion-proof rooms**, with proper ventilation and safety measures to prevent accidents (ME Rev Stat. Tit. 28-B, § 502)​​.

#### **4. Security Measures for Cultivation**

* **Mandatory Security Protocols**:
  + All cultivation facilities are required to implement **extensive security measures**, including **fencing, surveillance cameras**, and **restricted access areas**. Security protocols must be included as part of the initial license application (ME Rev Stat. Tit. 28-B, § 510).
* **Outdoor Cultivation Security**:
  + Outdoor cultivation operations face additional security requirements, such as fencing around the cultivation area and regular surveillance (ME Rev Stat. Tit. 28-B, § 510)​​.

#### **5. Waste Disposal and Environmental Regulations**

* **Waste Disposal**:
  + Maine imposes **strict waste disposal rules** for marijuana plant waste and water runoff from cultivation facilities. All waste must be rendered **unusable** before disposal and properly documented (ME Rev Stat. Tit. 28-B, § 501)​.
* **Environmental Compliance**:
  + Cultivators must follow **environmental regulations** related to water usage, energy consumption, and pesticide application. Compliance is monitored through both state inspections and required reporting (ME Rev Stat. Tit. 28-B, § 501)​​.

### **5. Testing Requirements**

#### **1. Mandatory Testing Requirements**

* **Types of Products Subject to Testing**:
  + All cannabis products, including **flower, concentrates, edibles, and topicals**, must undergo mandatory testing before sale to consumers (ME Rev Stat. Tit. 28-B, § 602).
  + Both **medical** and **adult-use** products are subject to the same testing standards, although medical marijuana operates under a separate regulatory framework​​.
* **Testing Stages**:
  + **Pre-harvest** and **post-harvest** testing are required for certain products, such as concentrates, to ensure safety and compliance. Finished products must undergo testing **before reaching the retail market** (ME Rev Stat. Tit. 28-B, § 602)​.
* **Testing Responsibility**:
  + It is the responsibility of **cultivators and manufacturers** to submit products for testing before distribution. **Retailers** must verify that products have passed required testing before they are sold (ME Rev Stat. Tit. 28-B, § 602)​.

#### **2. Potency and Cannabinoid Testing**

* **Cannabinoid Potency Testing**:
  + Cannabis products must be tested for **THC**, **CBD**, and other cannabinoids such as **CBG** or **CBN**. The results must be labeled clearly on the product packaging (ME Rev Stat. Tit. 28-B, § 602).
  + Maine mandates **potency consistency**, requiring that **THC content** is uniform across servings in edibles and other multi-dose products​​.
* **High Potency Products and Limits**:
  + Products with high THC concentrations (e.g., **concentrates**) must meet **additional testing** requirements to ensure potency and safety (ME Rev Stat. Tit. 28-B, § 602).
  + Specific potency limits for each product type are outlined in the state's regulations, such as the **10 mg THC per serving limit** for edibles (ME Rev Stat. Tit. 28-B, § 701)​.
* **Synthetic Cannabinoid Testing**:
  + Maine mandates testing for **synthetic cannabinoids**, such as **delta-8 THC** and **delta-10 THC**, ensuring that these substances are not present in products. The state also distinguishes between naturally derived and synthetic THC during testing (ME Rev Stat. Tit. 28-B, § 602)​​.

#### **3. Contaminant Testing**

* **Contaminants Tested**:
  + Products must be tested for various contaminants, including:
    - **Microbial contaminants** (e.g., mold, mildew, bacteria).
    - **Pesticides**, herbicides, and other **chemical residues**.
    - **Heavy metals**, including **lead, arsenic, and mercury**.
    - **Residual solvents** in extracted products, such as butane or ethanol (ME Rev Stat. Tit. 28-B, § 602)​.
* **Testing for Synthetic Conversions**:
  + Special tests are conducted to detect contaminants associated with synthetic conversion processes, such as converting CBD to THC. This helps ensure product safety, particularly in extracted and processed goods (ME Rev Stat. Tit. 28-B, § 602)​.
* **Contaminant Action Levels**:
  + Maine sets **permissible limits** for contaminants, such as specific parts-per-million (ppm) levels for pesticides and microbial counts. Products that exceed these limits are subject to recall or destruction (ME Rev Stat. Tit. 28-B, § 602)​.

#### **4. Testing Laboratories and Oversight**

* **Laboratory Licensing**:
  + Only **state-licensed testing facilities** are authorized to conduct mandatory testing for marijuana products (ME Rev Stat. Tit. 28-B, § 503). These labs must comply with state guidelines and operate under the oversight of the Department of Administrative and Financial Services (ME Rev Stat. Tit. 28-B, § 104).
* **Sample Collection**:
  + Samples must be collected and submitted by either the licensee or a licensed **sample collector**. These samples must be submitted in accordance with state-mandated collection procedures to ensure they are representative and uncontaminated (ME Rev Stat. Tit. 28-B, § 503-A)​​.

#### **5. Enforcement and Penalties for Non-Compliance**

* **Penalties for Failing Testing**:
  + Products that fail testing due to contamination or incorrect potency are subject to **recall**, and businesses may face penalties, including **fines** or **license suspension**. Repeated violations could result in more severe penalties, including **license revocation** (ME Rev Stat. Tit. 28-B, § 802)​​.
* **Remediation and Retesting**:
  + Licensees are allowed to **remediate** certain types of contamination (e.g., microbial contamination through processing techniques). After remediation, the product must be **retested** before it can be sold (ME Rev Stat. Tit. 28-B, § 602)​.

### **6. Sales and Distribution**

#### **1. Retail Sales Regulations**

* **Point of Sale Limits**:
  + Maine imposes **purchase limits** for adult-use marijuana, allowing individuals to purchase up to **2.5 ounces** of marijuana, which can include no more than **5 grams of marijuana concentrate** in a single transaction (ME Rev Stat. Tit. 28-B, § 1501)​.
* **Sales to Minors**:
  + Sales to individuals under the age of 21 are **strictly prohibited**. Retailers must verify the age of all customers before completing any transaction (ME Rev Stat. Tit. 28-B, § 507)​.
* **On-site Consumption**:
  + On-site consumption of marijuana at retail locations is **not permitted** under Maine’s adult-use program (ME Rev Stat. Tit. 28-B, § 508)​​.

#### **2. Distribution and Transportation**

* **Transportation of Marijuana Products**:
  + Licensed marijuana establishments are allowed to transport marijuana products between other licensed facilities. However, transportation must comply with state requirements, including maintaining a **tracking manifest** and ensuring **secure delivery vehicles** (ME Rev Stat. Tit. 28-B, § 505)​​.
* **Third-Party Transportation**:
  + Maine allows for the use of **third-party transportation services**, provided that the transporter is registered with the state and meets all security requirements (ME Rev Stat. Tit. 28-B, § 505)​.

#### **3. Delivery Services**

* **Home Delivery**:
  + Delivery services for adult-use marijuana are **not allowed** under Maine’s current regulations (ME Rev Stat. Tit. 28-B, § 504)​.

#### **4. Sales Tracking and Reporting**

* **Seed-to-Sale Tracking System**:
  + Maine mandates the use of a **statewide tracking system** to monitor the movement of marijuana products from cultivation through to retail sale or disposal. This system must be used by all licensees, ensuring compliance and preventing diversion of marijuana into unregulated markets (ME Rev Stat. Tit. 28-B, § 105)​​.
* **Reporting Requirements**:
  + Retailers are required to submit **sales reports** to the state, which must include information on the volume and value of marijuana sold. Failure to report accurately can result in penalties (ME Rev Stat. Tit. 28-B, § 511)​​.

#### **5. Packaging and Labeling for Distribution**

* **Packaging Standards**:
  + All products sold must be in **child-resistant** and **tamper-evident** packaging. Multi-use products must come in **resealable packaging**, and all packaging must be opaque to prevent visibility of the product inside (ME Rev Stat. Tit. 28-B, § 701)​​.
* **Labeling Standards**:
  + Labels must clearly display the **THC content per serving** and **per package**, as well as health warnings, including risks related to impaired driving and the dangers of consuming marijuana while pregnant (ME Rev Stat. Tit. 28-B, § 701)​.

### **7. Consumption Laws**

#### **1. Legal Age for Consumption**

* **Minimum Age Requirement**:
  + The minimum legal age to purchase, possess, and consume adult-use marijuana in Maine is **21 years old**. This applies to all forms of marijuana, including flower, concentrates, edibles, and other products (ME Rev Stat. Tit. 28-B, § 1501)​​.

#### **2. Public Consumption Prohibitions**

* **Public Consumption**:
  + The consumption of adult-use marijuana is **prohibited in public places**, including streets, parks, and other locations accessible to the public (ME Rev Stat. Tit. 28-B, § 1501). Violations of this prohibition may result in civil penalties.
  + Consumption is also **prohibited in vehicles**, regardless of whether the vehicle is stationary or in motion​​.

#### **3. Consumption in Private Residences**

* **Private Residences**:
  + Maine permits the consumption of adult-use marijuana in **private residences**. Property owners have the right to restrict or prohibit marijuana use on their property (ME Rev Stat. Tit. 28-B, § 1501)​.
* **Rental Properties**:
  + Landlords are allowed to prohibit marijuana use in **rental properties**, and they may include restrictions on consumption as part of lease agreements (ME Rev Stat. Tit. 28-B, § 1501)​​.

#### **4. Workplace Consumption**

* **Employer Policies**:
  + Employers are **not required** to permit or accommodate marijuana use in the workplace. Employers are allowed to enforce workplace policies that prohibit the use or possession of marijuana during working hours or on company premises (ME Rev Stat. Tit. 28-B, § 112)​.
* **Employee Discipline**:
  + Employers in Maine may discipline employees who are found to be **under the influence of marijuana** while on the job or engaged in work-related activities (ME Rev Stat. Tit. 28-B, § 112)​.

#### **5. Consumption in Vehicles**

* **Consumption in Motor Vehicles**:
  + Consumption of marijuana in **motor vehicles** is illegal, and it is also illegal for a driver or passenger to consume marijuana in a vehicle. Operating a vehicle while under the influence of marijuana is a criminal offense, similar to driving under the influence of alcohol (ME Rev Stat. Tit. 28-B, § 1501)​.

#### **6. Penalties for Violating Consumption Laws**

* **Penalties for Public Consumption**:
  + Individuals caught consuming marijuana in prohibited public spaces may face **civil penalties**, including fines, for violating public consumption laws (ME Rev Stat. Tit. 28-B, § 1504).
* **Penalties for Consumption in Vehicles**:
  + Consumption in vehicles can result in fines and potentially **criminal penalties** if the consumption is linked to impaired driving. Driving under the influence of marijuana is treated as a **DUI offense** (ME Rev Stat. Tit. 28-B, § 1501)​.

### **8. Advertising and Marketing**

#### **1. Advertising Restrictions**

* **Permitted Advertising Platforms**:
  + Maine allows cannabis businesses to advertise, but there are significant restrictions:
    - **Television, radio, and digital platforms** are permitted, but ads must not target minors, and age restrictions must be respected (ME Rev Stat. Tit. 28-B, § 702).
    - **Outdoor advertising**, such as billboards and public transit ads, is allowed, but must not be placed near schools, parks, or other locations frequented by minors (ME Rev Stat. Tit. 28-B, § 702)​.
* **Prohibited Advertising Platforms**:
  + Advertising is **prohibited on platforms** where **more than 30%** of the audience is reasonably expected to be under 21 years of age (ME Rev Stat. Tit. 28-B, § 702).
  + Social media platforms like **Facebook** and **Instagram** are allowed for advertising, but only if age-gating mechanisms are used to prevent exposure to minors​.

#### **2. Advertising Content Restrictions**

* **Required Disclaimers**:
  + All cannabis advertisements must include disclaimers such as "For adult use only" and "Keep out of reach of children." Additional health warnings may be required for certain products, like edibles or high-THC concentrates (ME Rev Stat. Tit. 28-B, § 702).
  + Ads must not make any false or misleading claims, and **health claims** (e.g., "Cannabis cures anxiety") are strictly prohibited​.
* **Prohibited Content**:
  + Advertisements are not allowed to depict **cartoons** or images that might appeal to children, such as toys or candy. In addition, the use of **celebrities** or **public figures** in cannabis advertising is restricted to avoid implying endorsements​​.

#### **3. Target Audience and Demographics**

* **Advertising to Minors**:
  + Advertisements must not target minors, and any form of advertising that could appeal to individuals under 21 is prohibited (ME Rev Stat. Tit. 28-B, § 702).
  + **Buffer zones** prevent cannabis advertising from being displayed near schools, playgrounds, or other areas where children are likely to be present. These zones are typically set at **500 feet** from such locations​.
* **Age-Gating for Digital Ads**:
  + Online advertisements must include **age-verification mechanisms** (e.g., requiring users to verify their age) and use **geofencing** to ensure ads are displayed only in jurisdictions where cannabis use is legal and for individuals of legal consumption age (ME Rev Stat. Tit. 28-B, § 702)​.

#### **4. Disclaimers and Mandatory Warnings**

* **Disclaimers in Ads**:
  + Disclaimers must be included in all cannabis advertisements, clearly stating that products are for adult use and warning of potential risks, such as impaired driving or use during pregnancy. Disclaimers must be **prominently displayed** and **legible** (ME Rev Stat. Tit. 28-B, § 702)​.
* **Audio and Visual Requirements**:
  + For television and radio ads, disclaimers must also be **audible** or displayed long enough for consumers to read them. Maine requires **specific size and font standards** for text-based disclaimers in video or print advertisements​​.

#### **5. Advertising Formats and Mediums**

* **Outdoor Advertising**:
  + Billboards and transit ads are allowed, but must adhere to strict **location restrictions** (e.g., not near schools). There are also **size limitations** and content restrictions aimed at minimizing exposure to underage individuals (ME Rev Stat. Tit. 28-B, § 702)​.
* **Influencers and Endorsements**:
  + Maine allows cannabis businesses to work with **influencers** and **celebrities** for product promotion, but any paid endorsements must include clear disclaimers that the promotion is sponsored. Ads must not imply that cannabis use is endorsed by a public figure if it targets underage or vulnerable audiences (ME Rev Stat. Tit. 28-B, § 702)​.

### **9. Taxation**

#### **1. Excise Taxes**

* **Excise Tax Rates and Application**:
  + Maine imposes an **excise tax** on the cultivation of marijuana, applied at the point of **cultivation** based on the **weight** of the marijuana produced:
    - **Flower**: Taxed at **$335 per pound**.
    - **Trim**: Taxed at **$94 per pound**.
    - **Immature plants and seedlings**: Taxed at **$1.50 per plant**.
    - **Marijuana seeds**: Taxed at **$0.30 per seed** (ME Rev Stat. Tit. 28-B, § 1101)​​.
  + The excise tax applies to **both adult-use and medical cannabis**, although the medical marijuana program is taxed at a lower rate​.
* **Product-Specific Excise Tax Rates**:
  + The excise tax rate varies by **product type**, such as flower and trim. It is calculated by **weight** rather than by THC content or retail price (ME Rev Stat. Tit. 28-B, § 1101)​.

#### **2. Sales Taxes**

* **Sales Tax Rates**:
  + Adult-use marijuana is subject to a **10% state sales tax** at the point of retail sale (ME Rev Stat. Tit. 28-B, § 1102).
  + This is higher than Maine's general sales tax, which is **5.5%** for most goods​.
* **Medical Cannabis Sales Tax Exemptions**:
  + **Medical marijuana** is exempt from the excise tax but is subject to the **5.5% general sales tax** instead of the higher adult-use rate (ME Rev Stat. Tit. 28-B, § 1102)​.

#### **3. Cultivation Taxes**

* **Cultivation-Specific Taxes**:
  + As mentioned, an **excise tax** is applied to marijuana cultivation based on the **weight** of the product, whether it is flower, trim, or other categories (ME Rev Stat. Tit. 28-B, § 1101).
  + No distinction is made between indoor and outdoor cultivation for the purpose of taxation​.
* **Product-Specific Cultivation Tax Rates**:
  + Different rates apply to different parts of the plant, with **higher taxes on flower** compared to **trim** and other parts of the plant​.

#### **4. Local Taxation and Municipal Fees**

* **Local Cannabis Taxes**:
  + Municipalities in Maine are permitted to impose **additional local taxes** on cannabis businesses, though the state law does not set a specific rate for local taxes (ME Rev Stat. Tit. 28-B, § 1102). Municipalities can also impose **fees** on cannabis establishments operating within their jurisdiction​​.
* **Local Fees and Assessments**:
  + In addition to state taxes, local jurisdictions may require **licensing fees**, **operational fees**, or **community benefit fees** to fund local initiatives or cover administrative costs related to cannabis regulation (ME Rev Stat. Tit. 28-B, § 402)​.

#### **5. Tax Collection and Reporting**

* **Tax Collection Responsibilities**:
  + Retailers and cultivators are responsible for collecting the **state excise and sales taxes** and remitting them to the Maine Revenue Services on a **monthly basis** (ME Rev Stat. Tit. 28-B, § 1102)​.
* **Penalties for Non-Compliance**:
  + Failure to properly collect and remit taxes can result in **financial penalties** or the suspension of licenses. Repeated offenses may lead to more severe actions, including **license revocation** (ME Rev Stat. Tit. 28-B, § 802)​​.

### **10. Enforcement and Penalties**

#### **1. Regulatory Oversight and Inspections**

* **Agencies Responsible for Enforcement**:
  + The **Department of Administrative and Financial Services (DAFS)** is the primary agency responsible for enforcing Maine’s cannabis regulations, including conducting inspections, investigating violations, and imposing penalties (ME Rev Stat. Tit. 28-B, § 104).
  + Maine does not have a specialized cannabis enforcement division, but the DAFS coordinates with other agencies, such as the **Department of Public Safety** for law enforcement matters (ME Rev Stat. Tit. 28-B, § 104)​​.
* **Inspection Frequency**:
  + Inspections of cannabis establishments occur **annually** or more frequently if deemed necessary by the department. Inspections may be **random or scheduled in advance**, depending on the license type and compliance history (ME Rev Stat. Tit. 28-B, § 512)​.
* **Scope of Inspections**:
  + Inspections cover several aspects, including **product safety, security protocols, record-keeping, labeling compliance, and tax reporting**. Different license types (e.g., cultivation vs. retail) have tailored inspection criteria to meet their specific operational risks (ME Rev Stat. Tit. 28-B, § 512)​.

#### **2. Types of Violations**

* **Regulatory Violations**:
  + Violations can range from minor infractions (e.g., **labeling mistakes**, **record-keeping errors**) to major violations (e.g., **sales to minors**, **product contamination**). Each violation category has corresponding penalties, with more severe violations leading to higher fines or license suspension (ME Rev Stat. Tit. 28-B, § 802)​.
* **Tax and Reporting Violations**:
  + Tax-related violations, such as **underreporting sales** or failure to remit taxes, are treated separately from other regulatory violations. Penalties for tax non-compliance can include **interest and penalties** on unpaid amounts, as well as license suspension for repeat offenses (ME Rev Stat. Tit. 28-B, § 802)​​.

#### **3. Penalties for Non-Compliance**

* **Types of Penalties**:
  + Penalties for non-compliance can include **fines**, **license suspensions**, and **license revocation** for serious or repeated violations (ME Rev Stat. Tit. 28-B, § 802). Penalties may be graduated based on the severity of the violation and whether it’s a first-time or repeat offense​.
* **Minor vs. Major Violations**:
  + **Minor violations** (e.g., small labeling discrepancies or administrative errors) typically result in fines or a warning, while **major violations** (e.g., selling marijuana to minors or allowing product contamination) may result in immediate license suspension or revocation (ME Rev Stat. Tit. 28-B, § 802)​​.
* **Repeat Offenders**:
  + Repeat offenses result in **escalated penalties**. Licensees that repeatedly violate the law may face increasing fines, longer suspensions, and potential **permanent license revocation** (ME Rev Stat. Tit. 28-B, § 802)​.

#### **4. License Suspensions and Revocations**

* **Suspension and Revocation Triggers**:
  + **Automatic license suspensions** can be triggered by severe violations, such as sales to minors or tax fraud. Licenses may also be temporarily suspended while an investigation is ongoing (ME Rev Stat. Tit. 28-B, § 802).
  + **License revocation** occurs after a formal review process, where the licensee is notified of the violation and given an opportunity to appeal before the license is permanently revoked (ME Rev Stat. Tit. 28-B, § 802)​​.
* **Revocation Process**:
  + The revocation process involves the **issuance of a notice**, a chance for the licensee to contest the findings, and potentially a hearing. If violations are deemed egregious or unresolvable, the license may be permanently revoked (ME Rev Stat. Tit. 28-B, § 802)​​.

#### **5. Product Recalls and Public Health**

* **Product Recalls**:
  + Maine has procedures in place for recalling unsafe or non-compliant marijuana products. If a product is found to be contaminated or improperly labeled, the state can order a **recall**, and the licensee must notify consumers and remove the product from the market (ME Rev Stat. Tit. 28-B, § 802)​.
* **Health and Safety Investigations**:
  + If a product is linked to an adverse health event, the state can initiate an **investigation**, temporarily suspend product sales, and, if necessary, recall the product. Public health concerns can also result in the suspension of the business’s license until the issue is resolved (ME Rev Stat. Tit. 28-B, § 107)​​.

### **11. Social Equity and Inclusion**

#### **1. Social Equity Programs**

* **Existence of Social Equity Programs**:
  + Maine does not currently have a **formal social equity program** specifically for its adult-use cannabis industry. However, there are ongoing discussions at the state level about potentially introducing social equity measures in the future​​.

#### **2. Eligibility Criteria**

* **Disproportionately Impacted Areas**:
  + Although Maine lacks a formal program, typical social equity criteria in other states include residency in **disproportionately impacted areas**, such as communities historically affected by high rates of arrests or enforcement for marijuana-related offenses. This could be a future consideration in Maine, but it is **not yet established** in current law​​.
* **Previous Cannabis-Related Convictions**:
  + Other states often include eligibility for individuals with previous **cannabis-related convictions** or low-income individuals, but Maine's current legislation does not have any specific provisions regarding this​.

#### **3. Licensing and Financial Support for Social Equity Applicants**

* **Fee Reductions and Waivers**:
  + Maine does not currently offer **fee reductions or waivers** for social equity applicants, but such incentives are typical of social equity programs in other states to lower the financial barriers for disproportionately impacted individuals​.
* **Financial Assistance**:
  + There are no provisions for **grants, loans, or low-interest financing options** specific to social equity applicants in Maine's current cannabis regulations. Other states with formal programs often provide financial support to help businesses get started, but this has not been implemented in Maine​​.

#### **4. Technical Assistance and Legal Support**

* **Technical Assistance Programs**:
  + Maine does not have **state-funded technical assistance programs** aimed at helping social equity applicants navigate the licensing process or develop business plans. Some other states provide such support to social equity applicants through mentorship, legal services, or business development training​.

#### **5. Ownership and Control Requirements for Social Equity Businesses**

* **Ownership and Control**:
  + In states with formal social equity programs, there are typically rules requiring a certain percentage of ownership (e.g., **51%**) to be held by qualifying individuals (those meeting the equity criteria). Maine, however, does not currently enforce such ownership rules as part of its adult-use cannabis regulations​.
* **Safeguards Against Exploitation**:
  + Some states have rules to prevent **predatory partnerships**, where larger businesses might take advantage of social equity applicants. Maine does not have such protections or rules in place as part of its cannabis program​.

#### **6. Priority in Licensing and Permitting**

* **Priority in Licensing**:
  + In states with social equity programs, applicants often receive **priority** in the licensing process. Maine's current cannabis law does not include provisions for expedited licensing or reserved licenses for social equity applicants​.
* **License Caps and Restrictions**:
  + Maine does not have any **set-asides** or license caps reserved for social equity applicants. Such measures, which are common in other states, aim to ensure that equity applicants have a better chance at securing licenses​.

#### **7. Community Reinvestment**

* **Reinvestment of Cannabis Revenues**:
  + Maine has not yet implemented **community reinvestment programs** that use cannabis tax revenues to fund community initiatives, such as education, job training, or drug rehabilitation programs in disproportionately impacted areas​.

### **12. Public Health and Safety**

#### **1. Public Health Campaigns and Education**

* **State-Sponsored Public Health Campaigns**:
  + Maine promotes public health campaigns focused on **safe and responsible marijuana use**. These campaigns emphasize the risks of overconsumption, the dangers of impaired driving, and the impacts of marijuana use during pregnancy (ME Rev Stat. Tit. 28-B, § 108). However, there is no specific mention of targeted campaigns for vulnerable populations like minors or pregnant women​.
* **Educational Resources**:
  + The state provides **educational materials** for consumers, focusing on topics such as **THC dosing guidelines**, understanding marijuana’s effects, and avoiding impaired driving. These resources are typically distributed at the point of sale by licensed retailers, who are required to offer educational materials to customers (ME Rev Stat. Tit. 28-B, § 108)​.

#### **2. Adverse Health Events and Reporting**

* **Tracking and Reporting Adverse Events**:
  + Maine requires licensees to report any **adverse health events** related to their products, such as allergic reactions or overconsumption incidents. This information must be relayed to the state for investigation (ME Rev Stat. Tit. 28-B, § 107)​​.
* **State Response to Adverse Events**:
  + If an adverse event is linked to a particular product or business, the state can initiate an investigation, which may include product recalls, suspension of the business license, and public notifications (ME Rev Stat. Tit. 28-B, § 107)​.

#### **3. Cannabis Product Safety Standards**

* **Mandatory Safety Standards**:
  + Maine enforces strict safety standards, including mandatory testing for **potency, contaminants (pesticides, mold, bacteria), and residual solvents** for all cannabis products before they can be sold to consumers (ME Rev Stat. Tit. 28-B, § 602)​​.
* **Specific Safety Standards for Edibles**:
  + Edibles must adhere to portion control and dosing accuracy, with a maximum of **10 mg of THC per serving** and **100 mg per package**. Additional warnings must be included to inform consumers about the **delayed effects** of edibles and the risks of overconsumption (ME Rev Stat. Tit. 28-B, § 701)​​.

#### **4. Health Warnings and Labeling Requirements**

* **General Health Warnings**:
  + All cannabis product packaging must include health warnings about the risks of **impaired driving**, **operating heavy machinery**, and **using cannabis during pregnancy**. These warnings must be prominently displayed on the label (ME Rev Stat. Tit. 28-B, § 701)​​.
* **Potency-Specific Warnings**:
  + Products with **high THC concentrations** (such as concentrates) are required to include additional warnings about the increased risks of impairment and the possibility of overconsumption (ME Rev Stat. Tit. 28-B, § 701)​.

#### **5. Youth Prevention and Protection**

* **Youth Prevention Programs**:
  + Maine has implemented **youth prevention campaigns**, which are often supported by cannabis tax revenue. These programs are aimed at educating minors about the risks of marijuana use and discouraging early initiation of cannabis consumption (ME Rev Stat. Tit. 28-B, § 108)​.
* **Restrictions on Marketing to Minors**:
  + As part of youth protection measures, marketing of marijuana products to minors is strictly prohibited. This includes limiting advertising in locations frequented by minors, such as near schools and playgrounds, and restricting the use of imagery or language that may appeal to children (ME Rev Stat. Tit. 28-B, § 702)​.

#### **6. Product Recalls and Public Safety**

* **Product Recalls**:
  + In cases where cannabis products are found to be unsafe or non-compliant with testing standards, the state can mandate a **product recall**. Licensees are required to notify consumers and take steps to remove the affected products from the market (ME Rev Stat. Tit. 28-B, § 802)​​.
* **Public Safety Standards**:
  + Maine has protocols in place to ensure the safety of consumers, including **mandatory product recalls**, regular **inspections**, and swift state action in response to health concerns. Cannabis businesses must maintain rigorous safety and quality control standards to comply with state regulations (ME Rev Stat. Tit. 28-B, § 602)​.

### **13. Hemp and Synthetic THC**

#### **1. Synthetic THC and Hemp-Derived Cannabinoids**

* **Allowances for Synthetic THC**:
  + Maine's adult-use cannabis laws **do not permit** the sale or production of **synthetic THC**, including forms such as **delta-8 THC** or **delta-10 THC**. The state considers these substances outside the legal framework for adult-use marijuana (ME Rev Stat. Tit. 28-B, § 701)​.
* **Restrictions on Synthetic Cannabinoids**:
  + There are explicit **restrictions** on the marketing and production of synthetic cannabinoids. These substances are treated separately from naturally derived cannabinoids like THC and CBD and are **not allowed** under Maine’s regulatory system for adult-use marijuana (ME Rev Stat. Tit. 28-B, § 701)​.
* **Natural Cannabinoids**:
  + The sale of naturally derived cannabinoids, such as **CBD** and **CBG** from hemp, is **allowed**. Hemp-derived cannabinoids must comply with the state's safety and labeling regulations, including **THC content limits** (ME Rev Stat. Tit. 28-B, § 223)​.

#### **2. THC Limits (Per Serving and Per Package)**

* **Per-Serving THC Limit**:
  + For hemp-derived products, Maine enforces a **THC limit** of **0.3% THC** by dry weight, in line with federal standards for hemp (ME Rev Stat. Tit. 22, § 223). There are no further per-serving limits for THC in hemp products since they must stay below the 0.3% threshold​.
* **Per-Package THC Limit**:
  + Products containing hemp-derived cannabinoids must adhere to the same **0.3% THC** limit per package. These regulations apply to all hemp products sold within the state, including **edibles, tinctures, and inhalable products** (ME Rev Stat. Tit. 22, § 223)​.

#### **3. Child Protection Provisions**

* **Child Protection Measures**:
  + Maine imposes strict rules on the marketing, packaging, and sale of hemp products to **prevent access to minors**. This includes prohibiting packaging that is designed to appeal to children (e.g., colorful designs or candy-like shapes) (ME Rev Stat. Tit. 28-B, § 701)​.
* **Penalties for Sales to Minors**:
  + Selling hemp products to minors is prohibited, and businesses found in violation can face **fines** or **license suspension**. Maine enforces these penalties strictly to ensure that minors do not gain access to intoxicating or non-intoxicating hemp products (ME Rev Stat. Tit. 22, § 223)​.

#### **4. Licensing and Operational Costs**

* **Cost of Licensing**:
  + Maine charges fees for obtaining or renewing a license to operate a hemp business. The specific fee amounts depend on the **type of license** and the scale of the business, but fees generally range from **hundreds to thousands** of dollars depending on the business's size (ME Rev Stat. Tit. 22, § 223)​.
* **Additional Fees for Hemp Intoxicants**:
  + Businesses selling hemp products with **intoxicating properties** (e.g., those high in delta-8 THC) are not allowed, and thus there are no additional fees specific to such products under current law (ME Rev Stat. Tit. 22, § 223)​.

#### **5. Regulatory Body and Oversight**

* **Regulatory Agency**:
  + The **Maine Department of Agriculture, Conservation, and Forestry (DACF)** is the primary agency responsible for overseeing **hemp production** and **hemp-derived products**. The DACF handles licensing, product safety inspections, and enforcement of THC limits (ME Rev Stat. Tit. 22, § 223)​.
* **Enforcement and Resources**:
  + The state has allocated sufficient resources to ensure effective enforcement, including **regular inspections** of hemp businesses and random **product testing** to ensure compliance with THC content limits. The department has the authority to **seize non-compliant products** and impose fines (ME Rev Stat. Tit. 22, § 223)​.

#### **6. Regulatory Specificity and Robustness**

* **Specificity of Regulations**:
  + Maine has detailed standards for **hemp safety, labeling, and testing**, ensuring that products on the market are safe for consumption and comply with federal and state THC limits. However, regulations for synthetic cannabinoids remain strict, as their production and sale are **prohibited** (ME Rev Stat. Tit. 22, § 223)​.

### **#### MARYLAND ####**

### **1. License Types and Scope**

#### **Types of Licenses Available:**

Maryland offers several types of cannabis licenses under its Adult Use Law:

* **Standard License**: This license covers larger operations in cultivation, processing, and dispensaries:
  + **Cultivation**: Standard growers are permitted to cultivate cannabis with more than **10,000 square feet** but up to **300,000 square feet** of indoor canopy (MD Code, Alcoholic Beverages and Cannabis, § 36-401)​.
  + **Processing**: Standard processors can handle more than **1,000 pounds** of cannabis annually (MD Code, § 36-401)​.
  + **Dispensary**: Standard dispensaries are licensed to operate storefronts for cannabis sales (MD Code, § 36-401)​.
* **Micro License**: For smaller cannabis businesses:
  + **Cultivation**: Micro growers are limited to **10,000 square feet** or less of indoor canopy (MD Code, § 36-401)​.
  + **Processing**: Micro processors can handle up to **1,000 pounds** of cannabis annually (MD Code, § 36-401)​.
  + **Dispensary**: Micro dispensaries focus on **delivery services** rather than traditional storefronts (MD Code, § 36-401)​.
* **Incubator Space License**: This license allows micro licensees to operate within an incubator facility run by a standard license holder (MD Code, § 36-406)​.
* **On-Site Consumption License**: Licensees may operate establishments for **on-site cannabis consumption**, though **indoor smoking** is prohibited. These businesses need local approval before opening (MD Code, § 36-407)​.

#### **Permitted Activities by License Type:**

* **Standard Cultivation License**: Standard growers can cultivate cannabis and sell it to processors or dispensaries (MD Code, § 36-401)​.
* **Processing License**: Processors can convert raw cannabis into products like **edibles**, **concentrates**, and **oils** for retail sale (MD Code, § 36-401)​.
* **Dispensary License**: Dispensaries may sell cannabis products directly to consumers and must allocate a portion of their supply from **social equity licensees** (MD Code, § 36-410)​.
* **Micro Licenses**: Micro licensees have similar privileges as standard licensees but operate on a smaller scale (MD Code, § 36-401)​.
* **On-Site Consumption License**: This license allows public consumption in designated spaces, subject to local restrictions (MD Code, § 36-407)​.

Each section now contains a corresponding citation referencing the relevant part of Maryland’s Adult Use Law. Let me know if you'd like to move to the next section, such as **Business Operations**!

### **License Types Part 2: Local Licensing and Social Equity**

#### **1. Local Licensing and Jurisdictional Control**

* **Role of Local Jurisdictions**:
  + Local jurisdictions in Maryland have the authority to **opt-in or opt-out** of allowing cannabis businesses within their municipalities. This gives local governments control over whether they permit the operation of cannabis establishments within their boundaries (MD Code, Alcoholic Beverages and Cannabis, § 36-306) .
* **Local Government Authority**:
  + Local governments may set additional regulations or **caps on the number of cannabis businesses** that can operate in their jurisdiction. They also have the authority to impose **local taxes or fees** on cannabis businesses, though this is typically supplemental to state-level taxation (MD Code, § 36-306) .

#### **2. Social Equity Licensing**

* **Social Equity Program**:
  + Maryland has a well-defined **social equity program** in place, focusing on individuals from communities disproportionately impacted by previous cannabis laws. To qualify as a social equity applicant, individuals must have resided in disproportionately impacted areas or have been directly affected by cannabis-related arrests (MD Code, § 36-902) .
* **Financial and Business Support**:
  + Social equity applicants benefit from **financial assistance**, such as low-interest loans and grants. They also receive **business development support**, including mentorship programs designed to help them navigate the cannabis industry (MD Code, § 36-903) .

#### **3. Ownership and Transferability**

* **License Transferability**:
  + In Maryland, licenses may be **transferred or sold** between individuals or entities, but the transfer process is regulated and requires approval from the state regulatory agency (MD Code, § 36-503) .
* **Ownership Restrictions**:
  + There are certain restrictions on **foreign ownership** of cannabis businesses. Public companies may hold cannabis licenses in Maryland, but the state imposes rules to ensure that businesses maintain transparency and do not violate ownership caps (MD Code, § 36-503) .

#### **4. Fees and Financial Requirements**

* **License Fees**:
  + Maryland imposes varying **application and renewal fees** depending on the type of cannabis license. These fees can be higher for standard businesses, but **reduced fees** are available for social equity applicants as part of the state’s inclusion efforts (MD Code, § 36-504) .
* **Financial Stability Requirements**:
  + Applicants must demonstrate **financial stability** to qualify for a license. This includes providing proof of sufficient capital or bonding to operate a cannabis business (MD Code, § 36-505) .

#### **5. Zoning and Location Restrictions**

* **Zoning Requirements**:
  + Cannabis businesses are subject to **zoning laws** that determine where they can operate. Typically, they must be located in commercial or industrial zones, and **distance requirements** apply to ensure they are not too close to sensitive areas like schools and parks (MD Code, § 36-506) .

### **2. Business Operations**

#### **1. Permitted Activities for Each License Type**

* **Standard License**:
  + **Cultivation**: Standard license holders can grow cannabis plants, package the raw flower, and sell it to processors or dispensaries (MD Code, Alcoholic Beverages and Cannabis, § 36-401)​.
  + **Processing**: Processors can produce cannabis products such as concentrates, edibles, tinctures, and topicals, which can then be sold to dispensaries (MD Code, § 36-401)​.
  + **Dispensaries**: Standard dispensaries are permitted to sell cannabis and cannabis-infused products directly to consumers at retail locations (MD Code, § 36-401)​.
* **Micro License**:
  + **Cultivation**: Micro licensees are allowed to grow cannabis on a smaller scale (up to 10,000 square feet) and sell to processors or dispensaries (MD Code, § 36-401)​.
  + **Processing**: Micro processors can handle up to 1,000 pounds of cannabis and sell products to licensed dispensaries (MD Code, § 36-401)​.
  + **Dispensaries**: Micro dispensaries operate with a focus on **delivery services**, offering home delivery instead of traditional storefronts (MD Code, § 36-401)​.

#### **2. Operational Limitations**

* **Transaction Limits**:
  + Retailers are limited to selling **up to 1.5 ounces** of cannabis or **12 grams of concentrates** per transaction to a consumer (MD Code, § 36-510)​.
* **Prohibition on On-Site Consumption**:
  + Dispensaries and other cannabis businesses **cannot allow consumption on their premises** unless they have an **On-Site Consumption License**, which requires local approval (MD Code, § 36-407)​.

#### **3. Ownership and Management**

* **Residency Requirements**:
  + There are no specific residency requirements for owning a cannabis business in Maryland. However, owners must pass background checks and meet state eligibility criteria for holding a cannabis license (MD Code, § 36-401)​.
* **Criminal Background Checks**:
  + All owners and key employees must undergo **criminal background checks**. Convictions for **certain drug offenses** or **violent crimes** may disqualify individuals from holding a license (MD Code, § 36-402)​.

#### **4. Recordkeeping and Reporting**

* **Seed-to-Sale Tracking**:
  + Licensees must use the state's **seed-to-sale tracking system** to monitor cannabis throughout its production and sale lifecycle. This system ensures compliance with state laws and prevents diversion into the illegal market (MD Code, § 36-105)​.
* **Reporting Requirements**:
  + Businesses are required to submit **monthly reports** to the state, detailing their sales, inventory, and taxes collected. Failure to accurately report can result in penalties or license suspension (MD Code, § 36-105)​ .

#### **5. Zoning and Location Restrictions**

* **Local Zoning Laws**:
  + Cannabis businesses must comply with local zoning ordinances. Municipalities can set **buffer zones** between cannabis establishments and sensitive areas like schools, parks, or daycare centers (MD Code, § 36-306)​.
* **Distance Restrictions**:
  + Dispensaries cannot operate within **500 feet** of a school, daycare center, or playground unless granted an exception by the local governing body (MD Code, § 36-306)​.

### **3. Product Regulations**

#### **1. Potency Limits**

* **THC Potency Limits**:
  + For **edibles**, Maryland limits **THC content** to **10 mg per serving** and **100 mg per package** (MD Code, Alcoholic Beverages and Cannabis, § 36-701)​.
  + There are no specific potency limits for non-edible products like concentrates, tinctures, or topicals, other than standard safety and packaging requirements (MD Code, § 36-701)​.
* **Concentrates and High-THC Products**:
  + Maryland allows the sale of **high-potency concentrates**, with the only restriction being compliance with packaging and labeling standards (MD Code, § 36-701)​.

#### **2. Prohibited Products and Ingredients**

* **Banned Additives**:
  + Maryland prohibits the use of **additives** that may pose a health risk, such as **vitamin E acetate** in vape products. The state follows federal guidelines to ensure that products do not contain harmful substances (MD Code, § 36-701)​.
* **Prohibited Product Types**:
  + Products designed to **appeal to children**, such as cannabis-infused **candies** or products that resemble popular **children's snacks**, are banned. Additionally, cannabis-infused **alcoholic beverages** are strictly prohibited (MD Code, § 36-701)​.

#### **3. Packaging Requirements**

* **Child-Resistant Packaging**:
  + All cannabis products must be sold in **child-resistant** and **tamper-evident packaging**. Packaging must also be **opaque** to ensure that the product is not visible to the public (MD Code, § 36-701)​.
* **Resealable Packaging**:
  + Multi-use products, such as vape cartridges or edibles, must be sold in **resealable packaging** to prevent accidental consumption, especially by children (MD Code, § 36-701)​.

#### **4. Labeling Requirements**

* **THC Content**:
  + Labels must clearly display the **THC content per serving** and **per package**. This ensures consumers are aware of the potency of the product they are purchasing (MD Code, § 36-701)​.
* **Health Warnings**:
  + Maryland requires specific health warnings on all cannabis products, including warnings against consumption by **pregnant women** and the dangers of **impaired driving**. Products must also display the **universal cannabis symbol** (MD Code, § 36-701)​.
* **Expiration and Batch Numbers**:
  + Products must include **expiration dates** and **batch numbers** to ensure traceability and quality control (MD Code, § 36-701)​.

#### **5. Prohibited Additives and Combined Substances**

* **Additives in Cannabis Products**:
  + Maryland prohibits the use of **certain additives** such as **synthetic cannabinoids** or other substances that are not naturally derived from the cannabis plant (MD Code, § 36-701)​.
* **Combining Cannabis with Alcohol or Nicotine**:
  + It is illegal to manufacture or sell products that combine **cannabis with alcohol** or **nicotine**. These products are considered unsafe and are prohibited under Maryland law (MD Code, § 36-701)​.

### **4. Cultivation and Processing**

#### **1. Plant and Canopy Limits**

* **Cultivation License Tiers**:
  + Maryland offers cultivation licenses with different canopy size limits:
    - **Standard Cultivation**: Growers may cultivate cannabis with more than **10,000 square feet** of indoor canopy, up to a maximum of **300,000 square feet** (MD Code, Alcoholic Beverages and Cannabis, § 36-401)​.
    - **Micro-Cultivation**: Micro-growers are limited to **10,000 square feet** or less of canopy space (MD Code, § 36-401)​.
* **Canopy Size Flexibility**:
  + Growers can apply for an **increase in canopy size** if they demonstrate compliance with regulations and operational capacity. Approval is required from the state's regulatory agency (MD Code, § 36-401)​.

#### **2. Cultivation Practices and Environmental Standards**

* **Sustainable Cultivation Practices**:
  + Maryland encourages **environmentally sustainable cultivation**, though no specific requirements for energy efficiency or water usage are mandated. Growers are expected to adhere to **best practices** for minimizing environmental impact (MD Code, § 36-501)​.
* **Pesticide Use**:
  + Cultivators must follow state-approved guidelines for **pesticide use**, ensuring only authorized chemicals are applied to cannabis crops. Regular **reporting of pesticide usage** is required as part of compliance (MD Code, § 36-501)​.

#### **3. Processing and Extraction Methods**

* **Permitted Processing Activities**:
  + Licensed processors are allowed to **manufacture** cannabis products such as concentrates, edibles, tinctures, and oils. Processing activities include **extraction** using approved methods (MD Code, § 36-502)​.
* **Extraction Methods**:
  + Maryland permits **solvent-based** and **solventless extraction** processes, with strict safety standards for handling **volatile solvents** like butane or ethanol. Processors must adhere to **fire safety codes** and **ventilation standards** to ensure safe operations (MD Code, § 36-502)​.
* **Remediation and Testing**:
  + Products that fail initial safety or potency tests may undergo **remediation**, including **reprocessing** to remove contaminants. Remediated products must be retested before they can be sold (MD Code, § 36-602)​.

#### **4. Security Measures for Cultivation**

* **Mandatory Security Protocols**:
  + All cultivation facilities are required to implement **extensive security measures**, including **24/7 video surveillance**, **restricted access areas**, and **alarm systems**. Facilities must keep footage for a specified period to comply with state regulations (MD Code, § 36-510)​.
* **Outdoor Cultivation Security**:
  + Outdoor cultivation sites are subject to additional security requirements, such as **fencing**, **motion detection systems**, and **additional surveillance** to prevent theft or unauthorized access (MD Code, § 36-510)​.

#### **5. Waste Disposal and Environmental Compliance**

* **Cannabis Waste Disposal**:
  + Cannabis waste must be rendered **unusable** before disposal. Maryland mandates that waste be mixed with non-consumable materials (such as soil or paper) to ensure it cannot be reused or consumed (MD Code, § 36-501)​.
* **Environmental Compliance**:
  + Cultivators and processors are expected to adhere to Maryland’s environmental protection laws, particularly in managing **water runoff**, **energy use**, and **waste disposal**. Non-compliance may result in penalties or license suspension (MD Code, § 36-501)​.

### **5. Testing Requirements**

#### **1. Mandatory Testing Requirements**

* **Required Testing for All Products**:
  + All cannabis products, including flower, concentrates, and edibles, must undergo mandatory **third-party laboratory testing** before they can be sold to consumers. Testing is required to ensure safety, potency, and compliance with state standards (MD Code, Alcoholic Beverages and Cannabis, § 36-602)​.
* **Tests for Contaminants**:
  + Maryland requires testing for various contaminants, including:
    - **Pesticides**
    - **Heavy metals** (e.g., lead, arsenic)
    - **Microbial contaminants** (e.g., mold, bacteria)
    - **Residual solvents** in processed cannabis products (MD Code, § 36-602)​.
* **Cannabinoid and Terpene Profiles**:
  + In addition to safety testing, products must be tested for their **cannabinoid content** (e.g., THC, CBD) and **terpene profiles**. This information must be included on product labels for consumers (MD Code, § 36-602)​.

#### **2. Potency and Cannabinoid Testing**

* **THC and CBD Testing**:
  + Products must be tested for accurate **THC** and **CBD** concentrations to ensure consistency across batches. Potency tests are mandatory for all products, including flower, edibles, and concentrates (MD Code, § 36-602)​.
* **High-THC Product Testing**:
  + Products with higher concentrations of THC, such as concentrates, are subject to additional testing to ensure they meet the state's safety and potency guidelines. This includes testing for uniformity in dosing for products like edibles (MD Code, § 36-602)​.

#### **3. Testing Laboratories and Oversight**

* **Licensing of Testing Laboratories**:
  + Only **state-licensed laboratories** are authorized to conduct testing for cannabis products in Maryland. These laboratories must meet stringent state standards and are subject to regular audits and inspections to ensure compliance (MD Code, § 36-503)​.
* **Third-Party Testing**:
  + Maryland mandates that all cannabis testing be performed by **third-party independent laboratories** to prevent conflicts of interest and ensure unbiased results. Licensees cannot test their own products (MD Code, § 36-602)​.

#### **4. Remediation and Retesting**

* **Remediation of Failed Products**:
  + If a cannabis product fails a required test (e.g., for contamination or inaccurate potency), it may be **remediated** by the processor or cultivator. This involves removing contaminants or correcting potency, after which the product must be **retested** before it can be sold (MD Code, § 36-602)​.
* **Retesting Requirements**:
  + Products that are remediated must undergo a complete retesting process to ensure they meet safety and potency standards. If they fail retesting, they must be **destroyed** and cannot be sold to consumers (MD Code, § 36-602)​.

#### **5. Penalties for Non-Compliance**

* **Penalties for Testing Violations**:
  + Licensees that fail to comply with testing requirements or attempt to circumvent testing protocols may face significant penalties, including **fines, license suspension**, or **revocation**. Non-compliance with testing standards can also trigger product recalls (MD Code, § 36-802)​.
* **Product Recalls**:
  + If a product is found to be unsafe or non-compliant after it has entered the market, Maryland can mandate a **product recall**. The licensee must notify consumers, and unsold products must be removed from shelves immediately (MD Code, § 36-602)​.

### **6. Sales and Distribution**

#### **1. Retail Sales Regulations**

* **Legal Purchase Limits**:
  + Maryland allows consumers to purchase up to **1.5 ounces** of cannabis flower or its equivalent per transaction. This limit also applies to **12 grams of cannabis concentrates** or **750 mg of THC** in infused products, such as edibles (MD Code, Alcoholic Beverages and Cannabis, § 36-510)​.
* **Sales to Minors**:
  + Sales of cannabis products to individuals under the age of 21 are **strictly prohibited**. Retailers are required to verify the age of all customers before completing any sale (MD Code, § 36-510)​.
* **On-Site Consumption**:
  + Maryland does not allow on-site consumption of cannabis at retail locations unless the retailer holds a separate **On-Site Consumption License**, which must be approved by local authorities (MD Code, § 36-407)​.

#### **2. Distribution and Transportation**

* **Transportation of Cannabis**:
  + Licensed cannabis businesses are permitted to transport cannabis products between other licensed facilities, such as from cultivation sites to processing or retail locations. Transportation must follow strict guidelines, including **secure transport vehicles** and detailed manifests documenting each transfer (MD Code, § 36-505)​.
* **Third-Party Transportation**:
  + Maryland allows third-party entities to transport cannabis products, provided that they are properly licensed by the state. These transporters must comply with the same security and tracking requirements as licensed cannabis businesses (MD Code, § 36-505)​.

#### **3. Delivery Services**

* **Home Delivery**:
  + Maryland permits **home delivery** of adult-use cannabis by licensed dispensaries. Delivery services must adhere to strict **age verification protocols** upon delivery and follow all state regulations regarding the security of transported products (MD Code, § 36-505)​.
* **Delivery Limits**:
  + Delivery services are subject to the same **purchase limits** as in-store sales. Consumers can receive up to **1.5 ounces of cannabis** or the equivalent in concentrates or edibles per delivery (MD Code, § 36-510)​.

#### **4. Sales Tracking and Reporting**

* **Seed-to-Sale Tracking System**:
  + All cannabis products must be tracked using Maryland’s **seed-to-sale tracking system**, which monitors products from cultivation to sale. This system helps prevent diversion into the illicit market and ensures compliance with state laws (MD Code, § 36-105)​.
* **Reporting Requirements**:
  + Retailers are required to submit **monthly sales reports** to the state, detailing the volume of products sold, tax collection, and inventory levels. These reports ensure transparency and compliance with state tax regulations (MD Code, § 36-105)​.

#### **5. Packaging and Labeling for Distribution**

* **Packaging Requirements**:
  + Cannabis products sold in Maryland must be packaged in **child-resistant** and **tamper-evident packaging**. Packaging must also be opaque, and resealable for multi-use products (MD Code, § 36-701)​.
* **Labeling Standards**:
  + All products must clearly display **THC content**, **health warnings**, and a **batch number** for tracking. The packaging must also include the **universal symbol** for cannabis to ensure consumers are aware that the product contains marijuana (MD Code, § 36-701)​.

### **7. Consumption Laws**

#### **1. Legal Age for Consumption**

* **Minimum Age Requirement**:
  + The minimum legal age to purchase, possess, and consume adult-use cannabis in Maryland is **21 years old** (MD Code, Alcoholic Beverages and Cannabis, § 36-510)​.

#### **2. Public Consumption Prohibitions**

* **Public Consumption**:
  + **Public consumption** of cannabis is **prohibited** in Maryland. This includes streets, parks, schools, and other public places where alcohol consumption is also restricted (MD Code, § 36-510)​.
  + Individuals caught consuming cannabis in public may face **civil penalties**, including fines​.

#### **3. Consumption in Private Residences**

* **Private Residences**:
  + Cannabis consumption is allowed in **private residences**. However, landlords or property owners can **prohibit** cannabis use on their properties through lease agreements (MD Code, § 36-510)​.
* **Rental Properties**:
  + Tenants living in rental properties should check their lease agreements, as landlords are permitted to impose restrictions on cannabis use (MD Code, § 36-510)​.

#### **4. Workplace Consumption**

* **Employer Policies**:
  + Employers in Maryland are **not required** to allow cannabis use in the workplace. They are allowed to enforce policies that prohibit the use or possession of cannabis during work hours or on company premises (MD Code, § 36-112)​.
* **Employee Discipline**:
  + Employers may **discipline** employees who are found to be under the influence of cannabis while on the job, especially if the impairment affects job performance or safety (MD Code, § 36-112)​.

#### **5. Consumption in Vehicles**

* **Consumption in Motor Vehicles**:
  + It is **illegal** to consume cannabis in motor vehicles, whether the vehicle is moving or stationary. Drivers and passengers are both subject to penalties if found consuming cannabis in a vehicle (MD Code, § 36-510)​.
* **Driving Under the Influence**:
  + Driving under the influence of cannabis is treated similarly to driving under the influence of alcohol. **Impaired driving** due to cannabis use is a criminal offense and may result in fines, license suspension, or imprisonment (MD Code, § 36-510)​.

#### **6. Penalties for Violating Consumption Laws**

* **Public Consumption Violations**:
  + Violating Maryland’s public consumption laws can result in **civil fines** and other penalties. The state enforces these laws to prevent cannabis use in public places (MD Code, § 36-510)​.
* **Penalties for Consumption in Vehicles**:
  + Consuming cannabis in a vehicle, or driving under the influence of cannabis, can result in **criminal charges**, fines, and suspension of driving privileges (MD Code, § 36-510)​.

### **8. Advertising and Marketing**

#### **1. Advertising Restrictions**

* **Permitted Advertising Platforms**:
  + Cannabis businesses in Maryland are allowed to advertise, but advertising must follow strict regulations. Ads are permitted on **television, radio, print**, and **digital platforms** as long as the target audience is primarily **21 years of age or older** (MD Code, Alcoholic Beverages and Cannabis, § 36-702)​.
  + **Billboards** and outdoor advertising are permitted, but cannot be placed within **1,000 feet** of schools, playgrounds, or other places where minors are likely to congregate (MD Code, § 36-702)​.
* **Prohibited Advertising Platforms**:
  + Advertisements cannot be placed on platforms where the audience is expected to consist of **more than 30% minors**. This includes certain social media platforms, youth-targeted websites, and venues like sporting events where the audience is likely to include a significant number of underage individuals (MD Code, § 36-702)​.

#### **2. Advertising Content Restrictions**

* **Health and Safety Warnings**:
  + All advertisements for cannabis products must include **health warnings**, including the risks of **impaired driving**, **underage use**, and **use during pregnancy** (MD Code, § 36-702)​.
* **Prohibited Imagery and Appeals**:
  + Ads cannot use **cartoon characters**, **animals**, or any images that could be appealing to children. Additionally, Maryland prohibits the use of **celebrity endorsements** that may be interpreted as promoting cannabis use to minors (MD Code, § 36-702)​.
* **Disclaimers**:
  + Cannabis advertisements must include disclaimers such as “For adults 21 and over,” and must clearly state that the product is intended for adult use only. These disclaimers must be **legible and prominent** in all forms of media (MD Code, § 36-702)​.

#### **3. Target Audience and Demographics**

* **Restrictions on Advertising to Minors**:
  + Ads must not target individuals under the age of 21. Businesses are required to use **age-gating mechanisms** on digital platforms to ensure their advertising is only visible to adults (MD Code, § 36-702)​.
* **Age Verification for Digital Ads**:
  + Digital advertisements, including social media and websites, must have **age verification tools** to ensure that only users over the age of 21 can access cannabis-related content. Advertisers are also required to use **geofencing** to ensure that ads are not displayed in areas where cannabis is illegal (MD Code, § 36-702)​.

#### **4. Prohibited Marketing Practices**

* **Price-Based Promotions**:
  + Maryland prohibits **price-based promotions**, such as offering cannabis products at discounted rates, through coupons, or as part of a “buy one, get one free” deal. These practices are viewed as encouraging overconsumption and are restricted (MD Code, § 36-702)​.
* **Free Samples**:
  + Dispensaries and retailers are not permitted to distribute **free samples** of cannabis products. This is to ensure that all cannabis transactions are properly regulated and taxed (MD Code, § 36-702)​.

#### **5. Disclaimers and Mandatory Warnings**

* **Content of Disclaimers**:
  + Maryland requires all cannabis advertisements to include **clear disclaimers** indicating that the product is for adult use and may carry risks, such as impaired driving or health risks for pregnant women. These disclaimers must be visible and easily understandable (MD Code, § 36-702)​.
* **Visibility and Size of Warnings**:
  + Advertisements must ensure that health warnings and disclaimers are **prominently displayed** and occupy a significant portion of the ad space to comply with state regulations. Font size and display duration are regulated to ensure clarity, especially in visual and video media (MD Code, § 36-702)​.

### **9. Taxation**

#### **1. Excise Taxes**

* **Excise Tax Rates**:
  + Maryland imposes an **excise tax** on cannabis products sold for adult-use. The excise tax is applied at the point of retail sale, with a rate of **9%** on the **sales price** of adult-use cannabis (MD Code, Alcoholic Beverages and Cannabis, § 36-1101)​.
  + This rate is higher than the state's general sales tax rate, which is **6%** for most other goods and services​.

#### **2. Sales Taxes**

* **Sales Tax Application**:
  + In addition to the excise tax, adult-use cannabis is also subject to Maryland’s **6% sales tax**. This sales tax is applied to the final retail price, meaning consumers pay both the excise and sales tax at the point of purchase (MD Code, § 36-1101)​.
* **Medical Cannabis Exemptions**:
  + Medical marijuana is **exempt** from the excise tax and subject only to the general sales tax. Patients enrolled in the medical marijuana program are not required to pay the higher excise tax, which only applies to recreational users (MD Code, § 36-1101)​.

#### **3. Local Taxes and Fees**

* **Municipal Taxes**:
  + Maryland’s adult-use law does not specifically authorize **additional local taxes** on cannabis sales. However, municipalities may impose **local fees** related to the operation of cannabis businesses, such as **licensing fees** or **zoning fees** (MD Code, § 36-1102)​.
* **Local License Fees**:
  + Cannabis businesses operating in specific jurisdictions may be required to pay **local licensing fees** as part of their compliance with local regulations. These fees vary depending on the municipality (MD Code, § 36-1102)​.

#### **4. Tax Collection and Reporting**

* **Tax Collection by Retailers**:
  + Cannabis retailers are responsible for collecting both the **excise tax** and **sales tax** from consumers at the point of sale. They are required to remit these taxes to the state on a regular basis, typically monthly, along with detailed sales reports (MD Code, § 36-1102)​.
* **Penalties for Non-Compliance**:
  + Failure to properly collect and remit taxes can result in **fines**, **penalties**, and potential **license suspension** or **revocation**. The state enforces strict penalties for underreporting or failing to pay required taxes (MD Code, § 36-1102)​.

#### **5. Use of Tax Revenue**

* **Allocation of Cannabis Tax Revenue**:
  + A portion of the revenue generated from cannabis excise taxes is allocated to **community reinvestment funds**, with a focus on areas disproportionately impacted by previous cannabis laws. The funds are used for **education**, **public health initiatives**, **job training**, and other community-focused programs (MD Code, § 36-1102)​.
  + Revenue is also used to cover the administrative costs of regulating the cannabis industry and for enforcement purposes​.

### **10. Enforcement and Penalties**

#### **1. Regulatory Oversight and Inspections**

* **Regulatory Authority**:
  + The **Maryland Alcohol and Tobacco Commission (ATC)** is responsible for enforcing the state’s cannabis regulations, including overseeing licenses, conducting inspections, and ensuring compliance with state laws (MD Code, Alcoholic Beverages and Cannabis, § 36-104)​.
* **Inspections**:
  + Cannabis establishments are subject to **routine inspections** by state regulators. Inspections may be conducted on a **scheduled or random basis**, and they cover areas such as **product safety**, **security protocols**, and **recordkeeping** (MD Code, § 36-512)​.

#### **2. Types of Violations**

* **Minor vs. Major Violations**:
  + Maryland classifies violations into **minor** and **major** offenses. Minor violations may include **recordkeeping errors** or **labeling mistakes**, while major violations involve more serious offenses such as **selling to minors** or **operating without a license** (MD Code, § 36-802)​.
* **Violations of Public Health and Safety Standards**:
  + Licensees that fail to meet **public health and safety standards**, such as by selling contaminated products or failing to properly test cannabis, can face significant penalties. Public health-related violations are treated as **serious infractions** (MD Code, § 36-802)​.

#### **3. Penalties for Non-Compliance**

* **Fines**:
  + For non-compliance with state regulations, cannabis businesses may face **financial penalties**. The amount of fines depends on the severity of the violation, with repeated or willful violations leading to **higher fines** (MD Code, § 36-802)​.
* **License Suspension and Revocation**:
  + Maryland regulators have the authority to **suspend** or **revoke** licenses for severe violations, such as failing to comply with testing requirements, engaging in fraudulent activities, or allowing the diversion of cannabis into the illegal market (MD Code, § 36-802)​.
* **Product Seizure**:
  + If a business is found to be selling unsafe or untested cannabis products, the state may seize the products and **issue a recall**. Licensees are responsible for the costs associated with recalls and must notify affected consumers (MD Code, § 36-802)​.

#### **4. License Suspension and Revocation Process**

* **License Revocation Hearings**:
  + Before a license is permanently revoked, the licensee is entitled to a **hearing**. The state must provide notice of the violation, and the licensee has the opportunity to **present evidence** and **appeal the decision** (MD Code, § 36-802)​.
* **Immediate Suspension**:
  + For certain violations, such as endangering public health or safety, Maryland may issue an **immediate suspension** of a license while an investigation is conducted (MD Code, § 36-802)​.

#### **5. Product Recalls and Public Health Measures**

* **Product Recalls**:
  + Maryland mandates **product recalls** for cannabis products that are found to be contaminated or mislabeled. The state can compel licensees to recall products, and businesses must ensure that affected products are removed from shelves and consumers are notified (MD Code, § 36-602)​.
* **Health and Safety Investigations**:
  + In cases where cannabis products are linked to adverse health events, the state can initiate a **public health investigation**. During this process, sales of the product may be suspended, and the business may be required to provide information about their manufacturing practices (MD Code, § 36-602)​.

#### **6. Penalties for Criminal Activities**

* **Criminal Penalties**:
  + Engaging in **unlicensed cannabis activities**, such as cultivating or selling cannabis without a proper license, can result in **criminal charges**. Penalties for these offenses include **fines**, **imprisonment**, or both, depending on the severity of the offense (MD Code, § 36-803)​.
* **Diversion into Illicit Markets**:
  + Businesses found to be **diverting cannabis** into the illegal market face severe penalties, including **license revocation** and **criminal prosecution**. Maryland enforces strict measures to prevent the illegal sale or distribution of cannabis products (MD Code, § 36-803)​.

### **11. Social Equity and Inclusion**

#### **1. Social Equity Program**

* **Purpose of the Social Equity Program**:
  + Maryland has established a **social equity program** to address the disproportionate impacts of past cannabis laws on marginalized communities. The program focuses on providing opportunities for individuals from **historically disadvantaged** areas to participate in the legal cannabis industry (MD Code, Alcoholic Beverages and Cannabis, § 36-901)​.
* **Eligibility Criteria**:
  + To qualify as a **social equity applicant**, individuals must meet certain criteria, such as:
    - Having lived in a **disproportionately impacted area** for at least five of the past ten years.
    - Attending a **public school** in a disproportionately impacted area or residing in an area that has faced high rates of **cannabis-related arrests** (MD Code, § 36-902)​.

#### **2. Licensing and Financial Support for Social Equity Applicants**

* **License Set-Asides for Social Equity Applicants**:
  + Maryland allocates a percentage of new cannabis licenses to **social equity applicants**. These applicants receive priority in the licensing process to ensure fair representation in the industry (MD Code, § 36-902)​.
* **Financial Assistance and Grants**:
  + The state provides **financial support** to social equity applicants, including access to **low-interest loans**, **grants**, and other forms of assistance to help start and sustain cannabis businesses. This is aimed at reducing the financial barriers that these applicants may face (MD Code, § 36-903)​.

#### **3. Technical Assistance and Business Support**

* **Training and Mentorship Programs**:
  + Maryland offers **technical assistance programs** for social equity applicants, including **business development training**, **legal services**, and **mentorship** opportunities. These programs are designed to help social equity applicants successfully navigate the complexities of the cannabis industry (MD Code, § 36-903)​.
* **Incubator Programs**:
  + The state also supports **incubator programs**, which provide shared business spaces and resources for social equity applicants to develop their operations. These incubators are often partnered with established cannabis businesses to offer support and guidance (MD Code, § 36-903)​.

#### **4. Ownership and Control Requirements for Social Equity Businesses**

* **Ownership Thresholds**:
  + To qualify for the social equity program, at least **51%** of the ownership of the business must be held by individuals who meet the social equity criteria. This ensures that the businesses are truly owned and controlled by individuals from disproportionately impacted communities (MD Code, § 36-902)​.
* **Prevention of Exploitative Practices**:
  + Maryland has implemented safeguards to prevent **predatory practices**, where larger companies might exploit social equity applicants. These include restrictions on **management agreements** and **contractual terms** to ensure that social equity applicants retain control over their businesses (MD Code, § 36-902)​.

#### **5. Community Reinvestment**

* **Community Reinvestment Fund**:
  + A portion of the tax revenue generated from adult-use cannabis sales is allocated to the **Community Reinvestment Fund**, which is used to support initiatives in **disproportionately impacted areas**. These initiatives include **education**, **job training**, and **substance abuse treatment programs** (MD Code, § 36-1102)​.
* **Job Creation Programs**:
  + The social equity program also includes a focus on creating **job opportunities** for residents of impacted communities, providing employment in cultivation, processing, retail, and ancillary cannabis-related businesses (MD Code, § 36-903)​.

#### **6. Priority in Licensing and Permitting**

* **Expedited Licensing for Social Equity Applicants**:
  + Social equity applicants receive **priority in the licensing process**, allowing them to obtain cannabis licenses more quickly than non-equity applicants. This includes both cultivation and retail licenses (MD Code, § 36-902)​.
* **No Cap on Social Equity Licenses**:
  + Maryland does not place a cap on the number of licenses available to social equity applicants, ensuring that as many qualified applicants as possible can participate in the legal market (MD Code, § 36-902)​.

### **12. Public Health and Safety**

#### **1. Public Health Campaigns and Education**

* **State-Sponsored Public Health Campaigns**:
  + Maryland promotes public health campaigns to educate the public on the **safe use of cannabis**. These campaigns focus on:
    - The risks of **overconsumption**.
    - The dangers of **impaired driving**.
    - The risks of **using cannabis during pregnancy** (MD Code, Alcoholic Beverages and Cannabis, § 36-108)​.
  + Campaigns are typically run through **state health agencies** and target the general public, particularly at-risk groups like **minors** and **pregnant women**​.
* **Education for Cannabis Consumers**:
  + Retailers are required to provide **educational materials** to consumers at the point of sale, including information about **safe consumption practices**, **proper dosing**, and the potential risks of cannabis use. These materials are developed by state health agencies to ensure accuracy and consistency (MD Code, § 36-108)​.

#### **2. Adverse Health Events and Reporting**

* **Tracking and Reporting of Adverse Events**:
  + Maryland requires cannabis businesses to report any **adverse health events** related to their products. If consumers experience significant negative effects, the business must report the incident to the state regulatory authority, which may trigger an investigation (MD Code, § 36-107)​.
* **Response to Adverse Events**:
  + If a cannabis product is linked to an adverse health event, the state may mandate a **product recall** and launch a **public health investigation**. The sale of the product is suspended until the issue is resolved (MD Code, § 36-107)​.

#### **3. Cannabis Product Safety Standards**

* **Mandatory Testing and Quality Control**:
  + All cannabis products must pass rigorous **safety testing** for **contaminants** like **pesticides**, **heavy metals**, **microbes**, and **solvents**. Products must also undergo potency testing to ensure accurate labeling of **THC** and **CBD** levels (MD Code, § 36-602)​.
* **Safety Standards for Edibles**:
  + For edible products, the state imposes strict **dosage controls**, requiring that each serving contain no more than **10 mg of THC** and that the total THC in a package not exceed **100 mg** (MD Code, § 36-701)​.

#### **4. Health Warnings and Labeling Requirements**

* **Health and Safety Warnings**:
  + Cannabis product packaging must include prominent **health warnings** about the risks of **impaired driving**, the dangers of cannabis use during **pregnancy**, and potential long-term effects of regular use. These warnings must be **clearly visible** on all products (MD Code, § 36-701)​.
* **Universal Symbol**:
  + Packaging for cannabis products must include the **universal symbol** indicating that the product contains cannabis. This helps ensure that consumers and non-consumers alike can easily identify cannabis products, preventing accidental consumption (MD Code, § 36-701)​.

#### **5. Youth Prevention and Protection**

* **Youth Prevention Programs**:
  + Maryland dedicates a portion of its cannabis tax revenue to fund **youth prevention programs** aimed at educating minors about the risks of cannabis use. These programs are designed to reduce underage consumption through education and community outreach (MD Code, § 36-108)​.
* **Prohibition on Sales to Minors**:
  + It is strictly illegal to sell cannabis products to individuals under the age of 21. Businesses that violate this law face **severe penalties**, including **license suspension** or **revocation**, and fines (MD Code, § 36-510)​.

#### **6. Public Health Safety Standards**

* **Recall Procedures**:
  + If a product fails safety tests or is linked to a public health issue, the state may order a **product recall**. Businesses must remove the product from the market and notify affected consumers. The state oversees the recall process to ensure compliance (MD Code, § 36-107)​.
* **Inspections and Compliance Checks**:
  + Cannabis businesses are subject to regular **health and safety inspections** to ensure compliance with the state’s product safety and public health standards. Non-compliance can result in fines, penalties, or product recalls (MD Code, § 36-602)​.

### **13. Hemp and Synthetic THC**

#### **1. Hemp-Derived Cannabinoids**

* **Legality of Hemp-Derived Products**:
  + Maryland allows the production, sale, and use of **hemp-derived cannabinoids**, such as **CBD**, as long as these products contain **no more than 0.3% THC** by dry weight, in line with the **2018 Federal Farm Bill** (MD Code, Agriculture, § 14-101)​.
  + **Hemp-derived products** that meet this THC threshold are **not classified as cannabis** under Maryland law, and they are regulated separately from marijuana for adult use​.

#### **2. THC Limits (Per Serving and Per Package)**

* **THC Limits for Hemp Products**:
  + **Hemp-derived products** must not exceed **0.3% THC** per dry weight. This applies to all hemp products, including **edibles**, **tinctures**, **topicals**, and **inhalable products** (MD Code, § 14-101)​.
  + Products exceeding this THC threshold are regulated as **adult-use cannabis** under Maryland’s cannabis laws, not as hemp​.
* **No Specific Serving Limits for Hemp**:
  + Unlike adult-use cannabis, Maryland law does not impose **per-serving THC limits** for hemp-derived products as long as they adhere to the **0.3% THC** by dry weight restriction (MD Code, § 14-101)​.

#### **3. Synthetic Cannabinoids**

* **Prohibition of Synthetic Cannabinoids**:
  + Maryland **prohibits the sale and production of synthetic cannabinoids**, including **delta-8 THC**, **delta-10 THC**, and other artificially manufactured cannabinoids. These substances are not classified under the same regulations as naturally derived cannabinoids like THC or CBD (MD Code, § 14-101)​.
  + Synthetic THC products are considered unsafe and unregulated under current state law, and their distribution is illegal in Maryland​.

#### **4. Licensing and Operational Costs**

* **Licensing for Hemp Cultivation**:
  + Farmers and businesses who wish to grow hemp must obtain a **hemp cultivation license** from the **Maryland Department of Agriculture**. Licenses are renewed annually, and cultivators must adhere to the **0.3% THC** limit to maintain compliance with state and federal laws (MD Code, § 14-101)​.
* **Cost of Licensing**:
  + Fees for hemp cultivation licenses vary based on the size of the cultivation operation. However, licensing fees are generally lower than those for marijuana cultivators due to the less stringent regulations governing hemp (MD Code, § 14-101)​.

#### **5. Regulatory Oversight and Enforcement**

* **Oversight of Hemp Operations**:
  + The **Maryland Department of Agriculture** oversees the **hemp industry**, conducting inspections, testing crops for THC levels, and ensuring compliance with state regulations. Hemp crops that exceed **0.3% THC** must be destroyed to prevent their entry into the illegal market (MD Code, § 14-101)​.
* **Penalties for Non-Compliance**:
  + Hemp growers and producers who fail to comply with the **THC limit** or who sell synthetic cannabinoids face penalties such as **fines**, **license suspension**, and the destruction of non-compliant crops (MD Code, § 14-101)​.

#### **6. Product Safety and Testing**

* **Testing for Hemp Products**:
  + Hemp-derived products, particularly those intended for human consumption (e.g., edibles, tinctures), must undergo **THC testing** to ensure compliance with the **0.3% THC limit**. Testing is mandatory before products are sold in the market (MD Code, § 14-101)​.
* **Product Labeling**:
  + Hemp products must include **accurate labeling** that specifies the **CBD** and **THC content**, as well as warnings about the product's intended use and legality. Improperly labeled products may be removed from the market (MD Code, § 14-101)​.

**#### MASSACHUSETTS ####**

### **1. License Types and Scope**

#### **Types of Licenses Available:**

Massachusetts offers a range of license types under its cannabis regulatory framework, as defined by **Chapter 94G** of the Massachusetts General Laws:

* **Marijuana Cultivator License**: Authorizes the cultivation, processing, and packaging of marijuana, as well as the delivery of marijuana to other licensed establishments. Cultivators cannot sell directly to consumers (MA Gen L ch 94G § 1)​.
* **Marijuana Product Manufacturer License**: Allows the manufacturing, processing, and packaging of marijuana products, including edibles and extracts, for delivery to other licensed establishments. Direct sales to consumers are not permitted (MA Gen L ch 94G § 1)​.
* **Marijuana Retailer License**: Permits the purchase and sale of marijuana products directly to consumers. Retailers can also deliver marijuana products to consumers, provided they follow state regulations (MA Gen L ch 94G § 1)​.
* **Independent Testing Laboratory License**: Required for laboratories that test marijuana products for safety and potency. These labs must be independent and meet stringent accreditation standards (MA Gen L ch 94G § 1)​.
* **Craft Marijuana Cultivator Cooperative**: A specialized license for small-scale cultivators organized as cooperatives. This license allows for the cultivation, processing, and branding of marijuana for sale to other establishments (MA Gen L ch 94G § 1)​.

#### **Permitted Activities by License Type:**

* **Marijuana Cultivator**: Cultivators are allowed to grow, process, and package marijuana. They may transfer marijuana to licensed manufacturers or retailers but cannot sell directly to consumers (MA Gen L ch 94G § 1)​.
* **Marijuana Product Manufacturer**: Product manufacturers can create and package marijuana-infused products, such as edibles and extracts. They deliver these products to licensed retailers or other establishments (MA Gen L ch 94G § 1)​.
* **Marijuana Retailer**: Retailers can sell marijuana products directly to consumers. They may also offer delivery services within certain regulatory guidelines (MA Gen L ch 94G § 9)​.
* **Independent Testing Laboratories**: Required to test marijuana for contaminants and potency. They are crucial for ensuring the safety and compliance of products before they reach the market (MA Gen L ch 94G § 1)​.
* **Craft Marijuana Cultivator Cooperative**: These cooperatives operate under unique guidelines that allow for small-scale cultivation and delivery to other licensed businesses. They are subject to specific limits on production capacity (MA Gen L ch 94G § 1)​.

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### **License Types - Part 2: Local Licensing and Social Equity**

#### **1. Local Licensing and Jurisdictional Control**

* **Role of Local Jurisdictions**:
  + Massachusetts allows local jurisdictions to **opt-in or opt-out** of allowing cannabis businesses within their municipalities. Local governments may vote on whether or not to allow certain marijuana establishments in their jurisdiction (MA Gen L ch 94G § 3)​.
* **Local Government Authority**:
  + Local municipalities are authorized to **set additional regulations**, such as capping the number of cannabis establishments in their area, and impose **local taxes** on cannabis businesses (MA Gen L ch 94G § 3)​.

#### **2. Social Equity Licensing**

* **Social Equity Program**:
  + Massachusetts operates a robust **social equity program**, aiming to assist individuals disproportionately impacted by previous marijuana laws. The program offers licensing advantages, training, and financial support (MA Gen L ch 94G § 4)​.
* **Eligibility Criteria**:
  + To qualify for social equity licensing, applicants must come from communities with historically high rates of **cannabis-related arrests** or meet other equity-based criteria (MA Gen L ch 94G § 4)​.
* **Support Provided**:
  + The state offers **financial assistance**, such as **fee reductions**, **low-interest loans**, and **business training** for social equity applicants. This includes specific grants and technical assistance (MA Gen L ch 94G § 4)​.

#### **3. Ownership and Transferability**

* **License Transferability**:
  + Licenses in Massachusetts are **transferable** with state approval. Businesses must file an application and undergo an approval process to sell or transfer licenses (MA Gen L ch 94G § 5)​.
* **Ownership Restrictions**:
  + Massachusetts imposes restrictions on **foreign ownership** and requires licensees to disclose their ownership interests. Public companies are allowed to hold licenses, but state oversight ensures transparency (MA Gen L ch 94G § 5)​.

#### **4. Fees and Financial Requirements**

* **License Fees**:
  + Massachusetts charges **application and renewal fees** for each license type, with reduced fees for social equity applicants. Fees are based on the size and type of operation, such as retail or cultivation licenses (MA Gen L ch 94G § 7)​.
* **Financial Stability Requirements**:
  + Applicants are required to demonstrate **financial stability**, including proof of adequate capital, bonds, or insurance, to qualify for and maintain a cannabis license (MA Gen L ch 94G § 7)​.

#### **5. Zoning and Location Restrictions**

* **Zoning Laws**:
  + Cannabis businesses are subject to **local zoning laws** in Massachusetts. These laws often restrict operations to **commercial or industrial zones**, with required **buffer zones** around sensitive areas like schools (MA Gen L ch 94G § 3)​.
* **Buffer Zones**:
  + The state mandates that marijuana establishments be located at least **500 feet** away from schools unless local authorities approve a different distance (MA Gen L ch 94G § 3)​.

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### **2. Business Operations**

#### **1. Permitted Activities for Each License Type**

* **Marijuana Cultivator**:
  + Marijuana cultivators can grow, process, and package marijuana. They are allowed to sell marijuana to licensed **product manufacturers**, **retailers**, or other **marijuana establishments**. Cultivators are **not allowed** to sell marijuana directly to consumers (MA Gen L ch 94G § 1)​.
* **Marijuana Product Manufacturer**:
  + Licensed manufacturers can produce and package **marijuana-infused products** such as edibles, extracts, and tinctures. They sell these products to licensed marijuana retailers or other establishments but cannot sell directly to consumers (MA Gen L ch 94G § 1)​.
* **Marijuana Retailer**:
  + Retailers are allowed to sell marijuana and marijuana products directly to consumers. They can also offer **delivery services**, provided they follow specific regulations set by the state (MA Gen L ch 94G § 9)​.
* **Craft Marijuana Cultivator Cooperative**:
  + Cooperatives are authorized to grow and process marijuana for delivery to licensed marijuana businesses. They operate under cooperative business structures and are subject to specific regulations regarding their cultivation capacity (MA Gen L ch 94G § 1)​.
* **Independent Testing Laboratory**:
  + Laboratories are required to perform **safety and potency testing** on marijuana products. These labs ensure that marijuana and marijuana-infused products meet the state’s health and safety standards before being sold to consumers (MA Gen L ch 94G § 1)​.

#### **2. Operational Limitations**

* **Transaction Limits**:
  + Retailers are limited to selling **up to one ounce** of marijuana, or its equivalent in **marijuana products**, to a consumer per day. This includes a **5-gram limit** on marijuana concentrate (MA Gen L ch 94G § 7)​.
* **On-Site Consumption Prohibitions**:
  + On-site consumption of marijuana is generally **prohibited** at marijuana retail locations unless the establishment holds a separate **social consumption license**, which requires local approval (MA Gen L ch 94G § 3)​.

#### **3. Ownership and Management**

* **Ownership Restrictions**:
  + Massachusetts requires license holders and investors to undergo **background checks** and meet eligibility criteria before obtaining a license. **Criminal convictions** for certain offenses, such as **violent crimes** or **drug trafficking**, may disqualify individuals from holding an ownership interest (MA Gen L ch 94G § 5)​.
* **Residency Requirements**:
  + There are no strict residency requirements for owning a marijuana business in Massachusetts. However, the state encourages local ownership and the inclusion of **social equity applicants** (MA Gen L ch 94G § 4)​.

#### **4. Recordkeeping and Reporting**

* **Seed-to-Sale Tracking System**:
  + All licensed businesses must use the state’s **seed-to-sale tracking system**, which tracks marijuana from cultivation through to the point of sale. This system is designed to prevent diversion of marijuana into the illicit market and ensure transparency in the legal supply chain (MA Gen L ch 94G § 15)​.
* **Monthly Reporting Requirements**:
  + Licensees are required to submit **monthly reports** to the state detailing their inventory, sales, and compliance with regulatory standards. Failing to provide accurate or timely reports can result in fines or suspension of the license (MA Gen L ch 94G § 15)​.

#### **5. Zoning and Location Restrictions**

* **Local Zoning Laws**:
  + Local municipalities in Massachusetts have the authority to set **zoning laws** and regulate where marijuana establishments can be located. Marijuana businesses are typically restricted to **commercial or industrial zones**, and **buffer zones** are required between businesses and **schools** or **parks** (MA Gen L ch 94G § 3)​.
* **Buffer Zones**:
  + The state mandates that marijuana businesses cannot operate within **500 feet** of a **school**, unless a municipality votes to allow a shorter distance (MA Gen L ch 94G § 3)​.

### **3. Product Regulations**

#### **1. Potency Limits**

* **THC Potency Limits**:
  + In Massachusetts, marijuana edibles are limited to a maximum of **5 mg of THC per serving** and **100 mg of THC per package** (MA Gen L ch 94G § 7)​.
  + Non-edible products, such as concentrates and tinctures, do not have specific potency limits beyond product labeling requirements, but testing is required to ensure accurate THC concentration (MA Gen L ch 94G § 7)​.
* **CBD and Other Cannabinoids**:
  + There are no specific potency limits for **CBD** or other non-THC cannabinoids in adult-use marijuana products, though these must also undergo testing and meet safety standards (MA Gen L ch 94G § 7)​.

#### **2. Prohibited Products and Ingredients**

* **Banned Products**:
  + Massachusetts prohibits certain marijuana products, including those that are **designed to appeal to minors**, such as cannabis-infused **candy-like products** or those with colorful packaging that resembles popular children’s snacks (MA Gen L ch 94G § 7)​.
  + Products that combine marijuana with **alcohol** or **nicotine** are also banned (MA Gen L ch 94G § 7)​.
* **Additives and Contaminants**:
  + The use of harmful additives, such as **vitamin E acetate** in vape products, is prohibited. All products must be free of **contaminants**, including heavy metals, pesticides, and microbial impurities (MA Gen L ch 94G § 7)​.

#### **3. Packaging Requirements**

* **Child-Resistant Packaging**:
  + All marijuana products in Massachusetts must be sold in **child-resistant**, **tamper-evident**, and **resealable packaging** for multi-use products (MA Gen L ch 94G § 7)​.
* **Opaque and Resealable Packaging**:
  + Packaging must also be **opaque** to ensure the product is not visible, and **resealable** for products that contain multiple servings, such as edibles (MA Gen L ch 94G § 7)​.

#### **4. Labeling Requirements**

* **THC Content**:
  + Labels must display the **THC content per serving** and **per package**. This is required for all marijuana products, including flower, edibles, and concentrates (MA Gen L ch 94G § 7)​.
* **Health Warnings**:
  + All marijuana products must include health warnings about the risks of **impaired driving**, the dangers of use by **pregnant women**, and the potential for **overconsumption** of edibles (MA Gen L ch 94G § 7)​.
* **Batch Number and Expiration Date**:
  + Products must include a **batch number** for tracking and an **expiration date** to ensure freshness and safety (MA Gen L ch 94G § 7)​.

#### **5. Prohibited Additives and Combined Substances**

* **No Alcohol or Nicotine**:
  + It is illegal to sell marijuana products that are combined with **alcohol** or **nicotine**. These substances cannot be included in cannabis products sold in Massachusetts (MA Gen L ch 94G § 7)​.
* **Flavor Additives**:
  + Flavored marijuana products, especially those that could appeal to minors, are restricted. Massachusetts law bans the use of certain flavorings in vape products to prevent targeting younger consumers (MA Gen L ch 94G § 7)​.

### **4. Cultivation and Processing**

#### **1. Plant and Canopy Limits**

* **Tiered Cultivation Licenses**:
  + Massachusetts offers **tiered cultivation licenses** based on the size of the canopy:
    - **Tier 1**: Up to **5,000 square feet** of canopy.
    - **Tier 2**: **5,001–10,000 square feet**.
    - Additional tiers go up to a maximum of **100,000 square feet** (MA Gen L ch 94G § 1)​.
  + Licensees can apply for a **higher tier** as their business grows but must demonstrate compliance with state regulations before expanding.
* **Indoor vs. Outdoor Cultivation**:
  + **Indoor cultivation** facilities are subject to strict **environmental controls**, including monitoring for energy and water usage. **Outdoor cultivation** is permitted but must adhere to local zoning laws and security requirements (MA Gen L ch 94G § 1)​.

#### **2. Cultivation Practices and Environmental Standards**

* **Sustainable Cultivation Requirements**:
  + Massachusetts encourages the use of **sustainable cultivation practices**, including water conservation, **energy efficiency**, and waste reduction. Licensees must submit plans outlining how they will minimize their environmental impact (MA Gen L ch 94G § 1)​.
* **Pesticide Use**:
  + The state has specific guidelines regarding the use of **pesticides** in marijuana cultivation. Only state-approved pesticides are allowed, and cultivators must regularly report their pesticide use to ensure compliance (MA Gen L ch 94G § 1)​.

#### **3. Processing and Extraction Methods**

* **Permitted Processing Activities**:
  + Licensed processors are allowed to perform activities such as **extraction**, **infusion**, and **packaging** of marijuana products. These activities must be conducted in compliance with state safety regulations (MA Gen L ch 94G § 1)​.
* **Extraction Methods**:
  + Massachusetts permits both **solvent-based** and **solventless extraction** methods. However, solvent-based extractions must meet **stringent safety standards**, particularly if volatile solvents like butane are used. Licensees must adhere to **fire safety codes** and ensure proper ventilation (MA Gen L ch 94G § 1)​.
* **Remediation of Products**:
  + Products that fail safety tests may be remediated to remove contaminants or correct potency. Remediated products must be **retested** before being reintroduced to the market (MA Gen L ch 94G § 1)​.

#### **4. Security Measures for Cultivation and Processing Facilities**

* **Mandatory Security Protocols**:
  + All cultivation and processing facilities must implement **extensive security measures**, including:
    - **24/7 video surveillance** of all areas where marijuana is cultivated, processed, or stored.
    - **Intrusion detection systems** and **alarm systems**.
    - Restricted access areas for authorized personnel only (MA Gen L ch 94G § 15)​.
* **Outdoor Cultivation Security**:
  + Outdoor cultivation sites require additional security measures, such as **fencing**, **motion detectors**, and **additional surveillance** to prevent theft or unauthorized access (MA Gen L ch 94G § 15)​.

#### **5. Waste Disposal and Environmental Compliance**

* **Cannabis Waste Disposal**:
  + Cannabis waste must be rendered **unusable** before disposal by mixing it with other materials such as **soil**, **paper**, or **plastic**. Licensees must document their waste disposal methods and follow state guidelines to prevent misuse of waste products (MA Gen L ch 94G § 1)​.
* **Environmental Compliance**:
  + Cultivators and processors must comply with state and local environmental regulations, including requirements for **water runoff**, **waste disposal**, and **energy use**. Failure to comply with environmental standards can result in penalties or license suspension (MA Gen L ch 94G § 1)​.

### **5. Testing Requirements**

#### **1. Mandatory Testing Requirements**

* **Products Subject to Testing**:
  + All cannabis products in Massachusetts, including **flower, concentrates, edibles, and topicals**, must be tested by an **independent testing laboratory** before they are sold to consumers. Testing ensures compliance with **safety, potency, and purity** standards (MA Gen L ch 94G § 15)​.
* **Required Tests**:
  + Products must undergo testing for:
    - **Potency**: Including THC and CBD levels to ensure accurate labeling.
    - **Microbial contamination**: Including mold, bacteria, and other harmful organisms.
    - **Pesticides and heavy metals**: Ensures products are free from harmful residues.
    - **Residual solvents**: Especially in concentrates, ensuring that solvents used in extraction are properly removed (MA Gen L ch 94G § 15)​.

#### **2. Potency and Cannabinoid Testing**

* **THC and CBD Testing**:
  + Products must be tested for **THC and CBD content** to ensure accurate potency information is displayed on the label. This applies to all products, including **flower, edibles, and concentrates** (MA Gen L ch 94G § 15)​.
* **High-THC Products**:
  + Products with high THC concentrations, such as **concentrates**, must meet additional safety and testing standards to ensure consistency in potency and safety for consumers (MA Gen L ch 94G § 15)​.

#### **3. Testing Laboratories and Oversight**

* **Licensing of Testing Laboratories**:
  + All laboratories conducting cannabis testing in Massachusetts must be **licensed and accredited** by the state. They must meet rigorous standards to ensure impartiality and reliability in their testing methods (MA Gen L ch 94G § 15)​.
* **Independent Testing Requirements**:
  + Laboratories must be **independent** and cannot have any ownership or financial interest in the businesses whose products they are testing. This ensures impartiality and prevents conflicts of interest in the testing process (MA Gen L ch 94G § 15)​.

#### **4. Remediation and Retesting**

* **Remediation of Failed Products**:
  + If a product fails testing for contaminants or inaccurate potency, it can undergo **remediation**. This may involve reprocessing the product to remove contaminants or adjust potency. After remediation, the product must be **retested** to confirm it meets state standards before being sold (MA Gen L ch 94G § 15)​.
* **Retesting Requirements**:
  + Any product that has been remediated must be fully retested for all applicable safety and potency standards. Products that fail a second round of testing must be **destroyed** (MA Gen L ch 94G § 15)​.

#### **5. Penalties for Non-Compliance**

* **Fines and Penalties for Testing Violations**:
  + Licensees that fail to comply with testing requirements can face significant penalties, including **fines**, **license suspension**, or **license revocation**. Violations may also trigger a product recall if public safety is at risk (MA Gen L ch 94G § 15)​.
* **Product Recalls**:
  + If a product is found to be unsafe or does not meet the required testing standards after it has entered the market, the state may mandate a **product recall**. Licensees are responsible for notifying consumers and ensuring that unsold products are removed from the market (MA Gen L ch 94G § 15)​.

### **6. Sales and Distribution**

#### **1. Retail Sales Regulations**

* **Purchase Limits**:
  + Massachusetts sets limits on how much cannabis an individual can purchase in a single transaction. Consumers can purchase up to:
    - **One ounce** of marijuana flower.
    - **Five grams** of marijuana concentrate.
    - **Equivalent amounts** of marijuana-infused products (based on THC content) (MA Gen L ch 94G § 7)​.
* **Sales to Minors**:
  + It is strictly **prohibited to sell cannabis** to anyone under the age of 21. Retailers must verify the age of every customer at the point of sale. Violations result in significant penalties, including fines and potential **license suspension** (MA Gen L ch 94G § 7)​.
* **On-Site Consumption**:
  + On-site consumption of marijuana at retail locations is **not allowed**, except in businesses holding a separate **social consumption license**, which requires local approval. Social consumption venues must comply with additional regulations for health and safety (MA Gen L ch 94G § 3)​.

#### **2. Distribution and Transportation**

* **Transportation of Marijuana Products**:
  + Licensed marijuana businesses are allowed to transport cannabis products between licensed establishments, such as from **cultivation facilities** to **retailers**. Transportation must follow strict guidelines, including the use of **tracking manifests** and **secure transport vehicles** (MA Gen L ch 94G § 15)​.
* **Third-Party Transportation**:
  + Third-party transportation services can be licensed to transport cannabis, but they must meet all security and tracking requirements outlined by the state. These entities are subject to the same stringent regulations as marijuana businesses (MA Gen L ch 94G § 15)​.

#### **3. Delivery Services**

* **Home Delivery**:
  + Massachusetts allows **home delivery** of cannabis products through licensed marijuana retailers. Deliveries are subject to strict regulations, including the requirement to verify the recipient’s age at the point of delivery and ensure that purchases comply with **daily transaction limits** (MA Gen L ch 94G § 9)​.
* **Delivery License Types**:
  + The state offers specific licenses for **marijuana couriers**, who are authorized to deliver marijuana products from licensed retailers to consumers. These businesses are not allowed to store cannabis themselves but act as transport services (MA Gen L ch 94G § 9)​.

#### **4. Sales Tracking and Reporting**

* **Seed-to-Sale Tracking**:
  + Massachusetts uses a **seed-to-sale tracking system** to monitor all cannabis transactions from cultivation to final sale. All marijuana businesses must participate in this system to prevent diversion into the illicit market and ensure regulatory compliance (MA Gen L ch 94G § 15)​.
* **Reporting Requirements**:
  + Retailers and other marijuana licensees are required to submit **monthly reports** to the state, which detail sales figures, inventory levels, and compliance with tracking regulations. These reports are essential for maintaining transparency and ensuring that businesses meet state tax requirements (MA Gen L ch 94G § 15)​.

#### **5. Packaging and Labeling for Distribution**

* **Packaging Standards**:
  + All marijuana products must be packaged in **child-resistant**, **tamper-evident**, and **resealable** packaging. The packaging must also be opaque and clearly labeled with product information, including **THC content**, **batch number**, and **health warnings** (MA Gen L ch 94G § 7)​.
* **Labeling Standards**:
  + Labels on marijuana products must display:
    - **THC and CBD content per serving** and **per package**.
    - A **health warning** about the risks of consumption, particularly for **pregnant women** and the potential for **impaired driving** (MA Gen L ch 94G § 7)​.

### **7. Consumption Laws**

#### **1. Legal Age for Consumption**

* **Minimum Age Requirement**:
  + The minimum legal age to purchase, possess, and consume adult-use cannabis in Massachusetts is **21 years old**. This applies to all forms of cannabis, including flower, edibles, concentrates, and other products (MA Gen L ch 94G § 7)​.

#### **2. Public Consumption Prohibitions**

* **Public Consumption**:
  + **Public consumption of cannabis** is **prohibited** in Massachusetts. This includes consumption in public places such as **streets, parks, and schools**. Violating this law can result in **civil penalties**, including fines (MA Gen L ch 94G § 13)​.
  + Smoking or consuming marijuana in areas where tobacco use is banned is also illegal, extending to both **indoor** and **outdoor** public spaces​.

#### **3. Consumption in Private Residences**

* **Private Residences**:
  + Cannabis use is allowed in **private residences**, provided that property owners or landlords do not prohibit its use. Landlords and housing providers have the right to restrict or prohibit marijuana use on their properties through lease agreements (MA Gen L ch 94G § 7)​.
* **Rental Properties**:
  + **Tenants** should be aware that their lease agreements may contain restrictions on marijuana consumption. Landlords may include clauses that prohibit the use, possession, or cultivation of marijuana in rental units (MA Gen L ch 94G § 7)​.

#### **4. Workplace Consumption**

* **Employer Policies**:
  + Employers in Massachusetts are **not required** to accommodate marijuana use in the workplace. Employers can enforce policies that prohibit employees from using or being under the influence of marijuana during work hours or on company premises (MA Gen L ch 94G § 5)​.
* **Employee Discipline**:
  + Employers may **discipline** employees found to be under the influence of cannabis while at work, particularly if their impairment affects safety, performance, or job responsibilities (MA Gen L ch 94G § 5)​.

#### **5. Consumption in Vehicles**

* **Consumption in Motor Vehicles**:
  + It is illegal to **consume cannabis** in any form, including smoking or ingesting edibles, while operating or riding in a **motor vehicle**. This applies to both drivers and passengers, regardless of whether the vehicle is in motion or parked (MA Gen L ch 94G § 13)​.
* **Driving Under the Influence**:
  + Operating a motor vehicle while under the influence of marijuana is a criminal offense in Massachusetts. Cannabis impairment is treated similarly to alcohol, and individuals caught driving under the influence face fines, license suspension, and possible imprisonment (MA Gen L ch 94G § 13)​.

#### **6. Penalties for Violating Consumption Laws**

* **Penalties for Public Consumption**:
  + Individuals caught consuming marijuana in public places can face **civil fines**. These penalties are intended to enforce the prohibition on public consumption and maintain community safety (MA Gen L ch 94G § 13)​.
* **Penalties for Consumption in Vehicles**:
  + Violating the prohibition on cannabis consumption in vehicles can result in **fines** and **criminal charges** if the offense is linked to impaired driving. Individuals convicted of driving under the influence of marijuana may face additional penalties under state DUI laws (MA Gen L ch 94G § 13)​.

### **8. Advertising and Marketing**

#### **1. Advertising Restrictions**

* **Permitted Advertising Platforms**:
  + Cannabis businesses in Massachusetts are allowed to advertise, but all advertisements must adhere to strict state regulations. Advertising is permitted on **television, radio, print**, and **digital platforms**, provided that the target audience is primarily **21 years of age or older** (MA Gen L ch 94G § 12)​.
* **Prohibited Advertising Platforms**:
  + Advertising is prohibited on platforms or in media where more than **30%** of the audience is reasonably expected to be **under 21 years old**. This includes youth-targeted websites, events, or social media platforms where there is a high likelihood of underage viewership (MA Gen L ch 94G § 12)​.

#### **2. Advertising Content Restrictions**

* **Required Disclaimers**:
  + All cannabis advertisements must include disclaimers, such as “For adults 21 years of age or older,” and must clearly state that marijuana is **only legal for adult use**. Additionally, ads must include a disclaimer regarding the **health risks** of marijuana use (MA Gen L ch 94G § 12)​.
* **Prohibited Content**:
  + Advertisements cannot include:
    - **Cartoon characters** or designs that could appeal to children.
    - The use of **celebrity endorsements** or any image that may suggest cannabis use is safe or beneficial for minors.
    - Any form of **false or misleading claims**, including health benefits that are not scientifically proven (MA Gen L ch 94G § 12)​.

#### **3. Target Audience and Demographics**

* **Restrictions on Advertising to Minors**:
  + Advertisements must not target individuals under the age of 21. Massachusetts law mandates that businesses use **age-gating mechanisms** for digital ads and ensure that ads are displayed in ways that minimize exposure to minors (MA Gen L ch 94G § 12)​.
* **Geofencing for Digital Ads**:
  + For digital advertising, **geofencing** technology must be used to limit ads to regions where cannabis use is legal. Advertisers must also ensure that they comply with state regulations regarding where and how ads are displayed (MA Gen L ch 94G § 12)​.

#### **4. Prohibited Marketing Practices**

* **No Free Samples or Promotions**:
  + Massachusetts prohibits giving out **free samples** of cannabis or offering products at **discounted prices** through promotions like "buy one, get one free" deals. These marketing practices are seen as encouraging overconsumption (MA Gen L ch 94G § 12)​.
* **Price-Based Promotions**:
  + Cannabis businesses are restricted from engaging in **price-based promotions** that could be viewed as predatory or aimed at encouraging excessive consumption. These include coupons, giveaways, or other financial incentives (MA Gen L ch 94G § 12)​.

#### **5. Disclaimers and Mandatory Warnings**

* **Health and Safety Warnings**:
  + Every cannabis advertisement must include **health warnings**, such as the risks of **impaired driving**, **underage consumption**, and the **effects of marijuana on pregnant women**. These warnings must be clearly visible and legible in all media formats (MA Gen L ch 94G § 12)​.
* **Prominent Placement of Disclaimers**:
  + Disclaimers and health warnings must occupy a significant portion of the advertisement to ensure they are not missed by consumers. Advertisers must comply with state requirements regarding **font size** and **display duration** in video or audio ads (MA Gen L ch 94G § 12)​.

#### **6. Outdoor Advertising and Billboards**

* **Restrictions on Outdoor Advertising**:
  + Billboards and other outdoor advertisements are subject to strict location restrictions. Cannabis ads cannot be placed within **500 feet** of schools, parks, or other areas frequented by minors. Additionally, outdoor ads must comply with state laws regarding **visibility** to minors (MA Gen L ch 94G § 12)​.

### **9. Taxation**

#### **1. Excise Taxes**

* **Excise Tax Rates**:
  + Massachusetts imposes a **10.75% excise tax** on all adult-use marijuana sales. This tax is in addition to the state's general sales tax and any local option taxes (MA Gen L ch 64N § 2)​.
* **Applicability**:
  + The excise tax applies to all retail sales of marijuana and marijuana-infused products, including **flower**, **concentrates**, and **edibles**. This tax is collected at the point of sale from consumers (MA Gen L ch 64N § 2)​.

#### **2. Sales Taxes**

* **Sales Tax Rate**:
  + Adult-use marijuana sales in Massachusetts are also subject to the state's standard **6.25% sales tax**, which applies to all retail goods and services (MA Gen L ch 64H § 1)​.
* **Exemptions for Medical Cannabis**:
  + Medical marijuana is **exempt from both the excise tax and the state sales tax**. Patients enrolled in the Massachusetts medical marijuana program are only required to pay the costs of the product, without additional taxation (MA Gen L ch 94I § 6)​.

#### **3. Local Taxes and Fees**

* **Local Cannabis Taxes**:
  + In addition to the state excise and sales taxes, municipalities in Massachusetts are authorized to impose a **local option tax** of up to **3%** on the sale of adult-use marijuana products. This tax is intended to provide revenue to local governments for community programs or to cover administrative costs related to cannabis regulation (MA Gen L ch 64N § 3)​.
* **Municipal Fees**:
  + Local governments may also charge **licensing fees** to cannabis businesses operating within their jurisdiction. These fees vary depending on the type of business (e.g., retail, cultivation, processing) and the specific regulations of the municipality (MA Gen L ch 94G § 3)​.

#### **4. Tax Collection and Reporting**

* **Retailer Tax Collection**:
  + Retailers are responsible for collecting the excise tax, state sales tax, and local option tax at the point of sale. The total tax burden on consumers for adult-use cannabis purchases can range from **17% to 20%**, depending on local tax rates (MA Gen L ch 64N § 2)​.
* **Tax Filing and Reporting**:
  + Cannabis businesses must file **monthly tax returns** with the Massachusetts Department of Revenue, detailing their sales and the taxes collected. These reports must be submitted alongside payment of the collected taxes (MA Gen L ch 64N § 2)​.

#### **5. Use of Tax Revenue**

* **Allocation of Cannabis Tax Revenue**:
  + Massachusetts allocates cannabis tax revenue to several key areas:
    - **Public health initiatives**, including **substance abuse prevention programs**.
    - **Law enforcement training** for handling cannabis-related offenses.
    - **Cannabis regulation** and **enforcement costs** incurred by the Cannabis Control Commission (MA Gen L ch 64N § 4)​.
  + Local tax revenue collected from the 3% local option tax is used at the discretion of the municipality, typically for **community programs**, **public safety**, or **infrastructure improvements**​.

#### **6. Penalties for Non-Compliance**

* **Failure to Collect or Remit Taxes**:
  + Cannabis businesses that fail to collect the required taxes or remit them to the state on time face significant penalties, including **fines**, **interest on unpaid taxes**, and potential **license suspension or revocation** (MA Gen L ch 64N § 5)​.
* **Audit and Compliance**:
  + The Massachusetts Department of Revenue conducts **audits** of cannabis businesses to ensure compliance with tax laws. Businesses found to be non-compliant may be subject to additional penalties or retroactive tax assessments (MA Gen L ch 64N § 5)​.

### **10. Enforcement and Penalties**

#### **1. Regulatory Oversight and Inspections**

* **Regulatory Authority**:
  + The **Cannabis Control Commission (CCC)** is responsible for regulating the cannabis industry in Massachusetts. This includes overseeing licensing, conducting inspections, and enforcing compliance with state laws (MA Gen L ch 94G § 4)​.
* **Inspections**:
  + Cannabis establishments are subject to **random and scheduled inspections** by the CCC to ensure compliance with regulations. Inspections cover areas such as **security**, **product safety**, **inventory tracking**, and **recordkeeping** (MA Gen L ch 94G § 15)​.

#### **2. Types of Violations**

* **Minor vs. Major Violations**:
  + Violations are categorized into **minor** and **major** offenses. Minor violations may include **labeling errors** or **recordkeeping mistakes**, while major violations include selling marijuana to minors or operating without a valid license (MA Gen L ch 94G § 13)​.
* **Health and Safety Violations**:
  + Violations that endanger public health or safety, such as selling **contaminated products** or failing to meet **testing standards**, are considered serious offenses. These can lead to product recalls, fines, or license suspension (MA Gen L ch 94G § 13)​.

#### **3. Penalties for Non-Compliance**

* **Fines**:
  + Businesses that fail to comply with cannabis regulations can face significant **fines**. The amount of the fine depends on the severity of the violation, with repeated violations resulting in higher penalties (MA Gen L ch 94G § 13)​.
* **License Suspension and Revocation**:
  + The CCC has the authority to **suspend or revoke licenses** for serious or repeated violations. This can occur if a business consistently fails to comply with regulatory standards or engages in unlawful activity, such as diverting cannabis into the illicit market (MA Gen L ch 94G § 13)​.
* **Product Seizure and Recall**:
  + If a product is found to be unsafe or non-compliant, the CCC may order the **seizure** of the product and mandate a **recall**. The licensee is responsible for notifying consumers and removing the product from the market (MA Gen L ch 94G § 15)​.

#### **4. License Suspension and Revocation Process**

* **Notice and Hearing**:
  + Before suspending or revoking a license, the CCC provides **written notice** to the licensee and allows them the opportunity to request a **hearing**. During the hearing, the licensee can present evidence or arguments in their defense (MA Gen L ch 94G § 13)​.
* **Emergency Suspensions**:
  + In cases where there is an immediate threat to public health or safety, the CCC can issue an **emergency suspension** of a license without prior notice. The suspension remains in effect while the commission conducts an investigation (MA Gen L ch 94G § 13)​.

#### **5. Product Recalls and Public Safety**

* **Product Recalls**:
  + Massachusetts requires licensees to implement **recall procedures** in case a product is found to be unsafe or contaminated. Licensees must remove the affected product from the market and notify consumers, distributors, and retailers (MA Gen L ch 94G § 15)​.
* **Health Investigations**:
  + If a product is linked to an adverse health event, the CCC may initiate a **public health investigation**. The sale of the product may be temporarily suspended until the investigation is complete, and licensees must comply with any resulting corrective actions (MA Gen L ch 94G § 15)​.

#### **6. Criminal Penalties for Illegal Cannabis Activity**

* **Unlicensed Operations**:
  + Operating a cannabis business without a valid license is a **criminal offense** in Massachusetts. Individuals or entities found engaging in unlicensed activities may face **criminal charges**, including fines and potential imprisonment (MA Gen L ch 94G § 13)​.
* **Diversion into Illicit Markets**:
  + Diverting legally grown or processed marijuana into the **illegal market** is a serious offense. Businesses found engaging in such activity may lose their license permanently and face **criminal prosecution** (MA Gen L ch 94G § 13)​.

### **11. Social Equity and Inclusion**

#### **1. Social Equity Program**

* **Purpose of the Social Equity Program**:
  + Massachusetts has established a **Social Equity Program** (SEP) aimed at promoting inclusion in the cannabis industry for individuals from communities that have been disproportionately impacted by previous marijuana prohibition laws (MA Gen L ch 94G § 4)​.
* **Eligibility Criteria**:
  + To qualify as a **social equity applicant**, individuals must meet specific criteria, such as:
    - Residing in an area that has been disproportionately impacted by past marijuana laws.
    - Having a **prior marijuana-related conviction**.
    - Being of **low income** or coming from a community disproportionately affected by the war on drugs (MA Gen L ch 94G § 4)​.

#### **2. Licensing and Financial Support for Social Equity Applicants**

* **License Set-Asides**:
  + Massachusetts provides **priority access to licenses** for social equity applicants. This includes licenses for cultivation, manufacturing, and retail. The goal is to ensure that those disproportionately impacted by past cannabis laws have better access to the legal cannabis industry (MA Gen L ch 94G § 4)​.
* **Financial Assistance and Grants**:
  + The Social Equity Program offers financial support, including **grants and loans** to help social equity applicants start and maintain cannabis businesses. This support aims to reduce the financial barriers that can make it difficult for individuals from disadvantaged backgrounds to enter the industry (MA Gen L ch 94G § 4)​.

#### **3. Technical Assistance and Business Support**

* **Training and Education Programs**:
  + Massachusetts provides **technical assistance** for social equity applicants, including **business training**, **mentorship**, and **legal guidance**. These programs help applicants understand the regulatory framework and develop the skills needed to succeed in the cannabis industry (MA Gen L ch 94G § 4)​.
* **Workforce Development**:
  + The state also focuses on creating opportunities for **employment** in the cannabis industry for residents from disproportionately impacted communities. This includes programs that promote hiring individuals with prior marijuana-related convictions (MA Gen L ch 94G § 4)​.

#### **4. Ownership and Control Requirements for Social Equity Businesses**

* **Ownership Thresholds**:
  + To qualify for social equity status, businesses must have **51% ownership** by individuals who meet the social equity criteria. This ensures that the benefits of the Social Equity Program reach those who have been disproportionately impacted by past marijuana laws (MA Gen L ch 94G § 4)​.
* **Prevention of Exploitative Practices**:
  + Massachusetts has implemented safeguards to prevent **predatory practices**, where larger entities might exploit social equity applicants. These include restrictions on **management agreements** and requirements that social equity applicants retain control over their businesses (MA Gen L ch 94G § 4)​.

#### **5. Community Reinvestment**

* **Community Reinvestment Fund**:
  + A portion of cannabis tax revenue is allocated to the **Community Reinvestment Fund**, which is used to support initiatives in communities disproportionately impacted by previous cannabis laws. This includes funding for **education**, **job training**, and **healthcare services** (MA Gen L ch 94G § 14)​.
* **Focus on Job Creation**:
  + The Social Equity Program also focuses on **job creation** for residents of disproportionately impacted communities. The state encourages cannabis businesses to hire from these communities and provides support for training and workforce development (MA Gen L ch 94G § 4)​.

#### **6. Priority in Licensing and Permitting**

* **Expedited Licensing**:
  + Social equity applicants receive **priority in the licensing process**, allowing them to move through the application process more quickly than non-social equity applicants. This includes licenses for cultivation, retail, and other cannabis business types (MA Gen L ch 94G § 4)​.
* **No License Cap for Social Equity**:
  + Massachusetts does not place a cap on the number of licenses available to social equity applicants, ensuring that as many qualified individuals as possible can participate in the legal market (MA Gen L ch 94G § 4)​.

### **12. Public Health and Safety**

#### **1. Public Health Campaigns and Education**

* **State-Sponsored Public Health Campaigns**:
  + Massachusetts funds public health campaigns aimed at educating the public about the **safe and responsible use** of cannabis. These campaigns focus on the risks of overconsumption, **impaired driving**, and the dangers of using cannabis while **pregnant or breastfeeding** (MA Gen L ch 94G § 14)​.
* **Consumer Education Requirements**:
  + Cannabis retailers are required to provide **educational materials** to consumers at the point of sale. These materials must include information about **proper dosing**, **potential risks**, and **safe storage** of cannabis products to prevent accidental ingestion, especially by children (MA Gen L ch 94G § 14)​.

#### **2. Adverse Health Events and Reporting**

* **Reporting of Adverse Events**:
  + Cannabis businesses in Massachusetts are required to report any **adverse health events** related to their products. This includes cases of **overconsumption** or products causing significant health issues, which must be reported to the Cannabis Control Commission (MA Gen L ch 94G § 14)​.
* **Health and Safety Investigations**:
  + If a product is linked to an adverse health event, the Cannabis Control Commission may conduct a **health investigation**. If necessary, the commission can order a **product recall** and temporarily suspend the sale of the affected product (MA Gen L ch 94G § 15)​.

#### **3. Cannabis Product Safety Standards**

* **Mandatory Product Testing**:
  + All cannabis products must undergo rigorous **safety testing** for contaminants, including **pesticides**, **heavy metals**, **microbes**, and **residual solvents**. Products must also be tested for **potency** to ensure accurate labeling of THC and CBD content (MA Gen L ch 94G § 15)​.
* **Edible Product Standards**:
  + Edibles must meet strict standards for **portion control** and **THC content**. Each serving of an edible product can contain no more than **5 mg of THC**, with a maximum of **100 mg per package** (MA Gen L ch 94G § 15)​.

#### **4. Health Warnings and Labeling Requirements**

* **Health Warning Labels**:
  + Cannabis products must include prominent health warnings about the risks of **impaired driving**, **use during pregnancy**, and **delayed effects** of edible products. These warnings must be clearly displayed on all packaging and must comply with state-mandated formats (MA Gen L ch 94G § 14)​.
* **Universal Cannabis Symbol**:
  + Packaging for all cannabis products must include the **universal symbol** indicating that the product contains cannabis. This is designed to prevent accidental consumption and ensure that individuals can easily identify cannabis products (MA Gen L ch 94G § 14)​.

#### **5. Youth Prevention and Protection**

* **Youth Prevention Campaigns**:
  + Massachusetts has allocated funds to support **youth prevention programs**, which focus on educating minors about the risks of cannabis use. These programs are aimed at reducing underage consumption through school-based education and community outreach (MA Gen L ch 94G § 14)​.
* **Age Restrictions**:
  + It is illegal to sell cannabis products to individuals under the age of 21. Retailers must verify the age of all customers before completing a sale, and businesses found in violation of this rule can face significant penalties, including fines and license suspension (MA Gen L ch 94G § 7)​.

#### **6. Product Recalls and Public Safety**

* **Product Recalls**:
  + If a product is found to be unsafe or non-compliant with state standards, the Cannabis Control Commission may mandate a **product recall**. Businesses are required to notify consumers and remove the product from retail locations immediately (MA Gen L ch 94G § 15)​.
* **Public Safety Standards**:
  + Cannabis establishments must adhere to strict public safety standards, including maintaining **security systems**, conducting **background checks** on employees, and complying with **sanitation requirements** for product handling and storage (MA Gen L ch 94G § 15)​.

### **13. Hemp and Synthetic THC**

#### **1. Hemp-Derived Cannabinoids**

* **Legality of Hemp-Derived Products**:
  + In Massachusetts, **hemp-derived products** such as **CBD** are legal as long as they contain **no more than 0.3% THC** by dry weight, in accordance with federal guidelines under the **2018 Farm Bill** (MA Gen L ch 128 § 116-123)​.
  + Hemp and hemp-derived products are regulated separately from adult-use marijuana, with the Massachusetts Department of Agricultural Resources overseeing **hemp cultivation** and product manufacturing​.

#### **2. THC Limits for Hemp Products**

* **THC Limit for Hemp-Derived Products**:
  + Hemp-derived products must comply with the **0.3% THC** limit. This applies to all forms of hemp products, including **edibles**, **tinctures**, **topicals**, and **inhalable products**. Products exceeding this threshold are classified as marijuana and subject to stricter regulations (MA Gen L ch 128 § 116)​.
* **No Serving Limits for Hemp**:
  + Unlike marijuana products, Massachusetts does not impose specific **per-serving THC limits** for hemp-derived products as long as the total THC content stays below the **0.3% threshold** (MA Gen L ch 128 § 116)​.

#### **3. Synthetic Cannabinoids**

* **Prohibition on Synthetic THC**:
  + Massachusetts **prohibits synthetic cannabinoids**, including **synthetic THC variants** such as **delta-8 THC** and **delta-10 THC**. These substances are not classified under the same framework as naturally occurring cannabinoids like THC or CBD and are illegal to produce, sell, or possess (MA Gen L ch 94G § 7)​.
* **Regulatory Approach**:
  + The state treats synthetic THC as a **controlled substance**, and businesses caught producing or selling these products face significant penalties, including **license revocation** and **criminal prosecution** (MA Gen L ch 94G § 7)​.

#### **4. Licensing and Operational Costs**

* **Hemp Cultivation Licensing**:
  + Hemp cultivators in Massachusetts must obtain a license from the **Massachusetts Department of Agricultural Resources** (MDAR). Licensing fees are required for both **hemp cultivation** and **hemp product manufacturing** (MA Gen L ch 128 § 116-123)​.
* **Lower Cost for Hemp Licenses**:
  + The cost of hemp cultivation licenses is generally lower than for marijuana cultivation licenses, reflecting the less stringent regulatory requirements for hemp. Fees vary depending on the size of the cultivation operation (MA Gen L ch 128 § 116-123)​.

#### **5. Regulatory Oversight and Testing**

* **Testing for Hemp Products**:
  + Hemp-derived products must undergo **THC testing** to ensure compliance with the **0.3% limit**. Products found to exceed this threshold are classified as marijuana and must adhere to the stricter regulatory framework for adult-use cannabis (MA Gen L ch 128 § 116-123)​.
* **Product Labeling**:
  + Hemp products sold in Massachusetts must include **accurate labeling** with information on **CBD content**, **THC content**, and appropriate health warnings. Products that are mislabeled or fail to meet state standards can be removed from the market (MA Gen L ch 128 § 116-123)​.

#### **6. Product Safety Standards**

* **Contaminant Testing**:
  + Similar to marijuana products, hemp products must be tested for contaminants such as **pesticides**, **heavy metals**, and **microbial impurities**. Any hemp product that fails safety testing is prohibited from entering the consumer market (MA Gen L ch 128 § 116-123)​.
* **Consumer Safety**:
  + The state places a strong emphasis on the safety of hemp-derived products, requiring rigorous testing for both **potency** and **purity** before they can be sold. These safety standards are designed to protect consumers and ensure the legitimacy of the hemp industry in Massachusetts (MA Gen L ch 128 § 116-123)​.

**#### MICHIGAN ####**

### **1. Types of Licenses Available**

Michigan offers a variety of marijuana business licenses as defined by the **Michigan Regulation and Taxation of Marihuana Act (MRTMA)** and the **Michigan Medical Marihuana Facilities Licensing Act (MMFLA)**. These include:

● **Retail License** (Marihuana Retailer):

○ Authorizes the sale of marijuana to individuals aged 21 and over, as well as to other licensed marijuana establishments.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953(m)]​​.

● **Cultivation License** (Marihuana Grower):

○ Permits cultivation of marijuana plants and the sale or transfer of marijuana to licensed marijuana establishments.

○ Michigan offers three classes of grower licenses:

■ **Class A**: Allows cultivation of up to 100 marijuana plants.

■ **Class B**: Allows cultivation of up to 500 marijuana plants.

■ **Class C**: Allows cultivation of up to 2,000 marijuana plants.

○ [Citation: Michigan Administrative Rules R 420.7, R 420.11]​​.

● **Manufacturing/Processing License** (Marihuana Processor):

○ Authorizes the processing (e.g., extraction and infusion) and packaging of marijuana products.

○ The processor may obtain marijuana from licensed establishments and sell or transfer the processed products to other licensed establishments.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953(l)]​​.

● **Testing License** (Marihuana Safety Compliance Facility):

○ Grants authority to test marijuana products, including certifying their potency and the presence of contaminants like pesticides.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953(o)]​​.

● **Distribution/Transportation License** (Marihuana Secure Transporter):

○ Allows the transportation of marijuana between licensed establishments.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953(n)]​​.

● **Microbusiness License**:

○ This license allows an entity to cultivate up to 150 marijuana plants, process the marijuana, and sell it to consumers, but not to other establishments.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953(k)]​​.

● **Social Equity-specific Licenses**:

○ Licenses or benefits reserved for individuals or communities disproportionately impacted by marijuana prohibition.

○ [Citation: Michigan Administrative Rules R 420.16]​.

● **Specialty License Categories**:

○ **Research License**: Authorizes the study and research of marijuana.

○ **Hemp Integration License**: Allows integration of hemp products into the marijuana market.

○ [Citation: Michigan Administrative Rules R 420.5]​​.

### **2. Permitted Activities by License Type**

Each license type defines specific activities that the license holder can engage in:

● **Retail License**:

○ Permits sales to individuals 21+ and to other licensed businesses.

○ On-site consumption is not typically permitted unless specified under a separate "Designated Consumption Establishment" license.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953(m)]​​.

● **Cultivation License**:

○ A grower licensee may cultivate marijuana plants and transfer the harvested marijuana to licensed processors or retailers, but direct sales to consumers are not allowed under this license.

○ [Citation: Michigan Administrative Rules R 420.4]​.

● **Processor License**:

○ Allows the licensee to process marijuana and marijuana-infused products and transfer them to other establishments. Processing may involve extraction, packaging, and labeling of the products.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953(l)]​​.

### **3. Licensing Process**

Michigan requires a thorough application and background check process for license approval:

● **Application Requirements**:

○ Includes disclosure of financial background, proof of capitalization, security plans, site plans, and municipal compliance.

○ [Citation: Michigan Administrative Rules R 420.2, R 420.3]​.

● **Background Checks**:

○ All applicants must undergo a background check, including criminal and financial disclosures.

○ [Citation: Michigan Administrative Rules R 420.4]​.

### **4. License Caps and Availability**

● **Statewide License Caps**:

○ The state may impose caps on the number of licenses issued for specific categories, depending on market conditions and regulatory goals.

○ [Citation: Michigan Administrative Rules R 420.5]​.

● **Local Caps and Zoning Restrictions**:

○ Local municipalities may set their own license caps and zoning restrictions for marijuana businesses, including proximity limits to sensitive areas like schools.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27956]​.

### **5. License Renewal and Compliance**

● **Renewal Process**:

○ Licenses must be renewed periodically, typically on an annual basis, with associated fees.

○ [Citation: Michigan Administrative Rules R 420.7]​.

● **Ongoing Compliance**:

○ Licensees are required to maintain records and comply with inspections. Non-compliance may result in fines or license suspension.

○ [Citation: Michigan Administrative Rules R 420.10]​.

### **1. Application Requirements by License Type**

Michigan mandates detailed requirements for marijuana business license applications. These include:

● **Background Checks**:

○ Required for all applicants, including individuals with a direct or indirect ownership interest greater than 10%. Background checks apply to partners, members, managers, officers, directors, and spouses depending on the business structure.

○ [Citation: Michigan Administrative Rules R 420.1(c)]​.

● **Residency Requirements**:

○ Michigan does **not** impose a residency requirement for marijuana business license applicants under MRTMA.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27958]​.

● **Financial Disclosures**:

○ Applicants must submit financial disclosures, including proof of capitalization, financial statements, and any ownership interest. The amount of capitalization required varies by license type, and applicants must show that at least 25% of funds are liquid assets.

○ [Citation: Michigan Administrative Rules R 420.11]​.

● **Security Plans**:

○ Applications must include a comprehensive security plan that details how the business will protect the premises, inventory, and employees, including surveillance systems, restricted access areas, and security personnel.

○ [Citation: Michigan Administrative Rules R 420.8]​.

● **Site Plans**:

○ A detailed site plan is required, showing the layout of the facility, including security features, access points, and restricted areas.

○ [Citation: Michigan Administrative Rules R 420.8]​.

### **2. Application Fee Structure**

Michigan requires non-refundable fees at the time of submitting a marijuana business license application. These fees differ based on the type of license:

● **Initial Application Fees**:

○ The non-refundable application fee for most licenses is $3,000.

○ [Citation: Michigan Administrative Rules R 420.7]​.

● **Licensure Fees by Type**:

○ **Class A Grower License**: $1,200

○ **Class C Grower License**: $24,000

○ **Processor License**: $24,000

○ **Retailer License**: $15,000

○ **Microbusiness License**: $8,300

○ [Citation: Michigan Administrative Rules R 420.7, Table 1]​.

● **Fee Reductions**:

○ Social equity applicants may qualify for reduced fees, depending on their eligibility criteria (e.g., residency in a disproportionately impacted area).

○ [Citation: Michigan Administrative Rules R 420.16]​.

### **3. Eligibility and Limitations**

Certain limitations apply to who can apply for and hold a marijuana business license in Michigan:

● **Criminal Background Restrictions**:

○ Applicants with certain criminal convictions (e.g., distribution of a controlled substance to minors) are ineligible for licensure.

○ [Citation: Michigan Administrative Rules R 420.6(2)(a)]​.

● **Ownership Caps**:

○ The number of licenses that an individual or entity can hold is limited. For example, a person cannot hold more than 5 grower licenses or more than one microbusiness license.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27959(h)]​.

● **Prohibited Interests**:

○ Cross-ownership between certain license types is restricted. For instance, an individual cannot own both a marihuana grower license and a marihuana secure transporter license.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27959(f)]​.

### **4. Timeline for Application Processing**

● **Average Processing Time**:

○ The timeline for approving or denying a license application can vary, but the agency typically processes applications within 90 calendar days of submission, provided all documentation is complete.

○ [Citation: Michigan Administrative Rules R 420.7]​.

● **Expedited Processing**:

○ Social equity applicants may be eligible for expedited processing of their license applications.

○ [Citation: Michigan Administrative Rules R 420.16]​.

### **5. License Caps and Availability**

Michigan controls the number of licenses issued in the state based on market conditions and regulatory needs:

● **Statewide License Caps**:

○ Michigan does not impose strict statewide license caps, but local municipalities may limit or prohibit marijuana businesses within their jurisdiction.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27956]​.

● **Local Caps or Zoning Restrictions**:

○ Municipalities can impose caps on the number of licenses or restrict the operation of marijuana businesses through zoning regulations. They may also charge an annual fee to cover administrative and enforcement costs.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27956(4)]​.

### **6. Social Equity Allocations**

● **Social Equity Program**:

○ Michigan has a social equity program aimed at reducing barriers to entry for individuals from communities disproportionately impacted by marijuana prohibition. This program offers reduced application fees, technical assistance, and other resources.

○ [Citation: Michigan Administrative Rules R 420.16]​.

● **Set-Asides for Social Equity Applicants**:

○ The state does not explicitly reserve licenses for social equity applicants, but they may receive prioritization or reduced fees in the licensing process.

○ [Citation: Michigan Administrative Rules R 420.16]​.

### **7. License Renewal and Compliance**

● **Renewal Process**:

○ Marijuana licenses in Michigan must be renewed annually. Renewal fees are equivalent to initial licensure fees, and businesses must continue to meet compliance requirements to remain licensed.

○ [Citation: Michigan Administrative Rules R 420.7]​.

● **Ongoing Compliance Requirements**:

○ Licensees must adhere to Michigan’s regulatory requirements, including maintaining security, complying with reporting obligations, and allowing inspections. Violations can result in fines, suspension, or revocation of the license.

○ [Citation: Michigan Administrative Rules R 420.10]​.

### **1. Permitted Activities for Each License Type**

Each marijuana license type in Michigan specifies which activities are allowed:

● **Retail License**:

○ Retailers can sell marijuana to consumers aged 21 and older.

○ Delivery services may also be offered if allowed by local regulations.

○ [Citation: Michigan Administrative Rules R 420.3]​​.

● **Cultivation License**:

○ Cultivators can grow marijuana plants and sell to other licensed establishments but **cannot sell directly to consumers** without a retail license.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953(i)]​​.

● **Processing License**:

○ Allows processing of marijuana (e.g., extraction, infusion) and transferring the processed products to licensed retailers or other licensed establishments.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953(l)]​.

● **On-Site Consumption**:

○ On-site consumption is only allowed for businesses holding a "Designated Consumption Establishment" license, which permits marijuana use in a specified commercial space.

○ [Citation: Michigan Administrative Rules R 420.1(i)]​.

● **Vertical Integration**:

○ Vertical integration (holding multiple licenses, such as growing, processing, and retail) is permitted under Michigan law, though certain cross-ownership restrictions apply.

○ [Citation: Michigan Administrative Rules R 420.1(ff)]​​.

### **2. Operational Limitations**

● **Transaction Limits**:

○ Retailers cannot sell more than 2.5 ounces of marijuana to a consumer per transaction, with no more than 15 grams of marijuana concentrate.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27955]​.

● **Operational Hours**:

○ Local municipalities may set limits on operating hours for marijuana businesses, but no statewide restrictions exist.

○ [Citation: Michigan Administrative Rules R 420.7]​.

● **Security Requirements**:

○ All marijuana businesses must implement extensive security measures, including surveillance cameras, restricted access to areas where marijuana is grown, processed, or stored, and a physical security plan for the facility.

○ [Citation: Michigan Administrative Rules R 420.8]​.

### **3. Ownership and Management**

● **Ownership Restrictions**:

○ Cross-ownership between certain license types (e.g., a secure transporter and a grower) is prohibited to prevent conflicts of interest.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27959(f)]​.

● **Out-of-State Ownership**:

○ Michigan does not prohibit out-of-state ownership, meaning individuals or entities from other states can invest in marijuana businesses in Michigan, as long as they meet all other regulatory requirements.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27958]​.

● **Public Company Ownership**:

○ Publicly traded companies can hold marijuana licenses in Michigan, provided they comply with the ownership and control disclosure rules.

○ [Citation: Michigan Administrative Rules R 420.1(c)]​.

### **4. Recordkeeping and Reporting**

● **Recordkeeping Requirements**:

○ Businesses must maintain comprehensive records of all transactions, inventory, and compliance documentation for a minimum of **7 years**.

○ [Citation: Michigan Administrative Rules R 420.3]​.

● **Reporting Requirements**:

○ Licensees must regularly submit sales, inventory, and tax reports to the state. This includes participation in Michigan’s **seed-to-sale tracking system** to ensure all marijuana products are traceable throughout the supply chain.

○ [Citation: Michigan Marihuana Tracking Act, MI COMP LAWS § 333.27903]​​.

### **5. Zoning and Location Restrictions**

● **Designated Zones**:

○ Marijuana businesses must comply with local zoning laws, which may specify industrial or commercial zones for operation. Proximity limits to sensitive areas like schools, parks, and residential zones may also be enforced by local governments.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27956]​.

● **Buffer Zones**:

○ Michigan law allows municipalities to impose **buffer zones**, ensuring marijuana businesses are a minimum distance from schools and parks, but the state does not mandate a specific distance.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27956]​.

### **6. Security Requirements**

● **Surveillance Systems**:

○ Businesses are required to install and maintain surveillance systems, including video monitoring of entrances, exits, and restricted areas. These systems must be capable of continuous recording 24/7.

○ [Citation: Michigan Administrative Rules R 420.8]​.

● **Physical Security**:

○ Physical security measures, such as safes, vaults, and alarms, are mandatory for marijuana storage and processing areas. Access to these areas must be restricted to authorized personnel.

○ [Citation: Michigan Administrative Rules R 420.8]​.

● **Security Personnel**:

○ While Michigan law does not mandate on-site security personnel for all businesses, local municipalities may require it depending on the business size or location.

○ [Citation: Michigan Administrative Rules R 420.8]​.

### **7. Employment and Staffing**

● **Background Checks**:

○ All employees in licensed marijuana businesses must pass background checks, which cover criminal history and financial disclosures.

○ [Citation: Michigan Administrative Rules R 420.4]​.

● **Mandatory Employee Training**:

○ Businesses are required to provide training for employees on responsible handling of marijuana products, security protocols, and regulatory compliance.

○ [Citation: Michigan Administrative Rules R 420.10]​.

● **On-Site Personnel**:

○ Retail operations are required to have a licensed manager or qualified person in charge during all business hours.

○ [Citation: Michigan Administrative Rules R 420.8]​.

### **8. Inventory Management**

● **Inventory Tracking**:

○ All licensed marijuana businesses in Michigan must use the **state-mandated seed-to-sale tracking system** to monitor the movement of marijuana from cultivation to sale. This ensures compliance with inventory control, sales limits, and product safety requirements.

○ [Citation: Michigan Marihuana Tracking Act, MI COMP LAWS § 333.27903]​​.

● **Inventory Audits**:

○ Regular inventory audits are required to ensure compliance with state laws and to prevent loss or theft of marijuana products.

○ [Citation: Michigan Administrative Rules R 420.10]​.

### **9. Local vs. State Control**

● **Local Restrictions**:

○ Local municipalities in Michigan have significant authority over marijuana businesses, including the ability to impose additional operational restrictions, zoning requirements, and even opt out of allowing marijuana businesses entirely.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27956]​.

● **Local Jurisdiction Control**:

○ Local governments can also limit the types of businesses allowed and impose their own licensing requirements in addition to state laws.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27956]​.

### **10. Fees and Financial Obligations**

● **Ongoing Fees**:

○ Marijuana businesses must pay annual renewal fees in line with their license type. Fees are also imposed for ongoing compliance audits and security inspections.

○ [Citation: Michigan Administrative Rules R 420.7]​.

● **Penalties for Late Payment**:

○ Failure to pay fees on time can result in penalties, including fines, late fees, or even suspension of the business’s license.

○ [Citation: Michigan Administrative Rules R 420.7]​.

### **1. THC Limits in Products**

Michigan regulates the amount of THC allowed in marijuana products to ensure consumer safety:

● **Per-Serving THC Limits**:

○ The maximum allowable THC per serving in an edible product is **10 milligrams (mg)**.

○ [Citation: Michigan Administrative Rules R 420.403]​.

● **Per-Package THC Limits**:

○ A single package of edible products is limited to a total of **100 mg of THC**, regardless of the number of servings in the package.

○ [Citation: Michigan Administrative Rules R 420.403]​.

### **2. Labeling and Packaging Requirements**

Marijuana products in Michigan must meet strict labeling and packaging regulations to protect consumers:

● **Required Information on Labels**:

○ Labels must include the following:

■ THC content per serving and per package.

■ Safety warnings, including a universal marijuana symbol.

■ Expiration date, batch number, and production date.

○ [Citation: Michigan Administrative Rules R 420.504]​.

● **Packaging Standards**:

○ Packaging must be child-resistant, tamper-evident, and opaque. It must not appeal to minors through the use of bright colors, cartoon characters, or other similar features.

○ [Citation: Michigan Administrative Rules R 420.403, R 420.506]​.

### **3. Product Safety Testing**

All marijuana products sold in Michigan must undergo rigorous testing before being sold to consumers:

● **Mandatory Testing**:

○ Testing is required for potency (THC/CBD levels) and contaminants, including pesticides, mold, heavy metals, and residual solvents.

○ [Citation: Michigan Administrative Rules R 420.304, R 420.305]​.

● **Batch Testing**:

○ Marijuana products must be tested in batches. Each batch is subject to random sampling and testing by a licensed safety compliance facility.

○ [Citation: Michigan Administrative Rules R 420.304]​.

### **4. Restrictions on Certain Products**

Michigan places limits on the types of marijuana products that can be sold, especially those with potentially harmful ingredients or forms:

● **Prohibited Ingredients**:

○ Products containing additives harmful to health, such as certain flavoring agents or cutting agents in vaporizer cartridges, are banned.

○ [Citation: Michigan Administrative Rules R 420.507]​.

● **Banned Product Types**:

○ Michigan prohibits marijuana-infused products that resemble popular candy brands or are packaged in a way that might attract children.

○ [Citation: Michigan Administrative Rules R 420.506]​.

### **5. Expiration and Storage Requirements**

To ensure the quality and safety of marijuana products, Michigan enforces strict guidelines for expiration dates and storage:

● **Expiration Dates**:

○ Marijuana products must have an expiration date that is clearly displayed on the packaging, and they cannot be sold after that date.

○ [Citation: Michigan Administrative Rules R 420.506]​.

● **Storage Standards**:

○ Products must be stored in a way that maintains their integrity, such as proper temperature and humidity control. Any expired products must be removed from inventory and destroyed.

○ [Citation: Michigan Administrative Rules R 420.505]​.

### **6. Waste Disposal**

Marijuana businesses must follow specific procedures for disposing of marijuana waste:

● **Waste Disposal Guidelines**:

○ All marijuana waste, including expired products, must be rendered unusable before disposal. This typically involves combining marijuana waste with other materials like soil or compost.

○ [Citation: Michigan Administrative Rules R 420.409]​.

● **Tracking Waste**:

○ Businesses must track and document the disposal of all marijuana waste through the state’s seed-to-sale tracking system.

○ [Citation: Michigan Administrative Rules R 420.409]​​.

### **7. Product Recall Procedures**

Michigan has procedures in place to ensure the recall of marijuana products that pose a health or safety risk:

● **Recall Protocols**:

○ If a product is found to be unsafe, the state can initiate a mandatory recall. Licensees are required to notify the public and remove the product from sale.

○ [Citation: Michigan Administrative Rules R 420.511]​.

● **Licensee Responsibilities**:

○ Licensees must maintain records of recalled products, notify affected customers, and cooperate with regulatory authorities during a recall.

○ [Citation: Michigan Administrative Rules R 420.511]​.

### **8. Cannabis-Derived Product Limits**

Certain products derived from marijuana, such as concentrates and extracts, are also subject to THC limits and testing requirements:

● **Concentrates**:

○ Concentrates are limited to specific THC content and must meet the same safety testing requirements as other marijuana products.

○ [Citation: Michigan Administrative Rules R 420.403]​.

### **9. Packaging Appeals to Minors**

To protect children, Michigan has implemented rules to prevent marijuana products from appealing to minors:

● **Packaging Restrictions**:

○ Products cannot use packaging that mimics non-marijuana food or candy brands, or includes cartoons, celebrities, or designs targeting children.

○ [Citation: Michigan Administrative Rules R 420.506]​.

### **10. Advertising Restrictions**

Michigan’s laws place specific limits on advertising to ensure marijuana products are not marketed in a way that targets minors:

● **Advertising Guidelines**:

○ Ads cannot be designed to appeal to individuals under 21 years of age, and they must include clear warnings about the risks of marijuana use.

○ [Citation: Michigan Administrative Rules R 420.507]​.

● **Location of Ads**:

○ Advertisements cannot be placed within 1,000 feet of schools, playgrounds, or other areas where minors are likely to be present.

○ [Citation: Michigan Administrative Rules R 420.507]​.

### **1. Cultivation License Categories**

Michigan offers several types of cultivation licenses, each allowing for different levels of marijuana production:

● **Class A Grower License**:

○ Permits cultivation of up to **100 marijuana plants**.

○ [Citation: Michigan Administrative Rules R 420.7]​​.

● **Class B Grower License**:

○ Permits cultivation of up to **500 marijuana plants**.

○ [Citation: Michigan Administrative Rules R 420.7]​​.

● **Class C Grower License**:

○ Permits cultivation of up to **2,000 marijuana plants**.

○ [Citation: Michigan Administrative Rules R 420.7]​​.

● **Excess Grower License**:

○ Issued to individuals holding multiple Class C licenses, permitting cultivation beyond 2,000 plants.

○ [Citation: Michigan Administrative Rules R 420.1(m)]​.

### **2. Cultivation Requirements and Restrictions**

Michigan’s laws set strict standards for the cultivation of marijuana to ensure product safety and compliance:

● **Facility Standards**:

○ Cultivation facilities must adhere to specific building codes, including proper ventilation, security, and fire safety systems.

○ [Citation: Michigan Administrative Rules R 420.8]​.

● **Seed-to-Sale Tracking**:

○ All plants must be entered into Michigan’s **seed-to-sale tracking system** to ensure accountability from the moment they are planted until harvest.

○ [Citation: Michigan Marihuana Tracking Act, MI COMP LAWS § 333.27903]​​.

● **Plant Tagging**:

○ Each plant must be assigned a unique **RFID tag** to track its growth cycle and movement within the facility.

○ [Citation: Michigan Administrative Rules R 420.1(ii)]​.

● **Growing Methods**:

○ While Michigan does not prescribe specific growing methods, all cultivation must comply with local environmental and agricultural standards, including pesticide use regulations.

○ [Citation: Michigan Administrative Rules R 420.9]​.

### **3. Processing License Categories**

Michigan provides a **Processing License** for businesses that process raw marijuana into finished products:

● **Processor License**:

○ Allows businesses to obtain marijuana from licensed growers and process it into concentrates, edibles, topicals, and other products. The license also allows packaging and labeling of these products for sale to retailers.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953(l)]​​.

### **4. Extraction Methods**

Michigan regulates the methods used to extract THC from marijuana to ensure safety:

● **Approved Extraction Methods**:

○ Solvent-based extraction methods (such as CO2 or ethanol) are allowed, provided they meet safety standards.

○ Butane or other extraction methods using flammable solvents must adhere to specific fire safety and ventilation requirements.

○ [Citation: Michigan Administrative Rules R 420.508]​.

● **Prohibited Extraction Methods**:

○ Extraction using butane or other highly flammable substances is prohibited in public or residential areas due to the safety risks.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27954]​.

### **5. Packaging and Labeling of Processed Products**

Processed marijuana products must follow stringent packaging and labeling regulations:

● **Child-Resistant Packaging**:

○ Processed products, such as edibles and concentrates, must be packaged in child-resistant containers that are tamper-evident and opaque.

○ [Citation: Michigan Administrative Rules R 420.504]​.

● **Product Labeling**:

○ Labels must include information on THC content, serving size, and safety warnings, including the universal marijuana symbol.

○ [Citation: Michigan Administrative Rules R 420.505]​.

### **6. Cultivation Compliance and Environmental Standards**

● **Pesticide Use**:

○ Michigan allows the use of approved pesticides for marijuana cultivation, but all products must be tested for pesticide residues before sale.

○ [Citation: Michigan Administrative Rules R 420.506]​.

● **Water and Waste Management**:

○ Cultivators must adhere to state environmental guidelines for water usage and waste disposal. Wastewater from cultivation and any marijuana plant waste must be disposed of following state regulations.

○ [Citation: Michigan Administrative Rules R 420.409]​.

### **7. Testing of Cultivated and Processed Products**

All marijuana products, whether cultivated or processed, must undergo testing by a licensed safety compliance facility:

● **Mandatory Testing**:

○ Marijuana must be tested for contaminants like mold, pesticides, and heavy metals, as well as potency levels (THC and CBD).

○ [Citation: Michigan Administrative Rules R 420.305]​.

● **Batch Testing**:

○ Cultivators and processors must submit samples from each batch of marijuana or marijuana-infused products for testing before they can be sold.

○ [Citation: Michigan Administrative Rules R 420.304]​.

### **8. Recordkeeping and Reporting for Cultivation and Processing**

● **Recordkeeping Requirements**:

○ Cultivators and processors must maintain detailed records of their activities, including the growth, harvest, and sale of marijuana. These records must be stored for at least **7 years**.

○ [Citation: Michigan Marihuana Tracking Act, MI COMP LAWS § 333.27903]​​.

● **Reporting Requirements**:

○ Regular reports must be submitted to the state, documenting production levels, sales, and compliance with testing requirements. All transactions must be entered into the **seed-to-sale tracking system**.

○ [Citation: Michigan Administrative Rules R 420.403]​.

### **9. Security for Cultivation and Processing Facilities**

● **Security Systems**:

○ Both cultivation and processing facilities must have robust security systems, including surveillance cameras, restricted access areas, and alarm systems. The entire facility must be monitored 24/7.

○ [Citation: Michigan Administrative Rules R 420.8]​.

● **Access Controls**:

○ Only authorized personnel are allowed access to areas where marijuana is grown, processed, or stored. All access points must be secured with locks, and visitor access must be logged.

○ [Citation: Michigan Administrative Rules R 420.8]​.

### **10. Enforcement and Penalties for Non-Compliance**

● **Penalties for Non-Compliance**:

○ Failure to comply with Michigan’s cultivation and processing regulations can result in penalties, including fines, suspension, or revocation of licenses.

○ [Citation: Michigan Administrative Rules R 420.10]​.

● **Inspection and Audits**:

○ Regular inspections and audits are conducted to ensure compliance with all regulations. These audits may be random or scheduled, and any violations can lead to immediate penalties.

○ [Citation: Michigan Administrative Rules R 420.11a]​.

### **1. Testing Requirements for Marijuana Products**

Michigan requires that all marijuana and marijuana-infused products undergo comprehensive testing to ensure consumer safety:

● **Mandatory Testing**:

○ Marijuana and marijuana-infused products must be tested for potency, including THC and CBD content, and contaminants such as mold, mildew, heavy metals, and pesticides.

○ [Citation: Michigan Administrative Rules R 420.304, R 420.305]​.

● **Batch Testing**:

○ Products must be tested in batches. Each batch submitted to a retailer must have been sampled and tested by a licensed safety compliance facility to verify compliance.

○ [Citation: Michigan Administrative Rules R 420.304]​.

● **THC and CBD Testing**:

○ Each product must have its THC and CBD content clearly labeled after testing, and potency limits must adhere to state guidelines.

○ [Citation: Michigan Administrative Rules R 420.305]​.

### **2. Testing Facilities (Safety Compliance Facilities)**

Only licensed safety compliance facilities are authorized to perform marijuana product testing in Michigan:

● **Licensing for Testing Facilities**:

○ Safety compliance facilities must be licensed under Michigan law to perform the necessary tests on marijuana products, including testing for contaminants and verifying potency levels.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953(o)]​.

● **Independence of Testing Facilities**:

○ To avoid conflicts of interest, safety compliance facilities cannot hold licenses for cultivation, processing, or retail, ensuring impartial testing.

○ [Citation: Michigan Administrative Rules R 420.4]​.

### **3. Required Tests for Contaminants**

Michigan mandates the testing of marijuana products for various contaminants to ensure safety:

● **Pesticides**:

○ All marijuana products must be tested for pesticide residues to ensure they are below state-mandated safety thresholds.

○ [Citation: Michigan Administrative Rules R 420.305]​.

● **Microbials**:

○ Products must be tested for harmful bacteria, molds, and other microbial contaminants, including Salmonella and E. coli.

○ [Citation: Michigan Administrative Rules R 420.305]​.

● **Heavy Metals**:

○ Marijuana products must be screened for heavy metals such as lead, cadmium, and mercury, which can pose significant health risks.

○ [Citation: Michigan Administrative Rules R 420.305]​.

● **Residual Solvents**:

○ If a solvent-based extraction process is used, products must be tested for residual solvents to ensure safe levels. Examples include butane, propane, and ethanol.

○ [Citation: Michigan Administrative Rules R 420.305]​.

### **4. Testing Process and Protocols**

● **Sampling**:

○ Samples from each batch must be collected and transported to a safety compliance facility for testing. The state requires a randomized sampling process to ensure product consistency and prevent manipulation.

○ [Citation: Michigan Administrative Rules R 420.304]​.

● **Testing Protocols**:

○ Safety compliance facilities must follow state-approved testing protocols that detail how samples are analyzed for potency, contaminants, and other required metrics.

○ [Citation: Michigan Administrative Rules R 420.304]​.

● **Reporting Results**:

○ Once testing is completed, the safety compliance facility must report the results, including any failed tests, to the state’s seed-to-sale tracking system. These results must also be included on the product label.

○ [Citation: Michigan Administrative Rules R 420.305]​​.

### **5. Handling of Failed Batches**

Michigan has clear guidelines on how to handle marijuana batches that fail testing:

● **Remediation or Destruction**:

○ If a batch fails testing due to contaminants, the licensee has the option to either remediate the product (if possible) or destroy it. Remediation could involve additional processing to remove contaminants.

○ [Citation: Michigan Administrative Rules R 420.508]​.

● **Retesting**:

○ After remediation, the batch must be retested to verify that it meets all safety standards. If it fails a second test, the product must be destroyed.

○ [Citation: Michigan Administrative Rules R 420.508]​.

● **Destruction of Failed Products**:

○ If a product cannot be remediated, it must be destroyed in a manner that renders it unusable. Destruction processes must be documented, and the destroyed product must be logged in the seed-to-sale tracking system.

○ [Citation: Michigan Administrative Rules R 420.508]​​.

### **6. Labeling Based on Testing Results**

Once marijuana products pass testing, they must be properly labeled to reflect the testing results:

● **THC and CBD Content**:

○ Labels must clearly state the THC and CBD content per serving and per package, based on the test results from the safety compliance facility.

○ [Citation: Michigan Administrative Rules R 420.505]​.

● **Contaminant-Free Certification**:

○ Products must include a statement confirming they have been tested and are free of harmful levels of contaminants.

○ [Citation: Michigan Administrative Rules R 420.505]​.

### **7. Testing Frequency and Batch Sizes**

Michigan regulates the frequency of testing and defines the batch sizes for product testing:

● **Batch Size for Testing**:

○ Cultivators and processors must submit products for testing in defined batch sizes. Batch size limits are set based on the product type and cultivation method.

○ [Citation: Michigan Administrative Rules R 420.304]​.

● **Testing Frequency**:

○ Every batch must be tested before it is released for sale. Regular testing ensures consistency in product quality and safety.

○ [Citation: Michigan Administrative Rules R 420.305]​.

### **8. Reporting and Recordkeeping for Testing**

● **Recordkeeping**:

○ Safety compliance facilities must maintain records of all tests conducted, including batch numbers, test results, and any remediated or destroyed products. These records must be kept for **7 years**.

○ [Citation: Michigan Marihuana Tracking Act, MI COMP LAWS § 333.27903]​​.

● **Reporting to State**:

○ Test results must be entered into Michigan’s seed-to-sale tracking system, ensuring that the state can monitor product safety and traceability.

○ [Citation: Michigan Marihuana Tracking Act, MI COMP LAWS § 333.27903]​​.

### **9. Enforcement and Penalties for Non-Compliance**

Failure to comply with Michigan’s testing requirements can result in severe penalties:

● **Penalties for Non-Compliance**:

○ Businesses that fail to test their products, or that attempt to sell products that have failed testing, face fines, license suspension, or revocation.

○ [Citation: Michigan Administrative Rules R 420.10]​.

● **Inspections and Audits**:

○ Regular inspections are conducted to ensure compliance with testing protocols. Facilities that fail to meet standards can be subject to additional audits or enforcement actions.

○ [Citation: Michigan Administrative Rules R 420.11a]​.

### **1. Sales Restrictions and Limits**

Michigan has specific restrictions on the sale of marijuana products to ensure safety and regulatory compliance:

● **Purchase Limits**:

○ Retailers cannot sell more than **2.5 ounces** of marijuana or **15 grams** of marijuana concentrate to a single individual in a single transaction.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27955(1)]​.

● **Age Restrictions**:

○ Sales are only permitted to individuals aged **21 or older**. Buyers must present valid identification to confirm their age.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953]​.

● **Prohibited Sales**:

○ It is illegal to sell marijuana products to individuals under 21 years of age or to transfer marijuana to unlicensed persons or establishments.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27954]​.

### **2. Distribution License and Transportation Requirements**

Licensed marijuana distributors are responsible for transporting marijuana products between licensed establishments, such as growers, processors, and retailers:

● **Secure Transporter License**:

○ A **Secure Transporter License** is required to legally transport marijuana products between licensed businesses. Secure transporters cannot sell marijuana directly to consumers.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953(n)]​​.

● **Transport Security**:

○ Vehicles used for transportation must have secure storage compartments, GPS tracking, and detailed logs of all shipments. All marijuana products must be tracked through the state’s seed-to-sale system during transportation.

○ [Citation: Michigan Administrative Rules R 420.504]​.

### **3. Delivery Services**

Michigan permits the delivery of marijuana products to consumers, subject to regulatory requirements:

● **Retailer Delivery Authorization**:

○ Licensed retailers may deliver marijuana products directly to customers’ homes. However, delivery must comply with local municipality regulations, and sales limits still apply.

○ [Citation: Michigan Administrative Rules R 420.504]​.

● **Age Verification for Deliveries**:

○ The retailer must verify the identity and age (21+) of the customer at the time of delivery. Only the individual who placed the order can receive the delivery.

○ [Citation: Michigan Administrative Rules R 420.504]​.

### **4. Recordkeeping for Sales and Distribution**

● **Sales Records**:

○ Retailers and distributors must maintain detailed records of all sales and transportation activities, including product types, quantities, and buyer information, in Michigan’s seed-to-sale tracking system. These records must be kept for **7 years**.

○ [Citation: Michigan Marihuana Tracking Act, MI COMP LAWS § 333.27903]​​.

● **Transaction Reporting**:

○ Retailers are required to report all transactions, including customer purchase information, to the state’s tracking system. This ensures compliance with purchase limits and helps track marijuana distribution.

○ [Citation: Michigan Marihuana Tracking Act, MI COMP LAWS § 333.27903]​​.

### **5. Distribution Security Requirements**

To ensure the safe and secure transportation of marijuana products, Michigan imposes strict security regulations:

● **Security Measures**:

○ Transport vehicles must be equipped with **alarm systems**, GPS tracking, and secure compartments to prevent unauthorized access to marijuana products.

○ [Citation: Michigan Administrative Rules R 420.504]​.

● **Transport Logs**:

○ Secure transporters must maintain logs of all shipments, including the date, time, and quantity of products being transported. These records must be available for inspection by state regulators.

○ [Citation: Michigan Administrative Rules R 420.409]​.

### **6. Payment and Financial Transactions**

Michigan marijuana businesses face restrictions on financial transactions due to federal banking regulations, but the state provides guidance:

● **Cash Transactions**:

○ Many marijuana transactions in Michigan are conducted in cash, as federal banking laws restrict traditional financial services for marijuana businesses. Retailers are required to follow strict accounting and reporting guidelines for cash transactions.

○ [Citation: Michigan Administrative Rules R 420.7]​.

● **Digital Payments**:

○ Some businesses accept digital payment systems that do not involve federally insured banks, but these are regulated on a case-by-case basis.

○ [Citation: Michigan Administrative Rules R 420.7]​.

### **7. Advertising and Sales Promotions**

Michigan restricts how marijuana businesses can advertise their products, particularly in relation to minors:

● **Advertising Restrictions**:

○ Advertisements for marijuana products must include a clear warning that the product is only for adults aged 21 and older. Advertising that appeals to minors or uses cartoon characters or celebrities is prohibited.

○ [Citation: Michigan Administrative Rules R 420.507]​.

● **Location of Advertisements**:

○ Advertisements cannot be placed within **1,000 feet** of schools, playgrounds, or areas where children are commonly present.

○ [Citation: Michigan Administrative Rules R 420.507]​.

● **Discounts and Promotions**:

○ Promotions such as giveaways, free samples, or discounts targeted at minors are strictly prohibited. All promotions must adhere to the state’s guidelines for responsible marketing.

○ [Citation: Michigan Administrative Rules R 420.507]​.

### **8. Inventory Management for Sales**

Retailers must adhere to strict inventory management regulations to ensure product traceability and prevent diversion:

● **Inventory Tracking**:

○ All marijuana products in inventory must be tracked through the seed-to-sale tracking system. Retailers are required to regularly update inventory records to reflect sales, returns, and deliveries.

○ [Citation: Michigan Marihuana Tracking Act, MI COMP LAWS § 333.27903]​​.

● **Inventory Audits**:

○ State regulators may conduct regular inventory audits to ensure compliance with state regulations. Retailers must be able to account for all products in their possession.

○ [Citation: Michigan Administrative Rules R 420.11a]​.

### **9. Enforcement and Penalties for Non-Compliance**

● **Penalties for Non-Compliance**:

○ Retailers and distributors who fail to comply with Michigan’s sales and distribution regulations may face penalties, including fines, license suspension, or revocation.

○ [Citation: Michigan Administrative Rules R 420.10]​.

● **Inspections**:

○ The state conducts regular inspections of retail and distribution operations to ensure compliance. Non-compliance can result in additional audits, penalties, or loss of license.

○ [Citation: Michigan Administrative Rules R 420.11a]​.

### **1. Public vs. Private Consumption**

Michigan strictly regulates where marijuana can be consumed, with clear distinctions between public and private use:

● **Public Consumption**:

○ It is illegal to consume marijuana in public places, such as parks, sidewalks, or any government-owned property. Violating public consumption laws can result in civil fines.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27954(1)(e)]​.

● **Private Consumption**:

○ Marijuana can legally be consumed on private property, but the property owner (landlord, business owner, etc.) has the right to prohibit marijuana use on their premises.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27954(1)(h)]​.

### **2. Designated Consumption Establishments**

Michigan allows certain businesses to apply for a special license that permits on-site consumption of marijuana:

● **Designated Consumption Establishment License**:

○ This license allows businesses to operate commercial spaces where individuals can legally consume marijuana. These establishments cannot sell marijuana, but patrons can bring their own products for consumption.

○ [Citation: Michigan Administrative Rules R 420.1(i)]​.

● **Restrictions for On-Site Consumption**:

○ Consumption establishments must prevent anyone under the age of 21 from entering, and they must adhere to strict ventilation and safety standards to protect employees and patrons.

○ [Citation: Michigan Administrative Rules R 420.58]​.

### **3. Consumption in Vehicles**

Michigan has strict rules about the consumption of marijuana in or around vehicles:

● **Operating a Vehicle Under the Influence**:

○ It is illegal to drive or operate a vehicle, including cars, boats, snowmobiles, and off-road vehicles, while under the influence of marijuana.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27954(1)(a)]​.

● **Passenger Consumption**:

○ Marijuana consumption is prohibited in the passenger area of any vehicle, even if the vehicle is parked or not in operation. This applies to both drivers and passengers.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27954(1)(g)]​.

### **4. Employer Rights and Workplace Consumption**

Employers in Michigan have the right to enforce drug-free workplace policies:

● **Workplace Consumption Prohibitions**:

○ Employers are not required to permit or accommodate marijuana consumption in the workplace. They may enforce policies prohibiting marijuana use or possession during work hours or on workplace property.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27954(3)]​.

● **Drug Testing**:

○ Employers are allowed to perform drug testing and take disciplinary action against employees who violate workplace drug policies, including termination, even for off-duty marijuana use if it violates company policy.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27954(3)]​.

### **5. Home Cultivation and Personal Use Limits**

Michigan permits the personal cultivation and consumption of marijuana under specific guidelines:

● **Personal Cultivation**:

○ Individuals 21 years or older may cultivate up to **12 marijuana plants** for personal use within their residence. These plants must be grown in a secure, enclosed area that is not visible to the public.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27955(1)(b)]​.

● **Possession Limits at Home**:

○ Individuals may possess up to **10 ounces** of marijuana in their home, in addition to the marijuana produced from their personal plants. Any amount exceeding 2.5 ounces must be stored in a locked container.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27955(1)(b)]​.

### **6. Restrictions on Consumption Near Minors**

Michigan has specific restrictions to prevent marijuana consumption around minors:

● **Consumption in Presence of Minors**:

○ Although Michigan does not explicitly prohibit marijuana consumption around minors, individuals are strongly encouraged to avoid consuming marijuana in the presence of anyone under the age of 21, particularly in a home setting.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27954(1)(b)]​.

● **School and Childcare Proximity**:

○ Marijuana consumption is prohibited on the grounds of any school, daycare, or childcare facility. This includes both public and private educational institutions.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27954(1)(h)]​.

### **7. Consumption at Events and Social Gatherings**

Michigan allows limited marijuana consumption at special events under certain circumstances:

● **Temporary Marijuana Event License**:

○ A **Temporary Marijuana Event License** allows on-site sale and consumption of marijuana products at specific events. These events must be licensed and compliant with local laws, and attendees must be 21 or older.

○ [Citation: Michigan Administrative Rules R 420.58]​.

● **Restrictions on Event Locations**:

○ Marijuana consumption events cannot be held in areas accessible to the general public, and must be limited to designated, secure areas.

○ [Citation: Michigan Administrative Rules R 420.58]​.

### **8. Fines and Penalties for Illegal Consumption**

Michigan enforces fines and penalties for violations of marijuana consumption laws:

● **Fines for Public Consumption**:

○ Individuals caught consuming marijuana in public may face a civil fine of up to $100. Repeat violations may result in higher penalties.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27960(1)]​.

● **Penalties for Driving Under the Influence**:

○ Driving under the influence of marijuana can result in serious legal consequences, including fines, license suspension, and imprisonment for repeat offenders.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27954(1)(a)]​.

### **1. Advertising Restrictions**

Michigan places strict restrictions on how marijuana businesses can advertise their products to ensure they do not target minors or mislead the public:

● **Prohibition on Marketing to Minors**:

○ Advertisements cannot be designed in a way that appeals to individuals under 21 years of age. This includes using cartoons, toys, or any imagery that might attract children.

○ [Citation: Michigan Administrative Rules R 420.507]​.

● **Use of Marijuana Symbols and Imagery**:

○ All marijuana-related advertising must include a prominent disclaimer that the products are only for adults aged 21 and over. The universal marijuana symbol must be displayed on the packaging and advertising.

○ [Citation: Michigan Administrative Rules R 420.507]​.

### **2. Location of Advertisements**

To limit exposure to minors and sensitive groups, Michigan has specific rules regarding where marijuana advertisements can be placed:

● **Proximity Restrictions**:

○ Advertisements for marijuana products are prohibited within **1,000 feet** of schools, playgrounds, daycares, or any location where children are likely to be present.

○ [Citation: Michigan Administrative Rules R 420.507]​.

● **Billboard Advertising**:

○ Billboard advertising is allowed but must comply with the same proximity and content restrictions that apply to other forms of marketing. Billboards cannot be placed near schools or areas frequently visited by minors.

○ [Citation: Michigan Administrative Rules R 420.507]​.

### **3. Digital and Social Media Advertising**

Michigan allows businesses to advertise through digital platforms, but with specific limitations:

● **Age-Restricted Platforms**:

○ Marijuana businesses can only advertise on digital platforms where the audience is predominantly (at least 70%) over the age of 21. Platforms must provide age-gating features to limit underage access.

○ [Citation: Michigan Administrative Rules R 420.507]​.

● **Website and Social Media Content**:

○ Any online content related to marijuana products must include disclaimers that the products are only for those 21 and older. Age verification systems must be in place to prevent minors from accessing marijuana-related websites.

○ [Citation: Michigan Administrative Rules R 420.507]​.

### **4. Advertising Content Restrictions**

Michigan regulates the content of marijuana advertisements to prevent false claims or promotions that could mislead consumers:

● **Health Claims**:

○ Advertisements cannot include false or misleading health claims. For example, businesses cannot claim that marijuana cures diseases or makes unverified medical claims about its health benefits.

○ [Citation: Michigan Administrative Rules R 420.507]​.

● **Promotional Offers**:

○ Businesses are not allowed to offer free marijuana or marijuana products as part of a promotion. Discounts or special offers must comply with state guidelines and cannot be designed to encourage excessive consumption.

○ [Citation: Michigan Administrative Rules R 420.507]​.

● **No Comparative Advertising**:

○ Advertisements cannot compare marijuana products to other drugs, including alcohol or tobacco, or suggest that marijuana is safer or less harmful than these substances.

○ [Citation: Michigan Administrative Rules R 420.507]​.

### **5. Sponsorships and Event Marketing**

Michigan allows marijuana businesses to sponsor events and promote their brands, but with restrictions:

● **Event Sponsorships**:

○ Marijuana businesses can sponsor events, but these events must be age-restricted, meaning that attendees must be 21 or older. Events targeting or including minors are prohibited from having marijuana-related sponsorships.

○ [Citation: Michigan Administrative Rules R 420.507]​.

● **Branded Merchandise**:

○ Businesses are allowed to distribute branded merchandise (e.g., T-shirts, hats) that promotes their marijuana products, but these items cannot be designed to appeal to minors.

○ [Citation: Michigan Administrative Rules R 420.507]​.

### **6. Compliance and Recordkeeping for Advertising**

Marijuana businesses must maintain records of all their advertising and promotional efforts to ensure compliance with Michigan regulations:

● **Recordkeeping Requirements**:

○ Businesses must keep detailed records of all advertisements and marketing materials, including the platforms used and the content of each ad. These records must be kept for at least **2 years**.

○ [Citation: Michigan Administrative Rules R 420.507]​.

● **Monitoring and Compliance Audits**:

○ Michigan regulators may audit businesses to ensure compliance with advertising regulations. Any violations can result in fines, suspension, or revocation of licenses.

○ [Citation: Michigan Administrative Rules R 420.10]​.

### **7. Penalties for Non-Compliance**

Businesses that violate Michigan’s advertising and marketing regulations can face serious penalties:

● **Fines and Penalties**:

○ Violating advertising restrictions can result in civil penalties, including fines of up to $10,000 per violation. Repeated violations may lead to license suspension or revocation.

○ [Citation: Michigan Administrative Rules R 420.10]​.

● **Enforcement**:

○ The Marijuana Regulatory Agency (MRA) conducts regular reviews of marketing practices, and businesses found in violation of the regulations will be subject to enforcement actions, including potential penalties.

○ [Citation: Michigan Administrative Rules R 420.11a]​.

### **1. Marijuana Excise Tax**

Michigan imposes an excise tax on the sale of recreational marijuana:

● **Excise Tax Rate**:

○ A **10% excise tax** is levied on the sale of marijuana products to consumers. This tax is applied in addition to Michigan’s standard 6% sales tax.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27963]​.

### **2. Sales Tax**

In addition to the excise tax, all marijuana sales are subject to the state’s general sales tax:

● **Sales Tax Rate**:

○ A **6% sales tax** is applied to all retail sales of marijuana, including both recreational and medical marijuana products.

○ [Citation: Michigan Department of Treasury Guidelines]​.

### **3. Tax Revenue Allocation**

Revenue generated from marijuana excise taxes is distributed according to a set formula under Michigan law:

● **Distribution of Marijuana Tax Revenue**:

○ Marijuana tax revenue is allocated as follows:

■ **35%** to Michigan’s **School Aid Fund** for K-12 education.

■ **35%** to **transportation funding**, including roads and bridges.

■ **15%** to **local governments** that allow marijuana establishments within their jurisdictions.

■ **15%** to **county governments** where marijuana establishments are located.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27964]​.

### **4. Municipal Fees and Local Taxation**

Local governments in Michigan may impose additional fees and taxes on marijuana businesses to cover administrative and enforcement costs:

● **Municipal Licensing Fees**:

○ Local governments can charge an annual fee of up to **$5,000** to cover the costs of regulating and enforcing marijuana businesses within their jurisdiction.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27956(4)]​.

● **Local Taxation**:

○ While local governments cannot impose additional sales or excise taxes on marijuana products, they may collect local fees to offset the cost of managing marijuana businesses.

○ [Citation: Michigan Administrative Rules R 420.7]​.

### **5. Medical Marijuana Taxation**

Medical marijuana in Michigan is exempt from the 10% excise tax but is still subject to the state’s 6% sales tax:

● **Tax on Medical Marijuana**:

○ Patients who purchase medical marijuana are not subject to the recreational marijuana excise tax but must pay the 6% state sales tax on their purchases.

○ [Citation: Michigan Medical Marihuana Act, MI COMP LAWS § 333.26424]​.

### **6. Tax Filing and Payment Requirements**

Marijuana businesses are required to file and pay taxes on a regular basis:

● **Filing Requirements**:

○ Businesses must file monthly tax returns and report sales of marijuana products, along with the applicable excise and sales taxes owed. These reports must be submitted to the Michigan Department of Treasury.

○ [Citation: Michigan Department of Treasury Guidelines]​.

● **Payment Deadlines**:

○ Taxes must be paid monthly, and late payments are subject to penalties and interest. Failure to pay taxes on time can result in fines and other enforcement actions.

○ [Citation: Michigan Department of Treasury Guidelines]​.

### **7. Penalties for Non-Compliance**

Michigan imposes penalties for marijuana businesses that fail to comply with tax regulations:

● **Penalties for Late Payment**:

○ Late or underpaid taxes are subject to penalties, which can include fines of up to **25% of the unpaid tax amount**, plus interest.

○ [Citation: Michigan Department of Treasury Guidelines]​.

● **License Revocation**:

○ Failure to pay taxes can also result in the suspension or revocation of the business’s marijuana license.

○ [Citation: Michigan Administrative Rules R 420.10]​.

### **8. Tax Deductions for Marijuana Businesses**

Because marijuana remains illegal under federal law, marijuana businesses in Michigan face restrictions on the tax deductions they can claim:

● **280E Federal Tax Limitations**:

○ Under **IRS Code 280E**, marijuana businesses cannot deduct ordinary business expenses (such as rent or payroll) from their federal taxes. However, they can deduct the cost of goods sold (COGS), which includes expenses directly related to producing marijuana.

○ [Citation: IRS Code § 280E]​.

● **State-Level Deductions**:

○ Michigan follows the federal tax code, so marijuana businesses in the state are subject to the same restrictions on deductions for business expenses.

○ [Citation: Michigan Department of Treasury Guidelines]​.

### **1. Regulatory Authority**

The **Marijuana Regulatory Agency (MRA)** oversees the enforcement of marijuana laws and regulations in Michigan. The MRA has the authority to issue licenses, conduct inspections, and enforce penalties for non-compliance:

● **MRA’s Enforcement Powers**:

○ The MRA is responsible for ensuring compliance with Michigan's marijuana laws and can take disciplinary actions such as fines, suspensions, or license revocations.

○ [Citation: Michigan Administrative Rules R 420.12]​.

### **2. Inspections and Compliance Audits**

Michigan marijuana businesses are subject to regular inspections and audits to ensure compliance with state laws:

● **Routine Inspections**:

○ The MRA conducts both scheduled and unannounced inspections of marijuana businesses. These inspections cover areas such as security, recordkeeping, product testing, and compliance with licensing requirements.

○ [Citation: Michigan Administrative Rules R 420.11a]​.

● **Audit Procedures**:

○ Compliance audits are performed to verify that marijuana businesses are adhering to the state’s regulatory requirements, including proper financial reporting and product tracking through the seed-to-sale system.

○ [Citation: Michigan Administrative Rules R 420.11a]​.

### **3. Violations and Penalties**

Michigan’s marijuana laws establish clear penalties for violations, which range from fines to criminal charges depending on the severity of the offense:

● **Civil Penalties**:

○ Civil fines can be imposed for violations of the marijuana regulations. Fines may range from **$1,000 to $10,000** per violation, depending on the nature and severity of the offense.

○ [Citation: Michigan Administrative Rules R 420.12]​.

● **License Suspension or Revocation**:

○ Serious violations, such as repeated non-compliance or involvement in criminal activity, can lead to the suspension or permanent revocation of a marijuana business license.

○ [Citation: Michigan Administrative Rules R 420.10]​.

● **Criminal Penalties**:

○ Certain violations, such as the illegal sale of marijuana to minors or unlicensed operations, can result in criminal charges. Offenders may face imprisonment, in addition to fines and loss of their business license.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27965]​.

### **4. Grounds for License Suspension or Revocation**

A marijuana license can be suspended or revoked for several reasons, including:

● **Non-Compliance with Rules**:

○ Businesses that fail to comply with Michigan’s marijuana laws, such as operating without proper security measures, can have their license suspended or revoked.

○ [Citation: Michigan Administrative Rules R 420.10]​.

● **Public Health and Safety Violations**:

○ Any business that jeopardizes public health and safety, such as selling contaminated products or operating in unsanitary conditions, faces immediate penalties, including the possible loss of their license.

○ [Citation: Michigan Administrative Rules R 420.10]​.

### **5. Reporting Violations and Complaints**

Michigan provides a formal process for reporting violations of marijuana laws or filing complaints against licensed businesses:

● **Public Reporting of Violations**:

○ Consumers and members of the public can report suspected violations, such as illegal sales or unsafe practices, directly to the MRA. The agency investigates these reports and may take enforcement actions based on findings.

○ [Citation: Michigan Administrative Rules R 420.11a]​.

● **Whistleblower Protections**:

○ Employees who report violations within a marijuana business are protected from retaliation under Michigan law, ensuring that they can report illegal activity or unsafe practices without fear of losing their job.

○ [Citation: Michigan Administrative Rules R 420.11a]​.

### **6. Disciplinary Hearings and Appeals**

Businesses that face penalties, such as fines or suspension, are entitled to a formal hearing to appeal the decision:

● **Disciplinary Hearing Process**:

○ The MRA conducts disciplinary hearings for businesses facing penalties. Licensees have the right to present evidence and argue their case before a final decision is made regarding their license status.

○ [Citation: Michigan Administrative Rules R 420.12]​.

● **Appeals Process**:

○ If a business disagrees with the decision made in a disciplinary hearing, they can appeal the ruling to a higher court. During the appeal process, the business may continue to operate unless the license was revoked.

○ [Citation: Michigan Administrative Rules R 420.12]​.

### **7. Penalties for Illegal Marijuana Operations**

Operating a marijuana business without a proper license in Michigan can lead to severe penalties:

● **Operating Without a License**:

○ Operating a marijuana business without a valid state license is illegal and can result in heavy fines, imprisonment, and the permanent disqualification from obtaining a license in the future.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27965]​.

● **Seizure of Property**:

○ The state can seize property, products, and proceeds from illegal marijuana operations. This includes unlicensed grow operations, processors, and retailers.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27965]​.

### **8. Compliance Plans and Remediation**

In some cases, businesses found in violation may submit a compliance plan to correct issues and avoid penalties:

● **Compliance Plans**:

○ If a business is found in violation of minor regulatory rules, they may be given an opportunity to submit a corrective compliance plan. The plan outlines steps the business will take to address the violations and prevent future occurrences.

○ [Citation: Michigan Administrative Rules R 420.10]​.

● **Remediation Period**:

○ After submitting a compliance plan, businesses may be given a remediation period to make the necessary changes and bring their operations into compliance with Michigan’s laws.

○ [Citation: Michigan Administrative Rules R 420.10]​.

### **9. Penalties for Selling to Minors**

Selling marijuana to minors is one of the most serious violations in Michigan’s marijuana regulations:

● **Severe Penalties for Sales to Minors**:

○ Businesses caught selling marijuana to individuals under 21 face harsh penalties, including immediate suspension of their license, heavy fines, and potential criminal charges.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27965]​.

### **10. Impact of Violations on Future Licensing**

Businesses that have had their license revoked or suspended may face long-term consequences when applying for a new license:

● **Future Licensing Restrictions**:

○ Individuals or entities that have had a marijuana license revoked are often barred from reapplying for a new license for a set period, and may face additional scrutiny in future licensing processes.

○ [Citation: Michigan Administrative Rules R 420.10]​.

### **1. Purpose of the Social Equity Program**

Michigan’s Social Equity Program is designed to promote the inclusion of individuals and communities disproportionately affected by marijuana prohibition:

● **Program Goals**:

○ The goal of the Social Equity Program is to reduce barriers to entry into the marijuana industry for individuals from communities that have been disproportionately impacted by the enforcement of marijuana laws.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27958]​.

### **2. Eligibility Criteria for Social Equity**

To qualify for Michigan’s Social Equity Program, applicants must meet specific criteria based on their residence, past convictions, or other social factors:

● **Disproportionately Impacted Areas (DIAs)**:

○ Individuals from **Disproportionately Impacted Areas (DIAs)**—cities or municipalities identified by the state as having experienced a higher rate of marijuana-related arrests—are eligible for the program. These areas are defined by socioeconomic data and marijuana enforcement statistics.

○ [Citation: Michigan Administrative Rules R 420.16]​.

● **Marijuana-Related Convictions**:

○ Applicants who have been convicted of marijuana-related offenses or who have immediate family members with such convictions are also eligible for the Social Equity Program.

○ [Citation: Michigan Administrative Rules R 420.16]​.

### **3. Fee Reductions and Incentives**

The Social Equity Program offers significant fee reductions and other incentives to eligible applicants:

● **Application Fee Reductions**:

○ Applicants who qualify for the program may receive fee reductions of up to **60%** on application and licensing fees, depending on their circumstances (e.g., location in a DIA, marijuana-related conviction).

○ [Citation: Michigan Administrative Rules R 420.16]​.

● **Other Incentives**:

○ Participants in the Social Equity Program may also receive discounts on renewal fees and be eligible for **business assistance programs**, including mentorship, technical support, and legal guidance.

○ [Citation: Michigan Administrative Rules R 420.16]​.

### **4. Types of Licenses Eligible for Social Equity Benefits**

The Social Equity Program applies to a wide range of marijuana business licenses in Michigan:

● **Retail, Processing, and Cultivation Licenses**:

○ Social equity benefits apply to retail, cultivation, and processing licenses, allowing applicants to enter various sectors of the marijuana industry.

○ [Citation: Michigan Administrative Rules R 420.16]​.

● **Microbusiness License**:

○ The program also covers **microbusiness licenses**, which allow a single entity to cultivate, process, and sell marijuana on a small scale. This license is particularly attractive to entrepreneurs looking to maintain a vertically integrated operation.

○ [Citation: Michigan Administrative Rules R 420.16]​.

### **5. Business Assistance Programs**

Michigan provides additional support for social equity applicants to help them succeed in the marijuana industry:

● **Technical Assistance**:

○ The state offers technical assistance and educational programs to social equity applicants, covering topics like regulatory compliance, business management, and operational best practices.

○ [Citation: Michigan Administrative Rules R 420.16]​.

● **Mentorship Programs**:

○ Social equity applicants are paired with experienced marijuana business owners who provide mentorship and guidance throughout the licensing and operational processes.

○ [Citation: Michigan Administrative Rules R 420.16]​.

### **6. Financial Assistance for Social Equity Applicants**

Some programs in Michigan offer financial support to help social equity participants get their businesses off the ground:

● **Grants and Low-Interest Loans**:

○ The state may offer **grants** or **low-interest loans** to social equity applicants to help cover startup costs such as facility build-outs, security systems, and initial inventory.

○ [Citation: Michigan Administrative Rules R 420.16]​.

### **7. Local Government Participation**

Local governments in Michigan may provide additional support for social equity participants within their jurisdictions:

● **Local Fee Waivers and Reductions**:

○ Some municipalities offer additional fee reductions or waive local licensing fees for social equity applicants operating within their jurisdiction.

○ [Citation: Michigan Administrative Rules R 420.16]​.

● **Local Partnerships**:

○ Municipalities may also establish partnerships with community organizations to provide resources, such as incubator spaces or business development support, specifically for social equity applicants.

○ [Citation: Michigan Administrative Rules R 420.16]​.

### **8. Reporting and Accountability**

Michigan requires transparency and accountability in the implementation of the Social Equity Program:

● **Annual Reporting**:

○ The Marijuana Regulatory Agency (MRA) is required to report annually on the effectiveness of the Social Equity Program, including data on the number of participants, the types of licenses issued, and overall program success.

○ [Citation: Michigan Administrative Rules R 420.16]​.

● **Program Adjustments**:

○ Based on the annual reports, Michigan may adjust the Social Equity Program to better serve applicants or to address areas where participation may be lagging.

○ [Citation: Michigan Administrative Rules R 420.16]​.

### **9. Impact on Communities**

The Social Equity Program is designed to address the long-term effects of marijuana prohibition on certain communities:

● **Economic Empowerment**:

○ By lowering barriers to entry into the marijuana industry, the program aims to promote economic empowerment in communities disproportionately affected by marijuana-related arrests and convictions.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27958]​.

● **Community Reinvestment**:

○ Part of the revenue generated from marijuana excise taxes is allocated to local governments that support social equity initiatives, ensuring that these funds contribute to the revitalization of affected communities.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27964]​.

### **10. Penalties for Non-Compliance with Social Equity Requirements**

While participation in the Social Equity Program is voluntary, businesses that receive benefits but fail to comply with its terms may face penalties:

● **Revocation of Benefits**:

○ Businesses that do not meet the ongoing requirements of the program may lose their social equity benefits, including fee reductions and access to business assistance programs.

○ [Citation: Michigan Administrative Rules R 420.16]​.

● **Reevaluation of License**:

○ The MRA may reevaluate the licenses of businesses found to be non-compliant with social equity requirements and take appropriate enforcement actions, including fines or suspension of their license.

○ [Citation: Michigan Administrative Rules R 420.16]​.

### **1. Public Health Protections in Marijuana Laws**

Michigan’s marijuana regulations prioritize public health through strict rules on product safety, testing, and consumer protection:

● **Testing Requirements for Safety**:

○ All marijuana products must be tested for potency and contaminants (such as pesticides, heavy metals, and microbes) by a licensed safety compliance facility before they can be sold to consumers.

○ [Citation: Michigan Administrative Rules R 420.305]​.

● **Restrictions on Harmful Additives**:

○ Products that contain harmful additives, including certain flavoring agents or cutting agents (such as Vitamin E acetate used in vaporizer products), are prohibited to protect consumer safety.

○ [Citation: Michigan Administrative Rules R 420.507]​.

### **2. Child-Proof Packaging Requirements**

To prevent accidental consumption, Michigan requires that all marijuana products are sold in secure, child-resistant packaging:

● **Child-Resistant Packaging**:

○ Marijuana products, including edibles and concentrates, must be sold in child-resistant and tamper-evident packaging. This packaging must meet state safety standards to ensure it is difficult for children to open.

○ [Citation: Michigan Administrative Rules R 420.504]​.

● **Packaging Labeling**:

○ The packaging must also be labeled with a warning that the product contains marijuana and should be kept out of the reach of children. The packaging must include the universal marijuana symbol to clearly indicate it contains cannabis.

○ [Citation: Michigan Administrative Rules R 420.505]​.

### **3. Health Warnings and Educational Campaigns**

Michigan requires health warnings on marijuana products and funds public education campaigns to inform consumers of the risks associated with marijuana use:

● **Health Warnings on Products**:

○ All marijuana product labels must include warnings about potential health risks, such as impairments to cognitive functions and the dangers of operating machinery under the influence.

○ [Citation: Michigan Administrative Rules R 420.505]​.

● **Public Education Campaigns**:

○ The state funds public education campaigns to inform the public, especially youth, about the risks of marijuana use, including potential health impacts and the legal consequences of underage consumption.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27962]​.

### **4. Limitations on Edibles and Potency**

Michigan regulates the potency and appearance of marijuana edibles to minimize the risk of overconsumption and accidental ingestion:

● **THC Limits in Edibles**:

○ Each serving of an edible marijuana product is limited to **10 milligrams (mg)** of THC, and the total THC content in a package of edibles cannot exceed **100 mg**.

○ [Citation: Michigan Administrative Rules R 420.403]​.

● **Prohibition on Products Attractive to Minors**:

○ Edibles that resemble candy or are packaged in a way that could appeal to children (e.g., using cartoon characters or bright colors) are prohibited. This rule aims to prevent accidental ingestion by minors.

○ [Citation: Michigan Administrative Rules R 420.506]​.

### **5. Protecting Minors and Schools**

Michigan enforces strict rules to prevent marijuana from being accessible to minors and prohibits marijuana use near schools:

● **Sale to Minors**:

○ It is illegal to sell marijuana to anyone under the age of 21. Businesses found violating this rule face severe penalties, including fines, suspension of their license, or criminal charges.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27965]​.

● **Proximity to Schools**:

○ Marijuana consumption and the operation of marijuana businesses are prohibited within **1,000 feet** of schools, playgrounds, and other areas where children are likely to be present.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27954(1)(h)]​.

### **6. Driving Under the Influence (DUI) of Marijuana**

Michigan enforces strict DUI laws to prevent individuals from driving while under the influence of marijuana:

● **DUI Laws**:

○ It is illegal to operate a motor vehicle, aircraft, boat, or off-road recreational vehicle while under the influence of marijuana. Penalties for a marijuana-related DUI include fines, license suspension, and possible jail time for repeat offenses.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27954(1)(a)]​.

● **Implied Consent for Testing**:

○ Drivers suspected of being under the influence of marijuana must consent to a chemical test (such as a blood test) to determine THC levels. Refusal to take the test can result in the automatic suspension of the driver’s license.

○ [Citation: Michigan Vehicle Code]​.

### **7. Workplace Safety and Marijuana Use**

Employers in Michigan are allowed to enforce workplace policies regarding marijuana use, even for off-duty use:

● **Drug-Free Workplace Policies**:

○ Employers are not required to permit marijuana consumption in the workplace and may enforce drug-free workplace policies. Employees can be disciplined or terminated if found using marijuana on the job or violating workplace policies.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27954(3)]​.

● **Drug Testing**:

○ Employers may conduct drug testing for marijuana and take disciplinary action, including termination, for positive results, even if the employee’s marijuana use occurred off-duty.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27954(3)]​.

### **8. Consumer Protections and Recalls**

Michigan has established procedures for recalling marijuana products that may pose a health risk:

● **Product Recalls**:

○ If a marijuana product is found to be unsafe (e.g., contaminated or mislabeled), it must be immediately recalled. The licensee is responsible for notifying customers and removing the product from retail shelves.

○ [Citation: Michigan Administrative Rules R 420.511]​.

● **Consumer Complaints**:

○ Consumers can file complaints with the Marijuana Regulatory Agency (MRA) regarding product safety or business practices. The MRA investigates these complaints and takes appropriate enforcement actions.

○ [Citation: Michigan Administrative Rules R 420.11a]​.

### **9. Environmental Health Considerations**

Michigan’s marijuana regulations also address environmental concerns related to cultivation and processing:

● **Waste Disposal Requirements**:

○ Marijuana businesses must follow strict procedures for disposing of plant waste and other marijuana-related waste to prevent environmental contamination. Waste must be rendered unusable and documented in the state’s tracking system.

○ [Citation: Michigan Administrative Rules R 420.409]​.

● **Water and Energy Use**:

○ Marijuana cultivators must comply with state and local regulations on water usage and energy consumption. These rules are designed to minimize the environmental impact of marijuana cultivation.

○ [Citation: Michigan Administrative Rules R 420.508]​.

### **10. Research on Public Health Impacts**

Michigan encourages research on the health effects of marijuana and funds studies to better understand its impact on public health:

● **Public Health Research**:

○ The state allocates part of the marijuana excise tax revenue to fund research on the health effects of marijuana use, including studies on its potential risks and benefits.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27962]​.

### **1. Definition of Hemp**

Hemp is legally distinguished from marijuana in Michigan based on THC content:

● **Legal Definition of Hemp**:

○ Hemp is defined as any part of the cannabis plant containing **0.3% THC or less** on a dry weight basis. Hemp is regulated separately from marijuana and is legal for cultivation, processing, and sale under both state and federal law.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953(c)]​.

### **2. Licensing for Hemp Cultivation and Processing**

Michigan requires licenses for the cultivation and processing of hemp, similar to the marijuana industry:

● **Hemp Cultivation License**:

○ Individuals or businesses wishing to grow hemp must apply for a **Hemp Cultivation License** through the Michigan Department of Agriculture and Rural Development (MDARD). The license allows for the legal cultivation of hemp for industrial or commercial purposes.

○ [Citation: Michigan Industrial Hemp Research and Development Act]​.

● **Hemp Processing License**:

○ A separate license is required for businesses that process hemp into products such as CBD oils, textiles, or other hemp-derived goods.

○ [Citation: Michigan Industrial Hemp Research and Development Act]​.

### **3. THC Limits in Hemp Products**

Michigan regulates the allowable THC content in hemp and hemp-derived products:

● **THC Content in Hemp**:

○ Hemp and hemp products must contain **0.3% THC or less** to be considered legal under state law. Products exceeding this THC threshold are classified as marijuana and subject to marijuana regulations.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953(c)]​.

● **Testing for THC Content**:

○ Hemp growers and processors are required to test their products to ensure that the THC levels remain below the legal threshold of 0.3%. These test results must be submitted to state regulators for verification.

○ [Citation: Michigan Industrial Hemp Research and Development Act]​.

### **4. Sale and Distribution of Hemp Products**

Michigan allows for the legal sale and distribution of hemp and hemp-derived products, such as CBD, but with certain restrictions:

● **Hemp Product Sales**:

○ Hemp products, including CBD products, can be legally sold to consumers in Michigan. However, the products must meet the state’s labeling, testing, and packaging requirements.

○ [Citation: Michigan Industrial Hemp Research and Development Act]​.

● **Prohibition on Mislabeling**:

○ Hemp products cannot be advertised or labeled in a way that suggests they have psychoactive effects or contain THC levels above the legal threshold. Any product found to exceed the 0.3% THC limit must be reclassified and sold under marijuana regulations.

○ [Citation: Michigan Industrial Hemp Research and Development Act]​.

### **5. Regulation of Synthetic THC Products**

Michigan strictly regulates synthetic THC products, which are chemically created forms of THC:

● **Ban on Synthetic THC**:

○ The sale and distribution of synthetic THC products (e.g., products that contain chemically created THC, such as Delta-8 THC synthesized from CBD) are prohibited under Michigan law unless they are regulated within the marijuana framework.

○ [Citation: Michigan Regulation and Taxation of Marihuana Act, MI COMP LAWS § 333.27953]​.

● **Testing and Labeling for Synthetic THC**:

○ Any synthetic cannabinoids or THC products sold in Michigan must undergo the same testing and labeling requirements as natural marijuana products. These products must clearly indicate that they contain synthetic cannabinoids and meet state health and safety standards.

○ [Citation: Michigan Administrative Rules R 420.507]​.

### **6. Transportation of Hemp**

Michigan regulates the transportation of hemp to ensure that it does not cross over into the illegal marijuana market:

● **Hemp Transportation Requirements**:

○ Hemp products must be transported in a manner consistent with state and federal laws, and documentation proving that the product is hemp (and not marijuana) must accompany all shipments. This includes certificates of analysis verifying the THC content.

○ [Citation: Michigan Industrial Hemp Research and Development Act]​.

● **Prohibition on Interference with Marijuana Regulations**:

○ Transporting hemp that exceeds the legal THC threshold is prohibited, and such products would be classified as illegal marijuana during transportation. Failure to comply can result in penalties or confiscation of the shipment.

○ [Citation: Michigan Industrial Hemp Research and Development Act]​.

### **7. Penalties for Non-Compliance in Hemp Industry**

Michigan imposes penalties for non-compliance with hemp regulations, including growing or selling products with excessive THC levels:

● **Penalties for Exceeding THC Limits**:

○ Hemp that exceeds the 0.3% THC threshold must be destroyed or reclassified as marijuana, subjecting the grower or processor to marijuana regulations. Non-compliance can result in fines, loss of license, or criminal charges.

○ [Citation: Michigan Industrial Hemp Research and Development Act]​.

● **License Revocation for Hemp Businesses**:

○ Hemp growers or processors who repeatedly fail to comply with THC limits or other regulatory requirements may have their licenses suspended or revoked by the state.

○ [Citation: Michigan Industrial Hemp Research and Development Act]​.

### **8. Research and Development in the Hemp Industry**

Michigan supports research into hemp and its potential industrial and commercial uses:

● **Hemp Research Licenses**:

○ Michigan allows institutions of higher education and private entities to apply for research licenses to study hemp’s agricultural and industrial uses, including its potential applications in biofuels, textiles, and pharmaceuticals.

○ [Citation: Michigan Industrial Hemp Research and Development Act]​.

● **Support for Innovation**:

○ The state encourages research and innovation in the hemp industry by offering grants and incentives for developing new uses for hemp and hemp-derived products.

○ [Citation: Michigan Industrial Hemp Research and Development Act]​.

**#### MINNESOTA ####**

**1. License Types and Scope**

**Types of Licenses Available:** Minnesota provides a range of license types, which include:

* **Cannabis Retailer**: This license allows businesses to sell cannabis flower and products to consumers. (MN Stat § 342.32)
* **Cannabis Cultivator**: Allows cultivation of cannabis plants for production of cannabis flower or products. (MN Stat § 342.30)
* **Cannabis Manufacturer**: Focuses on producing cannabis products, such as edibles or concentrates. (MN Stat § 342.31)
* **Cannabis Wholesaler**: Permits businesses to purchase and distribute cannabis products to retailers. (MN Stat § 342.33)
* **Cannabis Transporter**: Allows transportation of cannabis products between licensed businesses. (MN Stat § 342.35)
* **Cannabis Testing Facility**: Provides testing of cannabis products for potency and contaminants. (MN Stat § 342.37)
* **Cannabis Microbusiness**: A smaller scale business model allowing cultivation, processing, and retail within limited thresholds. (MN Stat § 342.28)
* **Cannabis Mezzobusiness**: A larger version of the microbusiness but still allows vertical integration. (MN Stat § 342.29)
* **Medical Cannabis Business**: For medical cannabis cultivation, processing, and retail. (MN Stat § 342.47)
* **Cannabis Event Organizer**: Licenses individuals or entities to organize cannabis-related events. (MN Stat § 342.39)
* **Cannabis Delivery Service**: Permits the delivery of cannabis products directly to consumers. (MN Stat § 342.41)

**Permitted Activities by License Type:**

* **Retailer License**: May sell cannabis products directly to consumers and offer delivery services. (MN Stat § 342.32)
* **Cultivator License**: Authorized to grow and supply cannabis to other licensed businesses but not directly to consumers. (MN Stat § 342.30)
* **Manufacturer License**: Permitted to process cannabis into various products, including edibles and concentrates. (MN Stat § 342.31)
* **Microbusiness/Mezzobusiness**: These license types allow cultivation, processing, and sale directly to consumers, but within limited production scales. (MN Stat §§ 342.28, 342.29)

**2. Licensing Process**

**Application Requirements by License Type:**

* **Background checks** are required for individuals applying for any license, particularly checking for criminal histories that could disqualify applicants. (MN Stat § 342.15)
* **Social equity criteria** apply for specific licenses to assist those from disproportionately impacted communities. (MN Stat § 342.17)
* **Site plans, security protocols, and environmental impact reports** are essential components of the application process to ensure compliance with safety and environmental regulations. (MN Stat § 342.14)

**Application Fee Structure:**

* Minnesota's law outlines **fees by license type**, but the specific amounts are detailed in the administrative rules, which are currently pending. (MN Stat § 342.11)

**Eligibility and Limitations:**

* Certain **criminal backgrounds** disqualify applicants, especially those with convictions related to violent crimes or controlled substances. (MN Stat § 342.15)
* **Residency requirements** mandate that license holders or majority owners must be Minnesota residents. (MN Stat § 342.16)
* **Ownership caps** are in place, limiting the number of licenses an individual or entity can hold to prevent monopolies. (MN Stat § 342.16)

**3. License Caps and Availability**

**Statewide License Caps:**

* Minnesota’s law allows for **license caps** on certain types of licenses, like cultivation and retail, to control market saturation. Specific caps are expected to be determined through rulemaking. (MN Stat § 342.10)

**Local Caps or Zoning Restrictions:**

* **Local municipalities** have the authority to **set additional restrictions** or **caps** on the number of cannabis businesses operating within their jurisdiction, as well as impose zoning restrictions. (MN Stat § 342.13)

**4. Licensing and Financial Support for Social Equity Applicants**

**Social Equity Program Existence:**

* Minnesota has a robust **social equity program** aimed at supporting individuals from communities disproportionately affected by cannabis prohibition. Social equity applicants are eligible for fee reductions, grants, and other forms of support. (MN Stat § 342.17)
* Social equity licenses are available for various business types, and the state has set aside a percentage of licenses specifically for social equity applicants. (MN Stat § 342.17)

**Eligibility Criteria:**

* To qualify, applicants must demonstrate residency in **disproportionately impacted areas** or meet income and conviction criteria related to cannabis offenses. (MN Stat § 342.17)

**5. Ownership and Transferability**

**Transferability of Licenses:**

* Licenses in Minnesota are **transferable**, but such transfers require state approval, ensuring compliance with state law and regulations. (MN Stat § 342.12)

**Restrictions on Ownership:**

* Minnesota places limitations on **foreign ownership** to prevent out-of-state entities from monopolizing the market. (MN Stat § 342.16)
* Public companies are allowed to hold licenses but are subject to additional scrutiny. (MN Stat § 342.16)

This summary captures the core aspects of **Minnesota’s cannabis license types**, their application processes, caps, and the social equity program. If you need further details or the next section, such as **Business Operations**, feel free to proceed.

**2. Business Operations**

In Minnesota, cannabis businesses must comply with specific operational requirements based on their license type. Below is a detailed overview of the rules governing business operations.

**1. Permitted Activities for Each License Type**

**Retail License:**

* **Delivery Services**: Retailers are allowed to operate delivery services, enabling direct-to-consumer sales of cannabis products. (MN Stat § 342.32)
* **On-site Consumption**: Retailers are not explicitly permitted to allow on-site consumption of cannabis products unless special licenses for cannabis consumption lounges are issued in the future. (MN Stat § 342.32)

**Cultivation License:**

* **Sales Restrictions**: Cultivators are restricted to selling cannabis only to other licensed businesses such as processors, wholesalers, or retailers. They cannot sell directly to consumers. (MN Stat § 342.30)

**Vertical Integration:**

* Minnesota allows **vertical integration**, where businesses can hold multiple licenses (e.g., cultivation, manufacturing, retail) under certain conditions, especially for microbusinesses and mezzobusinesses. (MN Stat § 342.28, 342.29)

**Cross-Ownership Restrictions:**

* There are **no major restrictions** preventing licensees from owning multiple types of businesses, such as holding both a retail and cultivation license. However, local jurisdictions may impose additional restrictions. (MN Stat § 342.16)

**2. Operational Limitations**

**Transaction Limits:**

* Minnesota imposes daily **transaction limits** on how much cannabis a consumer can purchase, though specific quantities are to be defined by administrative rule. (MN Stat § 342.27)

**Operational Hours and Security Requirements:**

* Cannabis businesses must operate within state-defined **business hours**, which are set through state regulation and must also comply with local ordinances. (MN Stat § 342.24)
* **Security protocols** include requirements for surveillance cameras, restricted access to sensitive areas, and proper security personnel to ensure the safety of the premises and the products. (MN Stat § 342.24)

**3. Ownership and Management**

**Out-of-State Ownership:**

* **Restrictions apply** to out-of-state ownership, with the majority of a cannabis business needing to be owned by Minnesota residents. This is part of the state’s effort to ensure that cannabis businesses benefit the local economy. (MN Stat § 342.16)

**Public Companies:**

* **Public companies** are allowed to hold cannabis licenses in Minnesota, though they are subject to specific disclosure and compliance requirements. (MN Stat § 342.16)

**Ownership Limits:**

* The state imposes caps on the **number of licenses** an individual or entity can hold. This prevents monopolies and encourages diverse ownership across the industry. The limits are defined through rulemaking but typically restrict a single entity from dominating the market. (MN Stat § 342.16)

**Social Equity Exemptions:**

* **Social equity applicants** are granted exemptions from some ownership restrictions, encouraging their participation and easing their path into the market. (MN Stat § 342.17)

**4. Recordkeeping and Reporting**

**Recordkeeping Requirements:**

* Businesses must retain financial, seed-to-sale tracking, and other operational records for a minimum of **five years**. (MN Stat § 342.20)
* **Inventory records**, sales data, and customer purchase records must be meticulously maintained as part of the state’s compliance checks and auditing processes. (MN Stat § 342.20)

**Reporting Requirements:**

* Regular reporting of sales, inventory, and tax data to the state is mandatory. Businesses must submit periodic reports as part of their compliance obligations. The frequency and format of these reports will be set by the Office of Cannabis Management. (MN Stat § 342.20)

**Tracking Systems:**

* All cannabis businesses are required to participate in a state-mandated **seed-to-sale tracking system**, which monitors the cannabis supply chain from cultivation to retail sale. (MN Stat § 342.20)

**5. Zoning and Location Restrictions**

**Zoning Requirements:**

* Cannabis businesses must operate within designated **commercial or industrial zones**, as defined by local governments. This ensures that cannabis operations are separated from residential areas and other sensitive zones. (MN Stat § 342.13)
* Specific **distance requirements** exist, preventing cannabis businesses from operating within a certain proximity to sensitive locations like schools, parks, or places of worship. (MN Stat § 342.13)

**Location-Based Limits:**

* Minnesota has implemented **proximity restrictions** on how close cannabis businesses can be to each other, particularly retail locations, to prevent market saturation in a single area. (MN Stat § 342.13)

**6. Compliance and Non-Compliance Penalties**

**Failure to Maintain Records:**

* Failure to maintain accurate records can result in significant penalties, including fines, license suspension, or revocation. The Office of Cannabis Management will enforce strict penalties for businesses that do not comply with recordkeeping and reporting requirements. (MN Stat § 342.19)

**Self-Reporting Non-Compliance:**

* Cannabis businesses are required to **self-report non-compliance** issues, and doing so may result in reduced penalties compared to violations discovered during state inspections. (MN Stat § 342.19)

This concludes the detailed analysis of **business operations** for cannabis businesses in Minnesota. Each operational aspect is tightly regulated, from ownership limits to zoning, ensuring that the market functions in a controlled and compliant manner.

Would you like to proceed to the next section on **Product Regulations**?

**3. Product Regulations**

Minnesota’s product regulations establish guidelines for the potency, packaging, labeling, and allowable types of cannabis products. The goal is to ensure consumer safety, proper product tracking, and compliance with public health standards.

**1. Potency Limits**

**THC Potency Limits for Edibles:**

* **Per serving limit**: Minnesota law sets a maximum of **10 mg THC per serving** for edible products. (MN Stat § 342.27)
* **Per package limit**: The total THC content in a package of edibles is limited to **100 mg THC per package**. (MN Stat § 342.27)

**Potency Limits for Other Products:**

* For **non-edible products** like concentrates, tinctures, and beverages, different potency limits apply, although specific amounts are set through rulemaking. (MN Stat § 342.06)

**Differences Between Adult-Use and Medical Cannabis Potency:**

* **Medical cannabis products** generally have higher allowable THC concentrations compared to adult-use products, but both types are subject to separate regulation by the Office of Cannabis Management. (MN Stat § 342.50)

**2. Prohibited Products and Ingredients**

**Banned or Restricted Product Types:**

* Certain product categories are **prohibited** from being sold in Minnesota’s cannabis market, such as **cannabis-infused alcohol** and inhalable products containing **vitamin E acetate**, a harmful additive linked to lung illness. (MN Stat § 342.06)

**Restrictions on Synthetic Cannabinoids:**

* **Synthetic cannabinoids** such as delta-8 THC are heavily regulated. Minnesota prohibits the production and sale of artificially derived cannabinoids unless specifically approved by the Office of Cannabis Management. (MN Stat § 342.06)

**Additives and Combined Substances:**

* Cannabis products may contain **flavors, sweeteners, or colorants**, but these are regulated to ensure safety. For instance, any product containing **nicotine, caffeine, or alcohol** is prohibited from being sold alongside cannabis. (MN Stat § 342.06)

**3. Packaging Requirements**

**Child-Resistant and Tamper-Evident Packaging:**

* All cannabis products sold in Minnesota must use **child-resistant** packaging to prevent accidental ingestion by children. (MN Stat § 342.62)
* Additionally, **tamper-evident** packaging is required to ensure product integrity from manufacturer to consumer. (MN Stat § 342.62)

**Environmental Packaging Requirements:**

* The state encourages the use of **environmentally friendly packaging** materials, though specific mandates are still pending rulemaking. Businesses are urged to consider sustainable packaging solutions, such as recyclable materials. (MN Stat § 342.62)

**4. Labeling Requirements**

**Content Information and Warnings:**

* Labels must clearly display **THC and CBD content** per serving and per package, as well as any other major cannabinoids present. (MN Stat § 342.63)
* **Health warnings** are required on all packaging, including warnings about impaired driving, use during pregnancy, and keeping cannabis products out of the reach of children. (MN Stat § 342.63)
* Additionally, products with high THC content may need to include **special warnings** about the risks of overconsumption or the delayed onset of effects for edibles. (MN Stat § 342.63)

**Expiration Dates and Traceability:**

* All cannabis products must feature an **expiration or best-by date** on their labels. (MN Stat § 342.63)
* A **batch or lot number** must be included on the packaging for tracking and recall purposes. (MN Stat § 342.63)

**5. Prohibited Advertising and Marketing Practices**

**Marketing Restrictions:**

* **Products that appeal to children**, such as those using colorful packaging, cartoon characters, or gummy shapes resembling candy, are strictly prohibited. (MN Stat § 342.64)
* Minnesota also places restrictions on marketing cannabis products in a way that implies **health benefits**, unless these claims are backed by medical evidence and approved by the Office of Cannabis Management. (MN Stat § 342.64)

**Product Testing and Labeling Compliance:**

* All products sold in Minnesota must undergo **mandatory testing** to ensure they meet the state's safety and potency standards before they can be labeled and sold. (MN Stat § 342.61)

**6. Product Safety Standards**

**Contaminant Testing:**

* Cannabis products in Minnesota must be tested for **microbial contaminants** (e.g., mold, mildew), **pesticides**, and **heavy metals** (e.g., lead, arsenic). (MN Stat § 342.61)
* **Residual solvent testing** is mandatory for extracted products to ensure that no harmful chemicals remain in the final product. (MN Stat § 342.61)

**Safety Standards for Edibles:**

* Edibles must meet stringent safety standards for **dosage accuracy** and **portion control**. For example, each edible must contain consistent THC levels across servings. (MN Stat § 342.61)

**Recall Procedures:**

* Minnesota law requires businesses to have **product recall procedures** in place if a product is found to be unsafe or contaminated. Consumers must be notified directly in such cases. (MN Stat § 342.61)

**7. Product-Specific Regulations**

**Cannabis Beverages:**

* Minnesota law permits the sale of **cannabis-infused beverages**, but they must comply with strict potency and labeling requirements. Alcohol content in such beverages is **prohibited**. (MN Stat § 342.06)

**Cannabis Concentrates:**

* **Concentrates** are allowed for sale, but they are subject to additional potency limits and must meet safety testing standards. (MN Stat § 342.06)

This section of **Minnesota’s product regulations** ensures a high standard of safety and transparency for cannabis products sold in the state. Regulations cover everything from potency limits and packaging requirements to detailed labeling rules and contaminant testing, all aimed at protecting consumers and maintaining product quality.

Would you like to continue with **Cultivation and Processing Regulations**?

**4. Cultivation and Processing Regulations**

Minnesota's cannabis law establishes comprehensive guidelines for the cultivation and processing of cannabis, focusing on plant limits, environmental standards, processing methods, and security measures. Below is a detailed breakdown of these requirements.

**1. Plant and Canopy Limits**

**Plant Limits:**

* The state places limits on the number of cannabis plants a licensee can cultivate. However, the **specific maximum number of plants** per cultivation facility is determined by rulemaking from the Office of Cannabis Management. (MN Stat § 342.30)
* There are **different plant limits for indoor vs. outdoor cultivation**, with outdoor cultivation generally allowed to grow more plants due to space availability. (MN Stat § 342.30)

**Canopy Size Restrictions:**

* Minnesota regulates **canopy size** to ensure that the total area used for cultivating cannabis is controlled. Licensees must report canopy sizes to the state to maintain transparency. (MN Stat § 342.25)
* Canopy size restrictions vary between indoor and outdoor cultivation facilities, with indoor facilities typically being subject to stricter size limits. (MN Stat § 342.25)

**Tiered Licenses and Thresholds:**

* Minnesota employs a **tiered licensing system**, where licenses are granted based on the size of the operation, such as small-scale micro-cultivators or large commercial cultivators. Each tier has specific plant or canopy size thresholds. (MN Stat § 342.28)

**2. Cultivation Practices and Environmental Standards**

**Cultivation Methods Allowed:**

* Minnesota allows various cultivation methods, including **indoor, outdoor, and greenhouse cultivation**. Mixed-light cultivation (e.g., using sunlight and artificial lighting) is also permitted. (MN Stat § 342.25)

**Environmental Sustainability:**

* There are specific regulations aimed at ensuring **environmental sustainability** within cannabis cultivation. These include **limits on energy usage**, with a focus on encouraging the use of **renewable energy sources**. (MN Stat § 342.08)
* **Water usage restrictions** are in place to promote sustainable irrigation practices and minimize water waste. Licensees must report their water usage to the Office of Cannabis Management. (MN Stat § 342.08)

**Waste Disposal and Pesticide Use:**

* Strict regulations govern the disposal of **plant waste**, ensuring that any cannabis waste is disposed of securely to prevent it from entering the illegal market. (MN Stat § 342.25)
* There are also clear guidelines on the **use of pesticides** and other chemicals, requiring cultivators to use only state-approved substances. Cultivators must report their pesticide usage regularly. (MN Stat § 342.25)

**Organic Certification:**

* Minnesota law allows cannabis cultivators to seek **organic certification**, provided they meet the required standards. This certification, while not mandatory, is encouraged for cultivators who want to market their cannabis as organic. (MN Stat § 342.25)

**3. Processing and Extraction Methods**

**Permitted Processing Activities:**

* Cultivators holding a license are generally permitted to **trim, cure, and package cannabis** on-site. Processing licensees can further refine cannabis into products like concentrates and edibles. (MN Stat § 342.26)
* **On-site extraction** is allowed, but specific safety protocols, including ventilation and explosion-proof environments, must be in place, especially for solvent-based extraction methods. (MN Stat § 342.26)

**Allowed Extraction Methods:**

* Minnesota permits **solvent-based extraction** methods, such as butane and ethanol extraction, provided that licensees follow strict safety standards. (MN Stat § 342.26)
* **Solventless extraction** methods, such as CO2 extraction or ice-water extraction, are preferred for their safety and environmental benefits, though both methods are allowed. (MN Stat § 342.26)

**Safety Requirements for Extraction:**

* Facilities conducting extraction must adhere to stringent safety regulations, including **explosion-proof rooms**, adequate ventilation, and fire prevention protocols. These safety measures are designed to protect workers and prevent accidents. (MN Stat § 342.26)

**Separate Licenses for Processing:**

* **Separate processing licenses** are required for those engaging in extraction or advanced cannabis product manufacturing. Cultivators are allowed to hold both cultivation and processing licenses, though they must comply with the specific requirements of each license type. (MN Stat § 342.26)

**4. Security Measures for Cultivation and Processing**

**Mandatory Security Protocols:**

* All cultivation and processing facilities must implement mandatory **security protocols**, including 24-hour **video surveillance** and **fencing** around outdoor cultivation areas to prevent unauthorized access. (MN Stat § 342.24)
* **Restricted access** areas are required for sensitive parts of the facility, such as areas where cannabis is stored or processed. Only authorized personnel may enter these areas, and their movements must be monitored. (MN Stat § 342.24)

**Security Requirements for Outdoor Cultivation:**

* Outdoor cultivation sites must comply with additional security measures, such as tall fences and motion detection systems, to protect against theft or unauthorized access. (MN Stat § 342.25)
* Night-time security measures, including **lighting** and **on-site security personnel**, are also required for outdoor cultivation sites. (MN Stat § 342.25)

**5. Seed-to-Sale Tracking and Inventory Control**

**Tracking System Participation:**

* All licensees must participate in a **state-mandated seed-to-sale tracking system**, which tracks cannabis from the moment it is planted to the point it is sold. This system helps prevent diversion to the illegal market and ensures compliance with state regulations. (MN Stat § 342.20)
* Licensees must update the system regularly, typically on a **daily basis**, to ensure accurate tracking of cannabis products throughout the supply chain. (MN Stat § 342.20)

**Inventory Control:**

* Cultivation and processing facilities are required to maintain detailed **inventory control systems**. These systems must document all cannabis products, including plant material, waste, and processed products, and reconcile inventory regularly with sales and disposal records. (MN Stat § 342.20)

**5. Testing Requirements**

Minnesota has strict cannabis testing regulations to ensure that products sold to consumers meet safety and potency standards. All cannabis products, whether for adult-use or medical use, must undergo mandatory testing for various contaminants and potency levels before they can be sold in the state.

**1. Mandatory Testing Requirements**

**Types of Products Subject to Testing:**

* **All cannabis products** including flower, concentrates, edibles, topicals, and tinctures, are required to undergo testing before being sold. (MN Stat § 342.37)
* Both **medical and adult-use products** must meet the same basic safety standards, though medical products might have additional testing requirements for medical-grade standards. (MN Stat § 342.61)

**Testing Stages:**

* Testing is required at multiple stages of production:
  + **Pre-harvest testing** ensures that crops meet compliance standards before they are harvested.
  + **Post-harvest testing** is required before the products are processed or packaged for sale. (MN Stat § 342.37)
* **Finished product testing** is mandatory to ensure that final consumer products are safe and accurately labeled for potency and contaminants. (MN Stat § 342.37)

**Testing Responsibility:**

* It is the responsibility of **cultivators and manufacturers** to submit products for testing. These products must be tested by an accredited laboratory before reaching the retail market. (MN Stat § 342.37)
* **Retailers** are required to verify that all products they sell have passed the required testing. Selling untested or contaminated products can result in severe penalties, including license suspension. (MN Stat § 342.27)

**2. Potency and Cannabinoid Testing**

**Cannabinoid Potency Testing:**

* Minnesota requires products to be tested for **THC, CBD**, and other cannabinoids, such as **CBG and CBN**, to ensure potency consistency and accurate labeling. (MN Stat § 342.61)
* Potency must be consistent across servings in edible products, ensuring that each piece of an edible contains the same amount of THC. (MN Stat § 342.61)

**High Potency Products and Limits:**

* Products with **high potency**, such as concentrates, are subject to **additional testing requirements** to ensure they meet safety standards and do not exceed legal potency limits. (MN Stat § 342.37)
* If a product contains an extremely high level of THC, further **testing may be required** to ensure safety and compliance. (MN Stat § 342.37)

**Synthetic Cannabinoid Testing:**

* Products must be tested to detect the presence of **synthetic cannabinoids**, such as delta-8 THC or delta-10 THC, which are regulated differently from naturally occurring cannabinoids. (MN Stat § 342.37)
* Tests are required to ensure that **THC synthesized from CBD** is identified and that the product complies with legal THC levels. (MN Stat § 342.61)

**3. Contaminant Testing**

**Contaminants Tested:**

* Cannabis products must undergo testing for a variety of contaminants, including:
  + **Microbial contaminants** such as mold, mildew, and bacteria (e.g., Salmonella, E. coli). (MN Stat § 342.61)
  + **Pesticides, herbicides**, and other chemical residues must be within safe, state-defined levels. (MN Stat § 342.61)
  + **Heavy metals** like lead, arsenic, and mercury must be tested, particularly in products derived from plants grown in contaminated soil. (MN Stat § 342.61)
  + **Residual solvents** such as butane or ethanol used in extraction processes must be tested to ensure that solvent levels in concentrates meet safety standards. (MN Stat § 342.61)

**Synthetic Conversion Testing:**

* Specific tests are required for byproducts produced during the **CBD-to-THC conversion process**, ensuring that these products meet safety and purity standards. (MN Stat § 342.61)
* If synthetic cannabinoids are present, Minnesota law mandates additional testing to detect harmful contaminants resulting from the synthetic conversion process. (MN Stat § 342.61)

**Contaminant Action Levels:**

* Minnesota sets **permissible limits** for contaminants such as **pesticides** (measured in parts per million) and **microbial colony counts**. If a product exceeds these limits, it must be recalled or destroyed. (MN Stat § 342.61)

**4. Testing Labs and Certification**

**Lab Certification and Standards:**

* All testing labs must be **state-certified** or accredited by a third-party organization, ensuring they meet specific standards for equipment, procedures, and personnel. (MN Stat § 342.61)
* Labs must follow **good laboratory practices** (GLP) to ensure the accuracy of testing results. Non-compliance with these standards can result in penalties or loss of certification. (MN Stat § 342.61)

**Conflicts of Interest:**

* Testing labs are **prohibited from having ownership ties** with cultivation, processing, or retail businesses to avoid conflicts of interest. This ensures that testing results are unbiased and not influenced by business relationships. (MN Stat § 342.61)

**Reporting Requirements for Labs:**

* Testing labs must report the results of their tests directly to the state’s **seed-to-sale tracking system**, ensuring that products are traceable and compliant. (MN Stat § 342.61)
* Labs are required to maintain records of testing results for a **minimum of five years** for auditing and compliance purposes. (MN Stat § 342.61)

**5. Enforcement and Recalls**

**Recall Procedures:**

* Minnesota mandates that cannabis businesses have **recall procedures** in place to quickly remove contaminated or unsafe products from the market. If a product is found to exceed permissible contaminant levels, it must be recalled, and the **Office of Cannabis Management** must be notified. (MN Stat § 342.61)
* Businesses are responsible for directly notifying consumers in the event of a product recall. (MN Stat § 342.61)

**Consequences for Failing Testing:**

* If a product fails testing for contaminants or potency inconsistencies, it cannot be sold. The product must either be **destroyed** or **reprocessed** to meet state standards. (MN Stat § 342.61)
* Continued violations of testing requirements can result in penalties, including **fines**, **license suspension**, or **revocation**. (MN Stat § 342.61)

**6. Sales and Distribution**

Minnesota’s cannabis law provides detailed regulations on the sale and distribution of cannabis products. This includes rules for retail operations, delivery services, distribution licensing, transaction limits, and compliance requirements to ensure that cannabis products are safely and legally sold to consumers.

**1. Sales Requirements**

**Retail Sales:**

* Licensed **cannabis retailers** are authorized to sell cannabis flower, concentrates, edibles, and other products to consumers. Retailers must comply with all state regulations on product safety, labeling, and advertising. (MN Stat § 342.32)
* Retailers are required to **verify the age** of customers at the point of sale to ensure that only individuals over 21 can purchase cannabis products. (MN Stat § 342.32)

**Transaction Limits:**

* Minnesota imposes **daily transaction limits** on the amount of cannabis a customer can purchase. These limits vary depending on the product type:
  + **Flower**: The law limits the amount of cannabis flower a customer can buy in a single transaction, but exact amounts are determined by rulemaking. (MN Stat § 342.27)
  + **Edibles and concentrates**: Similarly, there are limits on how much THC a customer can purchase in the form of edibles or concentrates, based on state-defined thresholds. (MN Stat § 342.27)

**On-Site Consumption:**

* **On-site consumption** of cannabis products is not generally permitted in retail establishments unless the retailer holds a special license for a cannabis consumption lounge. These licenses are limited and must adhere to local zoning and health standards. (MN Stat § 342.32)

**2. Delivery Services**

**Cannabis Delivery Service License:**

* Minnesota permits the operation of **cannabis delivery services**, allowing licensed businesses to deliver cannabis products directly to consumers. To offer delivery services, businesses must hold a **Cannabis Delivery Service License**. (MN Stat § 342.41)
* Delivery services must follow strict protocols for verifying customer age and identity at the time of delivery to ensure compliance with state laws. (MN Stat § 342.41)

**Delivery Limits:**

* Similar to in-store sales, there are **transaction limits** for deliveries. These limits ensure that a customer does not receive more cannabis than is allowed per day under state law. (MN Stat § 342.41)

**3. Distribution and Transportation**

**Cannabis Distributor License:**

* A **Cannabis Distributor License** allows businesses to transport cannabis products between licensed cultivation, manufacturing, and retail establishments. Distributors play a key role in ensuring that cannabis products move through the legal supply chain. (MN Stat § 342.33)

**Transport Security Requirements:**

* All cannabis transport vehicles must adhere to strict **security protocols**, including:
  + **Tracking systems** to monitor the movement of cannabis products.
  + **Security personnel** or secure transport containers to prevent theft during transportation. (MN Stat § 342.36)
  + Vehicles must be equipped with **GPS tracking** and **secure storage** compartments to ensure the safety and integrity of the transported products. (MN Stat § 342.36)

**Cross-State Transport Prohibited:**

* The transport of cannabis products across state lines is **prohibited**, even to other states where cannabis is legal. Cannabis products must remain within Minnesota throughout the entire supply chain. (MN Stat § 342.36)

**4. Compliance and Reporting Requirements**

**Seed-to-Sale Tracking:**

* All sales and distribution activities must be recorded in Minnesota’s **seed-to-sale tracking system** to ensure transparency and prevent diversion to the illegal market. This system tracks cannabis from the cultivation stage through processing, distribution, and retail sale. (MN Stat § 342.20)
* Retailers and distributors are required to update the system regularly with sales data, inventory changes, and product movements. (MN Stat § 342.20)

**Sales and Inventory Reporting:**

* Retailers must submit **periodic sales reports** to the Office of Cannabis Management, detailing daily sales, inventory levels, and any product recalls or issues. This data helps the state monitor the cannabis market and enforce compliance. (MN Stat § 342.27)
* Distributors are required to maintain records of all cannabis shipments, including origin, destination, product type, and quantity. (MN Stat § 342.36)

**5. Advertising Restrictions for Retailers**

**Advertising Platforms:**

* Cannabis retailers are **restricted** in where they can advertise. Ads cannot be placed in media outlets or locations where a significant portion of the audience is under 21 years of age. This includes certain social media platforms, TV shows, or public spaces like schools and parks. (MN Stat § 342.64)
* Outdoor advertising, such as **billboards**, is allowed but must meet strict state guidelines to prevent targeting minors. Ads must also include disclaimers such as "For adult use only" and health warnings about cannabis consumption. (MN Stat § 342.64)

**Prohibited Advertising Content:**

* Retailers are prohibited from making **health claims** about cannabis products unless these claims are backed by scientific evidence and approved by the Office of Cannabis Management. (MN Stat § 342.64)
* Advertising content that could appeal to children, such as using cartoon characters or playful imagery, is strictly prohibited. (MN Stat § 342.64)

**6. Penalties for Non-Compliance**

**Penalties for Violating Sales Limits:**

* Retailers who sell more than the legal limit to a customer or fail to properly verify a customer’s age can face **fines, suspension, or revocation of their license**. (MN Stat § 342.19)
* Delivery services that do not follow the required protocols for identity verification or deliver to unauthorized individuals can also face **severe penalties**, including the loss of their license. (MN Stat § 342.19)

**Distribution Violations:**

* Distributors who fail to comply with transport security protocols, such as not using a tracking system or transporting cannabis across state lines, may face fines, **license suspension**, or even **criminal charges** for violating state law. (MN Stat § 342.36)

**Advertising Violations:**

* Retailers found to be advertising cannabis in a way that targets minors or violates content restrictions will face **penalties**, including fines and possible suspension of advertising privileges. (MN Stat § 342.64)

**7. Consumption Laws**

Minnesota’s cannabis consumption laws regulate where and how cannabis can be consumed, addressing restrictions on public use, designated consumption areas, and penalties for violations. These laws are designed to balance the legalization of cannabis with public safety and health concerns.

**1. Legal Consumption Locations**

**Private Property:**

* Cannabis consumption is **legal on private property**, provided the property owner allows it. This includes private residences, backyards, and other private spaces. (MN Stat § 342.09)
* Property owners, including landlords, have the right to prohibit cannabis use on their premises if they choose to do so. (MN Stat § 342.09)

**Public Spaces:**

* **Public consumption of cannabis** is generally prohibited in Minnesota. This includes streets, sidewalks, parks, schools, and other public areas where people gather. (MN Stat § 342.09)
* **Smoking or vaping cannabis** in public spaces can result in fines or other penalties, similar to tobacco restrictions in public areas. (MN Stat § 342.09)

**2. Designated Consumption Areas**

**Cannabis Consumption Lounges:**

* Minnesota law allows for the creation of **designated cannabis consumption lounges**, where adults over 21 can legally consume cannabis. These lounges must have a special license and comply with local zoning laws and state health regulations. (MN Stat § 342.32)
* Consumption lounges must meet specific safety and ventilation standards to prevent secondhand smoke exposure to non-consumers. (MN Stat § 342.32)

**Temporary Events:**

* **Temporary cannabis events** where consumption is allowed can be organized, but they require a special permit from the Office of Cannabis Management. These events must comply with state and local regulations, including restrictions on serving cannabis-infused food or beverages. (MN Stat § 342.40)
* Event organizers must ensure that cannabis is consumed in a designated area and that attendees are of legal age. (MN Stat § 342.40)

**3. Restrictions on Specific Locations**

**Schools and Childcare Facilities:**

* Cannabis consumption is strictly prohibited in or near **schools, daycare centers**, and other facilities that cater to children. This includes both indoor and outdoor areas of these facilities. (MN Stat § 342.09)
* A buffer zone is enforced around schools and playgrounds, where both smoking and vaping cannabis are illegal. Violating these rules can result in significant penalties. (MN Stat § 342.09)

**Workplaces:**

* Employers have the right to **prohibit cannabis use** in the workplace. Additionally, consuming cannabis on the job, especially in roles that involve operating machinery or driving, is illegal and can result in disciplinary action or termination. (MN Stat § 342.09)
* Minnesota law allows employers to maintain **drug-free workplace policies** and conduct drug testing, particularly for jobs related to public safety and transportation. (MN Stat § 342.09)

**4. Cannabis Consumption in Vehicles**

**Driving Under the Influence:**

* Driving under the influence of cannabis is strictly prohibited. Minnesota enforces **DUI laws** that apply to cannabis, similar to those for alcohol. If a driver is found to be impaired by cannabis, they can face fines, license suspension, or even jail time. (MN Stat § 342.09)
* **Zero-tolerance** policies for cannabis consumption while driving are in place, and law enforcement officers can request chemical tests if they suspect cannabis impairment. (MN Stat § 342.09)

**Consumption in Vehicles:**

* **Consuming cannabis in a motor vehicle**, whether as a driver or passenger, is illegal. This includes smoking or vaping cannabis, as well as consuming edibles. (MN Stat § 342.09)
* Cannabis products must be stored in a **sealed container** when being transported in a vehicle. Violations can result in fines and potential criminal charges. (MN Stat § 342.09)

**5. Penalties for Illegal Consumption**

**Public Consumption Violations:**

* Individuals caught consuming cannabis in prohibited public areas can be fined or face other penalties. First-time offenses may result in warnings or minor fines, while repeat offenses can lead to higher fines or other consequences. (MN Stat § 342.19)
* Consumption in restricted areas such as near schools or workplaces can result in more severe penalties, including higher fines or mandatory community service. (MN Stat § 342.19)

**Driving Under the Influence Penalties:**

* Penalties for **driving under the influence of cannabis** include fines, mandatory participation in drug education programs, and potential jail time for serious or repeat offenses. Minnesota’s DUI laws treat cannabis impairment similarly to alcohol, with strict enforcement to protect public safety. (MN Stat § 342.09)

**6. Cannabis Use in Rental Properties**

**Tenant Rights and Landlord Regulations:**

* Tenants in rental properties are generally allowed to consume cannabis unless explicitly prohibited by the landlord. Landlords can include **cannabis consumption prohibitions** in lease agreements, similar to restrictions on smoking tobacco. (MN Stat § 342.09)
* Renters should review their lease agreements to understand the specific policies regarding cannabis use on the property. Landlords who choose to prohibit cannabis consumption can enforce this rule through standard lease violation procedures. (MN Stat § 342.09)

**7. Cannabis Use by Tourists**

**Visiting Tourists:**

* Tourists over the age of 21 can legally purchase and consume cannabis in Minnesota, but they must follow the same consumption rules as residents. Cannabis can only be consumed in **private residences** or designated consumption areas, not in public spaces or hotels unless explicitly allowed by the property owner. (MN Stat § 342.09)
* Tourists are also subject to **possession limits** and cannot transport cannabis out of the state. Attempting to bring cannabis across state lines, even to states where cannabis is legal, is a violation of federal law. (MN Stat § 342.09)

**8. Advertising and Marketing**

Minnesota’s cannabis advertising and marketing laws establish strict guidelines to ensure that cannabis businesses do not target minors, make unverified health claims, or promote cannabis in ways that could endanger public health. The following summary covers key advertising platforms, content restrictions, and penalties for violations.

**1. Advertising Platforms**

**Permitted Advertising Platforms:**

* Cannabis businesses in Minnesota are allowed to advertise on certain platforms, including **print media**, such as magazines and newspapers, and **digital platforms**, as long as the audience primarily consists of adults over 21. (MN Stat § 342.64)
* **Outdoor advertising**, including billboards, is allowed, but ads must be placed away from areas frequented by minors, such as schools or playgrounds. (MN Stat § 342.64)

**Prohibited Advertising Platforms:**

* Cannabis businesses are **prohibited from advertising on platforms** that have a significant percentage of their audience under the age of 21, such as children's TV shows, websites, or social media platforms targeting younger users. (MN Stat § 342.64)
* **Television and radio ads** are allowed but heavily regulated to ensure that they are not broadcast during times when minors are likely to be part of the audience. (MN Stat § 342.64)

**Social Media Advertising:**

* While cannabis businesses can advertise on **social media platforms**, they must use **age-gating features** to limit access to individuals over 21. (MN Stat § 342.64)
* Ads on social media must include disclaimers and warnings, and businesses must avoid platforms with a significant underage user base. (MN Stat § 342.64)

**2. Advertising Content Restrictions**

**Disclaimers and Mandatory Warnings:**

* All cannabis advertisements must include clear **disclaimers** such as "For adult use only" and warnings about the risks of cannabis use, including the dangers of driving under the influence and use during pregnancy. (MN Stat § 342.64)
* Warnings must be prominently displayed on both **visual and audio ads**. On television or radio, disclaimers must be clear and cannot be easily missed by the audience. (MN Stat § 342.64)

**Health Claims Prohibited:**

* Cannabis businesses are not allowed to make **unverified health claims** about their products. For example, advertisements cannot suggest that cannabis cures illnesses or provides specific health benefits without backing from scientific studies and approval from the Office of Cannabis Management. (MN Stat § 342.64)
* Any content implying that cannabis improves **physical or mental health** is strictly prohibited unless explicitly approved by the state. (MN Stat § 342.64)

**3. Target Audience and Demographics**

**Restrictions on Advertising to Minors:**

* Cannabis advertisements cannot be directed at individuals under the age of 21. This includes restrictions on the use of **cartoon characters, colorful designs, or playful imagery** that might appeal to minors. (MN Stat § 342.64)
* Ads are also prohibited from being placed near locations frequented by children, such as **schools, parks, playgrounds**, or **daycare centers**. There is a required **buffer zone** of at least 500 feet from these areas for outdoor ads. (MN Stat § 342.64)

**Geofencing and Age Verification for Digital Ads:**

* Digital cannabis ads must incorporate **age verification** features to ensure they are only visible to adults. This can include pop-up notifications or age gates that users must pass before accessing the content. (MN Stat § 342.64)
* **Geofencing** technology can be used to prevent ads from appearing in areas where children are likely to be, such as near schools or public transit stations. (MN Stat § 342.64)

**4. Event Sponsorships and Promotions**

**Sponsorships at Public Events:**

* Cannabis businesses are allowed to **sponsor public events**, such as concerts or festivals, but they must ensure that the events are primarily attended by individuals over the age of 21. (MN Stat § 342.64)
* Sponsorship of events targeting minors, such as **sports events for children** or school-related activities, is prohibited. (MN Stat § 342.64)

**Promotional Events:**

* Businesses may host **promotional events** where cannabis products are featured, but these events must comply with all state and local regulations. Cannabis consumption at these events is only allowed if it takes place in a **designated consumption area** or licensed venue. (MN Stat § 342.40)
* Any promotional giveaways, discounts, or samples must be carefully regulated to ensure that only individuals over 21 participate. (MN Stat § 342.64)

**5. Influencers and Endorsements**

**Use of Influencers and Celebrities:**

* Minnesota allows the use of **influencers or celebrities** to promote cannabis products, but these endorsements must follow strict guidelines. Endorsements should not target minors or make misleading claims about the benefits of cannabis. (MN Stat § 342.64)
* **Paid promotions** by influencers must clearly state that the endorsement is a paid advertisement, and disclaimers about the legal use of cannabis must be included. (MN Stat § 342.64)

**6. Penalties for Non-Compliance**

**Advertising Violations:**

* Cannabis businesses that violate Minnesota’s advertising regulations can face penalties, including **fines**, **license suspensions**, or **revocation** of their ability to advertise. The severity of the penalty depends on the nature of the violation and whether it is a repeat offense. (MN Stat § 342.19)
* Businesses that fail to include mandatory disclaimers or warnings, or that advertise in prohibited areas or to minors, are subject to immediate enforcement actions by the Office of Cannabis Management. (MN Stat § 342.19)

**7. Packaging Restrictions and Advertising**

**Packaging Design Restrictions:**

* In addition to advertising, the **design of cannabis product packaging** must comply with restrictions that prevent appealing to children. Products cannot use packaging that mimics candy, snacks, or other items that children might be attracted to. (MN Stat § 342.62)
* All packaging must include the necessary **health warnings**, THC content information, and must be **child-resistant** to prevent accidental ingestion. (MN Stat § 342.62)

**9. Taxation**

Minnesota has implemented a structured taxation system for cannabis businesses that includes excise taxes, sales taxes, and cultivation taxes. These taxes apply to both adult-use and medical cannabis, with some differences in rates and exemptions. The revenue generated from cannabis taxes is allocated to various state programs, including public health initiatives, education, and community reinvestment.

**1. Excise Taxes**

**State Excise Tax Rate:**

* Minnesota imposes an **excise tax of 10%** on cannabis sales, which applies to all cannabis products sold to consumers. (MN Stat § 297D.08)
* The excise tax is applied at the **point of retail sale** and is separate from other applicable sales taxes. (MN Stat § 297D.08)

**Product-Specific Excise Tax Rates:**

* There are no specific excise tax rates that vary by product category (e.g., flower, concentrates, edibles); the 10% excise tax applies uniformly across all cannabis products. (MN Stat § 297D.08)
* The excise tax is calculated based on the **retail price** of the product rather than its weight or THC content. (MN Stat § 297D.08)

**2. Sales Taxes**

**State Sales Tax Rate:**

* In addition to the excise tax, cannabis sales are subject to Minnesota’s **general state sales tax**, which is currently **6.875%**. (MN Stat § 297D.08)
* This sales tax applies to both adult-use and medical cannabis products, although medical cannabis may be subject to tax exemptions in specific cases. (MN Stat § 297D.08)

**Medical Cannabis Sales Tax Exemptions:**

* **Medical cannabis** products are **exempt** from sales tax if they are prescribed for qualifying conditions under Minnesota’s medical cannabis program. (MN Stat § 297D.08)
* Certain medical cannabis products may also qualify for **reduced tax rates** depending on their use and THC content, but details are determined through rulemaking. (MN Stat § 297D.08)

**3. Cultivation Taxes**

**Cultivation-Specific Taxes:**

* Minnesota does not impose a separate **cultivation tax** based on the weight or volume of cannabis harvested. Instead, taxes on cannabis cultivation are built into the sales and excise taxes applied when the products are sold at retail. (MN Stat § 297D.08)
* However, cultivators are required to report the value of cannabis produced and sold to ensure accurate tax calculations at later stages. (MN Stat § 297D.08)

**Indoor vs. Outdoor Cultivation Tax Rates:**

* There is no distinction in tax rates between **indoor and outdoor cultivation** operations in Minnesota’s current tax structure. (MN Stat § 297D.08)

**4. Local Taxation and Municipal Fees**

**Local Cannabis Taxes:**

* Minnesota law allows **local governments** (e.g., cities and counties) to impose additional taxes on cannabis sales within their jurisdictions. Local tax rates and structures may vary, depending on the municipality. (MN Stat § 297D.09)
* Local governments can also impose **fees on cannabis businesses**, such as licensing and operational fees, to cover the costs of local regulation and enforcement. (MN Stat § 297D.09)

**Local Fees and Assessments:**

* Municipalities may require cannabis businesses to pay **local business taxes** or **community benefit fees** based on their sales or property value. These fees are often used to support community programs or infrastructure improvements. (MN Stat § 297D.09)

**5. Revenue Allocation**

**State Revenue Allocation:**

* Cannabis tax revenue in Minnesota is allocated to various state programs, including:
  + **Public health campaigns** aimed at educating the public on responsible cannabis use and addressing substance abuse. (MN Stat § 297D.10)
  + **Law enforcement and regulatory enforcement**, ensuring compliance with cannabis laws and regulations. (MN Stat § 297D.10)
  + **Community reinvestment** initiatives that focus on communities disproportionately impacted by past cannabis enforcement policies. These programs include education, job training, and small business support. (MN Stat § 297D.10)

**Local Revenue Allocation:**

* Local governments that impose additional cannabis taxes are encouraged to use the revenue for community programs, infrastructure improvements, and public safety initiatives. (MN Stat § 297D.09)

**6. Deductions and Exemptions**

**Deductions for Cannabis Businesses:**

* Minnesota offers some **deductions** for cannabis businesses related to operational expenses, but they are subject to state tax regulations and limitations. (MN Stat § 297D.08)
* Cannabis businesses may deduct expenses such as **employee wages**, rent, and utilities, but specific rules regarding allowable deductions are determined through administrative rules. (MN Stat § 297D.08)

**Tax Exemptions for Social Equity Businesses:**

* **Social equity applicants** may qualify for **reduced tax rates** or **fee waivers**, particularly if they operate in areas disproportionately impacted by previous drug laws. The specifics of these exemptions are outlined in the social equity program but may vary based on the applicant’s status and business size. (MN Stat § 297D.10)

**7. Tax Incentives and Deductions for Local Programs**

**Tax Incentives for Social Equity Programs:**

* The state offers **tax incentives** to cannabis businesses that participate in community programs or hire from disproportionately impacted communities. These businesses may receive tax credits or other financial benefits for their contributions to local social equity efforts. (MN Stat § 297D.10)

**Local Tax Incentives:**

* Local governments have the authority to offer **tax breaks or incentives** to cannabis businesses that contribute to local economic development programs, such as building community centers or offering workforce training. (MN Stat § 297D.09)

**8. Penalties for Non-Compliance**

**Tax Reporting Violations:**

* Cannabis businesses that fail to comply with Minnesota’s tax reporting requirements can face significant **fines and penalties**. This includes businesses that underreport sales, fail to pay excise taxes, or do not submit required tax filings on time. (MN Stat § 297D.19)
* **Repeated violations** may result in additional fines or, in severe cases, **license suspension** or **revocation**. (MN Stat § 297D.19)

Minnesota’s cannabis taxation system is designed to generate significant revenue for the state while supporting local communities, public health initiatives, and regulatory enforcement. Cannabis businesses are required to comply with both state and local tax laws, with various incentives and exemptions available for social equity applicants and businesses engaged in community development.

**10. Enforcement and Penalties**

Minnesota’s cannabis law establishes strict guidelines for the enforcement of cannabis regulations and outlines penalties for non-compliance. These rules ensure that businesses and individuals adhere to state laws regarding licensing, sales, and product safety, while protecting public health and maintaining an orderly cannabis market.

**1. Regulatory Oversight and Inspections**

**Agencies Responsible for Enforcement:**

* The primary agency responsible for overseeing the enforcement of cannabis regulations in Minnesota is the **Office of Cannabis Management** (OCM). The OCM monitors compliance, conducts inspections, and enforces penalties for violations. (MN Stat § 342.19)
* Local law enforcement agencies also play a role in ensuring compliance with cannabis laws, particularly in cases of illegal sales, distribution, or public consumption. (MN Stat § 342.19)

**Inspection Frequency:**

* Licensed cannabis businesses are subject to **random inspections** by the OCM. These inspections cover all aspects of a business's operations, including security, sales, inventory management, and compliance with health and safety regulations. (MN Stat § 342.19)
* In addition to random inspections, businesses are inspected **annually** to ensure ongoing compliance. Businesses that have previously violated regulations may be subject to more frequent inspections. (MN Stat § 342.19)

**Inspection Scope:**

* Inspections typically cover:
  + **Product safety**: Ensuring that cannabis products meet state potency, labeling, and contamination standards. (MN Stat § 342.19)
  + **Security protocols**: Verifying that businesses have proper security measures in place, including video surveillance and access controls. (MN Stat § 342.24)
  + **Financial records**: Auditing sales and tax reports to ensure that businesses are accurately reporting and paying taxes. (MN Stat § 342.20)

**2. Types of Violations**

**Major and Minor Violations:**

* **Major violations** include serious breaches such as selling cannabis to minors, failure to comply with health and safety standards, unlicensed production or distribution, or improper handling of contaminated products. These can lead to severe penalties such as license revocation. (MN Stat § 342.19)
* **Minor violations** typically include infractions like improper labeling, minor recordkeeping errors, or failure to meet packaging requirements. Penalties for these violations are usually less severe, such as warnings or small fines. (MN Stat § 342.19)

**Product Safety Violations:**

* Selling products that exceed allowable THC limits or contain prohibited substances like pesticides or heavy metals can result in significant penalties. Businesses may be required to **recall** products or destroy unsafe inventory. (MN Stat § 342.61)
* Repeated safety violations can lead to **license suspension or revocation**. (MN Stat § 342.61)

**Tax and Reporting Violations:**

* Businesses that fail to report sales accurately or evade excise taxes can face severe penalties, including **fines** and potential criminal charges. (MN Stat § 297D.19)
* Non-compliance with tax reporting can also lead to a temporary or permanent suspension of the business’s license. (MN Stat § 297D.19)

**3. Penalties for Non-Compliance**

**Fines and Financial Penalties:**

* Penalties for non-compliance vary based on the severity of the violation. For minor offenses, businesses may face **fines** starting at **$1,000** for each violation. (MN Stat § 342.19)
* More serious violations, such as sales to minors or operating without a license, can result in fines up to **$50,000**, along with additional penalties depending on the circumstances. (MN Stat § 342.19)

**License Suspensions and Revocations:**

* **License suspensions** may be imposed for repeated violations, particularly if a business fails to comply with warnings or rectify ongoing issues. Suspensions are often temporary but can be extended if the violations persist. (MN Stat § 342.19)
* **License revocation** is a more severe penalty reserved for major violations, such as ongoing illegal sales, tax fraud, or significant breaches of public health and safety regulations. Businesses that lose their license may not be able to reapply for a new license for a set period of time. (MN Stat § 342.19)

**Repeat Offenders:**

* Businesses or individuals who commit repeated violations face **escalating penalties**. For example, fines and suspensions increase with each subsequent offense, and multiple offenses can lead to permanent revocation of licenses. (MN Stat § 342.19)
* Minnesota law imposes **higher fines and longer suspension periods** for businesses that have a history of non-compliance. (MN Stat § 342.19)

**4. Self-Reporting Non-Compliance**

**Self-Reporting Requirements:**

* Cannabis businesses in Minnesota are encouraged to **self-report non-compliance** issues. This could include identifying discrepancies in tax filings, discovering issues with product safety, or reporting accidental violations of sales limits. (MN Stat § 342.20)
* Businesses that self-report non-compliance may be eligible for **reduced penalties** or receive a grace period to rectify the issue before formal penalties are imposed. (MN Stat § 342.19)

**Treatment of Self-Reported Violations:**

* Minnesota takes a more lenient approach with businesses that self-report issues, especially if they demonstrate a commitment to rectifying the problem. In some cases, self-reported violations may result in a warning or a reduced fine rather than more severe penalties. (MN Stat § 342.19)

**5. Emergency Suspension Procedures**

**Immediate Suspension Powers:**

* The OCM has the authority to impose **emergency suspensions** of cannabis licenses if a business is found to pose an **immediate threat to public health or safety**. This can include instances of contaminated products, significant breaches in security, or illegal activities like unlicensed sales. (MN Stat § 342.19)
* Emergency suspensions can be enacted without prior notice to the business, though the business will have the opportunity to appeal the decision. (MN Stat § 342.19)

**Revocation Appeals Process:**

* Businesses facing license suspension or revocation have the right to **appeal** the decision. The appeals process includes submitting a formal request for review and providing evidence or arguments for why the suspension or revocation should be reconsidered. (MN Stat § 342.19)
* The OCM will review appeals and decide whether to uphold, modify, or overturn the suspension or revocation. (MN Stat § 342.19)

**6. Criminal Penalties for Illegal Operations**

**Operating Without a License:**

* Operating a cannabis business without the appropriate state license is a **criminal offense** in Minnesota and can result in severe penalties, including **large fines and potential imprisonment**. (MN Stat § 342.19)
* Individuals or businesses found to be selling cannabis illegally may face criminal charges and could be permanently barred from applying for a future cannabis license. (MN Stat § 342.19)

**Illegal Sales to Minors:**

* Selling cannabis to minors is one of the most serious offenses under Minnesota’s cannabis law. Businesses caught engaging in this activity face immediate **license revocation** and may be subject to **criminal prosecution**, fines, and jail time. (MN Stat § 342.19)

**7. Consumer Protections**

**Adverse Health Event Reporting:**

* Cannabis businesses are required to report any **adverse health events** linked to their products, such as allergic reactions or overconsumption incidents. The OCM may investigate and, if necessary, mandate product recalls or other corrective actions. (MN Stat § 342.19)
* Failure to report such events can result in fines, product recalls, and other penalties. (MN Stat § 342.19)

**Product Recalls:**

* If a product is found to be unsafe, contaminated, or mislabeled, the state can mandate a **product recall**. The business responsible must notify consumers and remove the product from shelves immediately. (MN Stat § 342.19)
* Businesses that fail to comply with recall procedures can face substantial fines or suspension of their license. (MN Stat § 342.19)

**11. Social Equity and Inclusion**

Minnesota’s cannabis law includes robust social equity and inclusion provisions to promote fairness in the cannabis industry. The state aims to support communities disproportionately affected by previous cannabis laws by providing economic opportunities, reducing barriers to entry, and encouraging participation in the legal cannabis market through licensing, financial assistance, and technical support.

**1. Social Equity Program Overview**

**Existence of Social Equity Program:**

* Minnesota has implemented a **social equity program** to ensure that individuals from communities most affected by cannabis prohibition can participate in the legal cannabis market. The program includes targeted license allocations, fee reductions, and business support services. (MN Stat § 342.17)

**Goals of the Program:**

* The program’s goal is to address historical disparities caused by the enforcement of cannabis laws and to provide economic opportunities to individuals from communities disproportionately impacted by the war on drugs. (MN Stat § 342.17)
* The state has set metrics for increasing the number of licenses awarded to social equity applicants and expanding their participation in the industry. (MN Stat § 342.17)

**2. Eligibility Criteria for Social Equity Applicants**

**Eligibility Requirements:**

* To qualify for the social equity program, applicants must meet certain criteria, including:
  + **Residency in a disproportionately impacted area**: Individuals who have lived in areas historically over-policed for cannabis offenses or who come from economically disadvantaged communities are eligible. (MN Stat § 342.17)
  + **Previous cannabis-related convictions**: Individuals with non-violent cannabis-related offenses may qualify for social equity status, helping to rectify the impacts of previous cannabis enforcement. (MN Stat § 342.17)
  + **Income level**: Applicants must also meet income requirements, ensuring that the program benefits those who are economically disadvantaged. (MN Stat § 342.17)

**Preference for Specific Groups:**

* Minnesota’s social equity program may give **additional preferences** to certain groups, such as **veterans, women, and minorities**, to encourage diversity in the cannabis industry. (MN Stat § 342.17)

**3. Licensing and Financial Support for Social Equity Applicants**

**Fee Reductions and Waivers:**

* Social equity applicants are eligible for **application fee reductions** or **waivers**. This helps reduce the financial burden associated with starting a cannabis business, which can often be a significant barrier to entry. (MN Stat § 342.17)
* Small businesses and those from economically disadvantaged backgrounds may also qualify for further **fee waivers**. (MN Stat § 342.17)

**Financial Assistance Programs:**

* Minnesota provides **grants and loans** to social equity applicants through state-funded programs. These funds can be used for starting or expanding cannabis businesses, helping social equity applicants gain a foothold in the industry. (MN Stat § 342.17)
* The state also partners with financial institutions and private investors to offer **low-interest financing options** specifically for social equity applicants. (MN Stat § 342.17)

**4. Technical Assistance and Business Support**

**Business Development and Mentorship:**

* The state offers **technical assistance** to social equity applicants, including help with business planning, navigating the licensing process, and ensuring regulatory compliance. (MN Stat § 342.17)
* Social equity businesses may also benefit from **mentorship programs**, where more established cannabis operators or business professionals provide guidance and support to new entrepreneurs. (MN Stat § 342.17)

**Legal and Advisory Services:**

* **Pro bono legal services** and business advisory services are available to help social equity applicants navigate the complexities of starting and operating a cannabis business. This support can include assistance with regulatory compliance, tax issues, and contractual agreements. (MN Stat § 342.17)

**5. Ownership and Control Requirements for Social Equity Businesses**

**Ownership Requirements:**

* To qualify as a social equity business, a **majority (at least 51%)** of the ownership or control must be held by individuals who meet the social equity criteria. This ensures that social equity status is not exploited by larger businesses that do not meet the program’s goals. (MN Stat § 342.17)

**Restrictions on Selling or Transferring Ownership:**

* Minnesota law imposes **restrictions on the sale or transfer of ownership** of social equity businesses, particularly in the early stages of operation. These rules are designed to prevent larger, more established entities from taking over social equity businesses and undermining the program’s intent. (MN Stat § 342.17)

**Fronting Protections:**

* The state has safeguards against **fronting**, where a business falsely presents itself as a social equity-owned entity to qualify for benefits. Strict penalties apply for businesses found to be engaging in fronting. (MN Stat § 342.17)

**6. Priority in Licensing and Permitting**

**Expedited Licensing Process:**

* Social equity applicants are given **priority in the licensing process**, with applications fast-tracked to ensure they can enter the market without undue delay. (MN Stat § 342.17)
* The state has reserved a certain percentage of licenses exclusively for social equity applicants, ensuring that these businesses have access to available market opportunities. (MN Stat § 342.17)

**License Caps for Social Equity Applicants:**

* There are no specific caps on the number of licenses social equity applicants can hold, but they may receive **preferential treatment** when it comes to obtaining retail, cultivation, or manufacturing licenses. (MN Stat § 342.17)
* Some license types, such as **delivery services** or **microbusinesses**, are particularly targeted for social equity applicants to encourage smaller, community-based operations. (MN Stat § 342.17)

**7. Community Reinvestment and Social Justice Initiatives**

**Community Reinvestment Programs:**

* Minnesota allocates a portion of its cannabis tax revenue to **community reinvestment programs** that benefit areas disproportionately impacted by previous cannabis enforcement. These programs include:
  + **Job training** and **education** initiatives aimed at providing economic opportunities for individuals in these communities. (MN Stat § 297D.10)
  + **Substance abuse prevention programs**, with a focus on addressing the long-term impacts of over-policing and incarceration for cannabis-related offenses. (MN Stat § 297D.10)

**Social Justice Initiatives:**

* In addition to community reinvestment, the state supports **social justice initiatives** focused on expunging criminal records for non-violent cannabis offenses. This effort aims to reduce the long-term harm caused by past convictions and to allow individuals to reenter the workforce or participate in the cannabis industry. (MN Stat § 342.17)
* Minnesota also invests in **re-entry programs** for individuals who were incarcerated for cannabis-related offenses, providing them with the resources needed to reintegrate into society and potentially start their own cannabis businesses. (MN Stat § 342.17)

**8. Tax Incentives and Benefits for Social Equity Businesses**

**Tax Reductions and Credits:**

* Social equity businesses are eligible for **tax credits** or **reduced tax rates**, especially if they reinvest in their local communities or participate in workforce development programs. These incentives are designed to reduce the financial burden on small, minority-owned businesses. (MN Stat § 297D.10)
* Tax exemptions may also apply for businesses that focus on hiring from disadvantaged communities or investing in community development projects. (MN Stat § 297D.10)

**12. Public Health and Safety**

Minnesota’s cannabis law includes several provisions aimed at protecting public health and safety. These regulations focus on responsible consumption, public health education, adverse event reporting, product safety standards, and preventing youth access. The state takes a proactive approach to ensuring that cannabis legalization does not negatively impact public health, especially among vulnerable populations.

**1. Public Health Campaigns and Education**

**State-Sponsored Public Health Campaigns:**

* Minnesota runs **public health campaigns** aimed at educating the public on responsible cannabis use, particularly focusing on the risks associated with impaired driving, underage consumption, and use during pregnancy. These campaigns are often funded through cannabis tax revenue. (MN Stat § 297D.10)
* Specific campaigns target demographics such as **minors**, **pregnant women**, and **first-time users**, emphasizing the potential risks and the importance of consuming cannabis safely. (MN Stat § 342.64)

**Educational Resources for Consumers:**

* The state provides educational resources to inform consumers about **safe consumption practices**, including guidance on dosing, understanding the effects of THC, and the delayed onset of effects from edibles. (MN Stat § 342.63)
* Resources are also available for **parents and youth**, focusing on preventing underage cannabis use and understanding the legal implications of cannabis possession by minors. (MN Stat § 342.64)

**2. Mandatory Health Warnings and Labeling**

**Health Warnings on Packaging:**

* All cannabis product packaging must include **mandatory health warnings** regarding the risks of cannabis use, particularly for minors, pregnant women, and those operating machinery or driving under the influence. (MN Stat § 342.63)
* Packaging must also display warnings about **THC’s potential impairment effects**, particularly for high-THC products like concentrates or edibles. (MN Stat § 342.63)

**Point-of-Sale Health Information:**

* Retailers are required to provide **health information** to consumers at the point of sale, including educational materials on the risks of overconsumption, impaired driving, and the potential long-term effects of cannabis use. (MN Stat § 342.64)
* Some businesses are also required to display **prominent signage** warning consumers about the risks of cannabis use, particularly related to driving and operating machinery. (MN Stat § 342.64)

**3. Adverse Health Events and Reporting**

**Reporting of Adverse Events:**

* Minnesota requires cannabis businesses to report any **adverse health events** related to their products. This includes instances of overconsumption, allergic reactions, or any health issues reported by consumers that are linked to a specific cannabis product. (MN Stat § 342.61)
* The **Office of Cannabis Management** (OCM) investigates reported adverse events and has the authority to issue product recalls or suspend licenses if necessary. (MN Stat § 342.61)

**State Response to Adverse Events:**

* If a product is linked to multiple adverse health events, the state can mandate a **product recall** and launch a formal investigation into the business responsible for producing or selling the product. (MN Stat § 342.61)
* Businesses are required to cooperate with investigations and may be subject to **penalties or suspension of their license** if they fail to address the health risks associated with their products. (MN Stat § 342.61)

**4. Cannabis Product Safety Standards**

**Mandatory Product Testing:**

* All cannabis products sold in Minnesota must undergo **mandatory testing** for contaminants such as pesticides, heavy metals, microbial contaminants (e.g., mold or mildew), and residual solvents. (MN Stat § 342.61)
* Products are also tested for **potency** to ensure that the amount of THC and CBD matches the labeling. This is particularly important for **edibles and concentrates**, which must have consistent dosage levels across servings. (MN Stat § 342.61)

**Safety Standards for Edibles:**

* Edible products must meet strict **dosage accuracy** requirements, ensuring that each piece or serving contains the same amount of THC. This helps prevent overconsumption and ensures safe, consistent experiences for consumers. (MN Stat § 342.61)
* Additional warnings must be included for **high-potency edibles**, such as information about delayed effects and the risk of overconsumption. (MN Stat § 342.63)

**Packaging and Child-Resistant Standards:**

* All cannabis products must be sold in **child-resistant packaging** to prevent accidental consumption by minors. This includes resealable, tamper-evident packaging for multi-use products. (MN Stat § 342.62)
* **Tamper-evident packaging** is also required to ensure that products are not altered or contaminated after leaving the licensed facility. (MN Stat § 342.62)

**5. Youth Prevention and Protection**

**Youth Prevention Programs:**

* Minnesota invests in **youth prevention programs** to educate young people about the risks of cannabis use and to discourage underage consumption. These programs are often implemented in schools and focus on drug education, similar to past substance abuse prevention efforts. (MN Stat § 342.64)
* Schools are encouraged to incorporate **cannabis education** into their health curriculums, emphasizing the legal consequences of underage possession and the potential long-term health effects of cannabis use. (MN Stat § 342.64)

**Marketing and Packaging Restrictions to Protect Minors:**

* Strict regulations are in place to prevent the marketing of cannabis products to minors. This includes prohibiting the use of **cartoon characters, colorful packaging**, or any design that could appeal to children. (MN Stat § 342.64)
* **Sales to minors** are illegal, and businesses caught selling cannabis to individuals under 21 face severe penalties, including fines and potential license revocation. (MN Stat § 342.19)

**6. Product Recalls and Public Health Safeguards**

**Recall Procedures:**

* If a cannabis product is found to be unsafe or contaminated, the state can mandate a **product recall**. Businesses are responsible for notifying consumers and removing the product from sale. (MN Stat § 342.61)
* Businesses that fail to comply with recall procedures face **penalties**, including fines and possible suspension of their license. (MN Stat § 342.61)

**Consumer Notifications:**

* In the event of a recall, businesses must provide **direct notifications** to consumers who have purchased the recalled product. This helps prevent further harm and ensures that consumers are aware of potential health risks. (MN Stat § 342.61)

**7. Cannabis Use and Mental Health Initiatives**

**Substance Abuse Prevention:**

* Minnesota allocates a portion of cannabis tax revenue to **substance abuse prevention programs**, particularly focusing on cannabis overuse and the potential for dependency. (MN Stat § 297D.10)
* These programs provide resources and support for individuals who may be struggling with cannabis addiction or overuse, including counseling and treatment services. (MN Stat § 297D.10)

**Mental Health Support Programs:**

* The state also supports **mental health initiatives** related to cannabis use, including public awareness campaigns about the potential mental health risks of high-THC products, particularly for vulnerable populations such as adolescents and individuals with a history of mental illness. (MN Stat § 297D.10)

**13. Hemp and Synthetic THC**

Minnesota’s cannabis law also regulates hemp and hemp-derived products, particularly focusing on the production, sale, and use of **hemp-derived cannabinoids**, such as CBD, and **synthetic THC** variants like delta-8 and delta-10 THC. The state has set limits on THC content in hemp products and provides a regulatory framework for businesses operating in this space.

**1. Hemp-Derived Cannabinoids and Synthetic THC**

**Allowances for Synthetic THC:**

* **Synthetic versions of THC** (e.g., delta-8 THC and delta-10 THC) are allowed in Minnesota, but they are subject to stringent regulations. These products must meet the same safety and testing standards as other cannabis products. (MN Stat § 342.09)
* Businesses producing or selling synthetic cannabinoids are required to undergo **additional scrutiny**, particularly in the areas of testing and labeling. Synthetic cannabinoids must not exceed the legal THC content allowed for hemp-derived products. (MN Stat § 342.09)

**Natural Hemp-Derived Cannabinoids:**

* Minnesota permits the sale of **naturally derived cannabinoids**, such as **CBD, CBG**, and **CBN**, extracted from hemp, provided they comply with federal and state regulations on THC content. These cannabinoids must contain less than **0.3% delta-9 THC** by dry weight. (MN Stat § 18K.09)
* Hemp-derived cannabinoids that are not synthesized and are extracted directly from hemp plants are subject to less stringent regulations compared to synthetic cannabinoids. (MN Stat § 18K.09)

**2. THC Limits for Hemp Products**

**Per-Serving THC Limit:**

* Minnesota imposes a strict **THC limit of 5 mg per serving** for hemp-derived products, particularly for products such as edibles and beverages. This is to ensure that hemp products do not produce significant psychoactive effects. (MN Stat § 18K.09)
* **Serving sizes** are defined for various product types, including edibles, tinctures, and inhalable products, to ensure consumer safety and accurate dosing. (MN Stat § 18K.09)

**Per-Package THC Limit:**

* A **maximum THC limit of 50 mg per package** is set for hemp-derived products. This limit applies across product types, ensuring that even multi-serving packages do not exceed the allowable THC content. (MN Stat § 18K.09)
* These THC limits are intended to prevent the sale of high-THC hemp products that could mimic the effects of cannabis products sold in the adult-use market. (MN Stat § 18K.09)

**3. Child Protection Provisions**

**Restrictions on Marketing to Minors:**

* Minnesota enforces **strict marketing restrictions** on hemp products to prevent them from appealing to children. This includes prohibiting the use of bright colors, cartoon characters, or designs that could attract minors. (MN Stat § 18K.09)
* Hemp products cannot be marketed in ways that suggest they are safe or appropriate for children, and businesses must ensure that their packaging complies with child-protection guidelines. (MN Stat § 18K.09)

**Packaging and Labeling for Child Safety:**

* All hemp products must be sold in **child-resistant packaging**, similar to cannabis products, to prevent accidental ingestion. (MN Stat § 342.62)
* Labels must include **clear warnings** about the risks of hemp-derived cannabinoids, particularly for minors and pregnant women, and must indicate the product’s THC content to ensure transparency. (MN Stat § 18K.09)

**4. Licensing and Operational Costs for Hemp Businesses**

**Licensing Requirements:**

* Businesses that produce or sell hemp-derived products must obtain a **hemp license** from the Minnesota Department of Agriculture. This license covers both the cultivation of hemp and the production of hemp-derived cannabinoids. (MN Stat § 18K.04)
* There are also **additional licensing requirements** for businesses that handle **hemp intoxicants** (products containing psychoactive cannabinoids like delta-8 THC). These businesses must meet higher safety and regulatory standards. (MN Stat § 18K.04)

**Operational Costs and Fees:**

* Licensing fees for hemp businesses are determined by the size and scope of the operation. Small-scale producers pay lower fees, while large-scale operations face higher licensing costs. (MN Stat § 18K.04)
* Businesses involved in the production or sale of **synthetic cannabinoids** may face additional fees and regulatory requirements due to the increased scrutiny on these products. (MN Stat § 18K.04)

**5. Regulatory Oversight and Testing for Hemp Products**

**Regulatory Body and Oversight:**

* The **Minnesota Department of Agriculture** oversees the hemp industry, including the regulation of hemp cultivation and the production of hemp-derived cannabinoids. (MN Stat § 18K.04)
* The Department ensures that hemp businesses comply with both state and federal regulations, including the **THC content limits** and the prohibition on using synthetic additives that could pose a risk to consumers. (MN Stat § 18K.04)

**Product Testing Standards:**

* Hemp-derived products must undergo **rigorous testing** for THC content to ensure they meet the legal limit of 0.3% THC. Products that exceed this limit are classified as cannabis and are subject to more stringent regulations. (MN Stat § 342.61)
* Testing must also screen for **contaminants**, such as pesticides, heavy metals, and microbial contaminants, to ensure that hemp products are safe for consumption. (MN Stat § 342.61)

**6. Penalties for Non-Compliance in Hemp Industry**

**Violations of THC Limits:**

* Businesses that produce or sell hemp products exceeding the legal THC limits face **severe penalties**, including fines and potential license revocation. (MN Stat § 342.19)
* Products that are found to exceed the THC limits must be **recalled or destroyed**. Failure to comply with recall orders can result in further penalties. (MN Stat § 342.19)

**Unlicensed Production or Sales:**

* Engaging in the **unlicensed production or sale** of hemp products, particularly those containing synthetic cannabinoids, can lead to **criminal charges**, fines, and business closure. (MN Stat § 342.19)
* Businesses that violate the state’s hemp regulations may be subject to both state and federal penalties, depending on the severity of the infraction. (MN Stat § 342.19)

**7. Revenue from Hemp and Synthetic Cannabinoids**

**Hemp Taxation and Revenue Allocation:**

* While hemp products are subject to **standard state sales taxes**, Minnesota does not impose additional excise taxes on hemp-derived products as it does on cannabis products. (MN Stat § 297D.08)
* Revenue from hemp licensing fees and sales taxes contributes to the **regulation of the hemp industry** and supports public health initiatives related to cannabis and cannabinoid consumption. (MN Stat § 297D.10)

**8. Research and Innovation in Hemp-Derived Cannabinoids**

**Research Licenses and Development:**

* Minnesota encourages the development of new **hemp-derived products** and cannabinoids through the issuance of **research licenses**. These licenses allow businesses and institutions to study the effects, safety, and potential applications of cannabinoids like CBD, CBG, and delta-8 THC. (MN Stat § 18K.04)
* The state also partners with research institutions to explore the **medical benefits of cannabinoids**, including their potential for treating various health conditions without the psychoactive effects of high-THC cannabis. (MN Stat § 18K.04)

**#### MISSOURI ####**

### **1. Types of Licenses Available:**

● **Retail License**: Allows sale and delivery of marijuana, marijuana seeds, marijuana-infused products, and paraphernalia. Internet orders and third-party delivery permitted.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)​​.

● **Cultivation License**: Licensed facilities may grow, process, and package marijuana with specific plant limits based on cultivation methods.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)​​.

● **Manufacturing License**: Facilities are licensed to manufacture marijuana-infused products, including prerolls and infused prerolls.

○ **Citation**: Missouri Constitution, Art. XIV, §2(5)​​.

● **Testing License**: Facilities may test and certify marijuana products for safety, potency, and labeling.

○ **Citation**: Missouri Constitution, Art. XIV, §2(20)​.

● **Microbusiness License**:

○ **Microbusiness Dispensary**: Licensed for retail and delivery to consumers.

■ **Citation**: Missouri Constitution, Art. XIV, §2(18)​​.

○ **Microbusiness Wholesale**: Licensed to cultivate, process, and sell marijuana to other microbusinesses.

■ **Citation**: Missouri Constitution, Art. XIV, §2(19)​​.

### **2. Permitted Activities by License Type:**

● **Retail License**:

○ **On-site consumption**: Not allowed in retail facilities.

■ **Citation**: Missouri Constitution, Art. XIV, §2(36)​.

○ **Delivery services**: Permitted, including orders via phone or internet.

■ **Citation**: Missouri Constitution, Art. XIV, §2(4)​​.

● **Cultivation License**:

○ **Processing rights**: Cultivation licensees can process (trimming, curing), but not manufacture infused products unless licensed.

■ **Citation**: Missouri Constitution, Art. XIV, §2(3)​​.

● **Manufacturing License**:

○ **Extraction methods**: Limited to specific solvent-based or solventless methods.

■ **Citation**: Missouri Constitution, Art. XIV, §2(5)​.

○ **Creation of infused prerolls**: Allowed under a manufacturing license.

■ **Citation**: Missouri Constitution, Art. XIV, §2(5)​.

### **3. Licensing Process:**

● **Background checks**: Required for all applicants.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(i)​​.

● **Application fees**:

○ Retail: $7,000 application, $10,000 annual fee.

■ **Citation**: Missouri Constitution, Art. XIV, §2(10)​​.

○ Cultivation: $12,000 application fee, $25,000 annual fee.

■ **Citation**: Missouri Constitution, Art. XIV, §2(9)​​.

○ Microbusiness: $1,500 application fee, no first-year fee.

■ **Citation**: Missouri Constitution, Art. XIV, §2(12)​​.

● **Social equity criteria**: Prioritizes microbusiness applicants from communities disproportionately affected by marijuana prohibition.

○ **Citation**: Missouri Constitution, Art. XIV, §2(12)​​.

### **4. License Caps and Availability:**

● **Statewide license caps**: At least the same number of licenses for adult-use as for medical marijuana facilities as of 2022.

○ **Citation**: Missouri Constitution, Art. XIV, §2(2)​​.

● **Local caps**: Local jurisdictions may impose limits or ban facilities.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​.

### **5. License Allocation Process:**

● **Lottery system**: Comprehensive and microbusiness licenses are awarded via a lottery.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(i)​​.

### **6. License Renewal and Compliance:**

● **Renewal process**: Licenses are valid for three years, except microbusiness licenses, which are valid for one year.

○ **Citation**: Missouri Constitution, Art. XIV, §2(10), §2(12)​​.

● **Compliance**:

○ Licensees must use a seed-to-sale tracking system.

■ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​​.

○ Penalties for non-compliance include fines, license suspension, or revocation.

■ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a)​​.

### **1. Eligibility and Limitations:**

● **Out-of-state ownership**: Ownership is limited. An entity may not own more than 10% of the total cultivation, dispensary, or manufacturing facility licenses.

○ **Citation**: Missouri Constitution, Art. XIV, §2(9), §2(10), §2(11)​​.

● **Criminal background restrictions**: Owners cannot have pleaded guilty or been convicted of a disqualifying felony as defined by Missouri law.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(i)​.

● **Ownership caps**: An entity may own a maximum of 10% of cultivation, dispensary, or manufacturing facility licenses.

○ **Citation**: Missouri Constitution, Art. XIV, §2(9), §2(10), §2(11)​​.

● **Microbusiness limitations**: An entity may only hold one microbusiness license, and microbusiness owners cannot also hold other marijuana or medical licenses.

○ **Citation**: Missouri Constitution, Art. XIV, §2(12)​​.

### **2. Application Requirements by License Type:**

● **Background checks**: Required for all license applicants, including officers and managers.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(i)​​.

● **Residency requirements**: Applicants must meet Missouri’s residency requirements to hold a license.

○ **Citation**: Missouri Constitution, Art. XIV, §2(12)(d)​.

● **Financial disclosures**: Applicants must provide proof of financial stability, including bonds or other financial assurances.

○ **Citation**: Missouri Constitution, Art. XIV, §2(9), §2(10)​​.

● **Social equity criteria**: Applicants for microbusiness licenses must meet social equity criteria, which prioritize individuals from disproportionately impacted communities.

○ **Citation**: Missouri Constitution, Art. XIV, §2(12)​​.

### **3. License Caps and Availability:**

● **Statewide license caps**: The number of comprehensive licenses for cultivation, dispensary, and manufacturing must match the number of medical marijuana facilities as of December 7, 2022.

○ **Citation**: Missouri Constitution, Art. XIV, §2(2)​​.

● **Microbusiness license caps**: A minimum of six microbusiness licenses per congressional district must be issued.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​​.

● **License allocation for microbusinesses**: Licenses are allocated via a lottery, with at least 50% of new licenses going to microbusiness applicants with at least one year of good standing.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)​.

### **4. Timeline for Application Processing:**

● **General licenses**: The department is required to process and issue license decisions within 270 days of receiving the application.

○ **Citation**: Missouri Constitution, Art. XIV, §2(8)​​.

● **Microbusiness licenses**: The department must begin accepting applications for microbusiness licenses within 270 days of the effective date of this section (December 8, 2022).

○ **Citation**: Missouri Constitution, Art. XIV, §2(8), §2(12)​​.

### **5. Social Equity Allocations:**

● **Set-asides for social equity**: Microbusiness licenses are reserved for applicants from communities disproportionately impacted by marijuana prohibition.

○ **Citation**: Missouri Constitution, Art. XIV, §2(12)​​.

● **Percentage of licenses reserved**: At least 50% of new licenses awarded must go to social equity applicants who meet the criteria.

○ **Citation**: Missouri Constitution, Art. XIV, §2(12)​​.

### **6. Application Fee Structure:**

● **Retail**: $7,000 application fee, $10,000 annual renewal fee.

○ **Citation**: Missouri Constitution, Art. XIV, §2(10)​​.

● **Cultivation**: $12,000 application fee, $25,000 annual fee.

○ **Citation**: Missouri Constitution, Art. XIV, §2(9)​​.

● **Manufacturing**: $7,000 application fee, $10,000 annual fee.

○ **Citation**: Missouri Constitution, Art. XIV, §2(11)​​.

● **Microbusiness**: $1,500 application fee, no first-year fee.

○ **Citation**: Missouri Constitution, Art. XIV, §2(12)​​.

### **1. Permitted Activities for Each License Type:**

● **Retail License**:

○ **Delivery services**: Retail licensees are permitted to operate delivery services, including internet and phone orders.

■ **Citation**: Missouri Constitution, Art. XIV, §2(4)​​.

○ **On-site consumption**: On-site consumption is **not** permitted under a retail license.

■ **Citation**: Missouri Constitution, Art. XIV, §2(36)​​.

● **Cultivation License**:

○ **Direct sales to consumers**: Cultivation facilities may only sell to other licensed businesses, not directly to consumers.

■ **Citation**: Missouri Constitution, Art. XIV, §2(3)​​.

● **Microbusiness License**:

○ **Microbusiness Dispensary**: Permitted to sell directly to consumers, including qualifying patients.

■ **Citation**: Missouri Constitution, Art. XIV, §2(18)​​.

○ **Microbusiness Wholesale**: Can cultivate, process, and sell marijuana to other microbusinesses.

■ **Citation**: Missouri Constitution, Art. XIV, §2(19)​​.

● **Vertical integration**: License holders may not own more than 10% of other license types, limiting vertical integration.

○ **Citation**: Missouri Constitution, Art. XIV, §2(9), §2(10), §2(11)​​.

### **2. Operational Limitations:**

● **Transaction limits**: The department may set a limit on the amount of marijuana that can be purchased in a single transaction, but it cannot be less than three ounces of dried marijuana.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(m)​​.

● **Business hours**: The regulation does not specify business hours for marijuana facilities but leaves room for local regulation.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​​.

### **3. Ownership and Management:**

● **Out-of-state ownership**: Limited. Owners may not own more than 10% of the total cultivation, dispensary, or manufacturing licenses.

○ **Citation**: Missouri Constitution, Art. XIV, §2(9), §2(10), §2(11)​​.

● **Public companies**: No explicit prohibition against public companies owning licenses, but the 10% cap on ownership limits large corporate control.

○ **Citation**: Missouri Constitution, Art. XIV, §2(9), §2(10)​​.

● **Management requirements**: Background checks are required for all key personnel and managers involved in the business.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(i)​​.

### **4. Recordkeeping and Reporting:**

● **Retention period**: Businesses must retain records, including financial, sales, and seed-to-sale tracking records, but no specific retention period is mandated in the statute.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(g)​​.

● **Types of records**: Required records include inventory tracking, sales data, and seed-to-sale compliance records.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(g)​​.

● **Seed-to-sale tracking**: Licensees must participate in a state-mandated tracking system for marijuana from cultivation to sale.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​​.

### **5. Zoning and Location Restrictions:**

● **Designated zones**: Local governments may set zoning restrictions, including proximity to schools and residential areas.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​.

● **Buffer zones**: The statute allows local municipalities to impose buffer zones to protect sensitive areas like schools and parks.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​.

### **6. Security Requirements:**

● **Surveillance systems**: Facilities are required to implement security systems, including video surveillance and alarms.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(f)​​.

● **Physical security**: Secure storage and restricted access to marijuana are required for all licensed facilities.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(f)​​.

### **7. Employment and Staffing:**

● **Background checks**: Required for all employees, especially those handling marijuana or cash.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(i)​​.

● **Training requirements**: No specific state-mandated training is outlined, but licensees must adhere to responsible vendor and security protocols.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(f)​​.

### **8. Inventory Management:**

● **Inventory tracking**: Mandatory participation in the state’s seed-to-sale tracking system for all licensed businesses.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​​.

● **Audit requirements**: No specific frequency is outlined, but compliance audits are required to ensure accuracy in inventory management.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(g)​​.

### **9. Local vs. State Control:**

● **Local restrictions**: Local governments may impose additional restrictions, including zoning and operational limits. They also have the power to prohibit marijuana facilities altogether.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​.

● **Local fees**: Municipalities may impose additional fees for zoning and security compliance.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​.

### **10. Fees and Financial Obligations:**

● **Annual or periodic fees**: Each license has specific annual fees based on the type of license (e.g., $25,000 for cultivation, $10,000 for retail).

○ **Citation**: Missouri Constitution, Art. XIV, §2(9), §2(10), §2(11)​​.

● **Late payment penalties**: Penalties may be assessed for failure to pay licensing or operational fees on time, although specific penalties are not detailed.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a)​​.

### **1. THC Limits and Potency Restrictions:**

● **Per-serving THC limit**: Missouri law does not specify a per-serving THC limit for adult-use products in the constitution or regulations. However, labeling standards must reflect accurate THC potency per serving.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

● **Per-package THC limit**: The law does not specify a per-package limit on total THC, though products must accurately list the number of servings and the total THC content.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

● **THC restrictions based on product type**: While Missouri does not restrict THC based on product type, it requires accurate potency labeling across all products.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

### **2. Ingredients and Additives:**

● **Prohibited additives**: The use of certain harmful additives (such as synthetic ingredients or those that make products appealing to children) is restricted. Product safety standards and the inclusion of pharmacologically active ingredients must be listed.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

● **Approved solvents for extraction**: The use of solvents such as water, glycerin, propylene glycol, vegetable oil, or food-grade ethanol is allowed. Solvents outside of these must be approved by the department.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(l)​.

### **3. Packaging and Labeling Requirements:**

● **Child-resistant packaging**: All marijuana products must be sold in resealable, child-resistant packaging to prevent accidental ingestion by minors.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

● **Attractive to children**: Packaging and labeling must not be designed to appeal to children. This includes restrictions on bright colors, cartoons, and flavors that could be seen as attractive to minors.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

● **Labeling standards**: All products must include information about the active ingredients, including THC and CBD content per serving, and the total amount of cannabinoids. Labels must also include warnings about the effects of THC.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

### **4. Marijuana-Infused Products:**

● **Allowable products**: Missouri permits a wide range of infused products, including edibles, ingestible products, topical products, suppositories, and prerolls. However, infused prerolls are treated separately and have distinct manufacturing requirements.

○ **Citation**: Missouri Constitution, Art. XIV, §2(16)​.

● **Testing and safety standards**: All infused products must undergo potency and safety testing, with labeling reflecting THC content and other active ingredients.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(c), §2(4)(d)​.

### **5. Testing and Safety Standards:**

● **Mandatory testing**: A representative sample of all marijuana products must be tested by an independent laboratory for potency and contamination, including pesticides, molds, and heavy metals.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(c), §2(5)​​.

● **Independent labs**: Marijuana testing facilities must be independent of cultivation, manufacturing, or retail facilities to prevent conflicts of interest. Testing facilities cannot share ownership with other marijuana businesses.

○ **Citation**: Missouri Constitution, Art. XIV, §2(6)​​.

### **6. Contaminant Testing:**

● **Safety benchmarks**: Products must be tested for contaminants that could be harmful to public health, including mold, mildew, pesticides, and heavy metals. Testing results must be reflected on the product label.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(c), §2(5)​.

● **Potency testing**: THC potency must be accurately measured and included on all labels to ensure that consumers understand the strength of the product they are consuming.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d), §2(5)​.

### **7. Prohibition on Certain Products:**

● **Products appealing to children**: Missouri law prohibits the sale of any marijuana product designed to appeal to children, which includes items resembling candies or other child-friendly items.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

● **Prohibition on synthetics**: The law does not allow synthetic cannabinoids (e.g., delta-8 THC) or any chemically altered marijuana products unless expressly approved by the department.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(l)​.

### **1. Cultivation Limits:**

● **Licensed cultivation facilities**: Comprehensive marijuana cultivation facilities are licensed to grow, process, package, store, and sell marijuana to other licensed facilities. They may also sell marijuana seeds and vegetative cuttings (clones).

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)​​.

● **Plant limits**:

○ **Indoor facilities**: Limited to 30,000 square feet of flowering plant canopy space.

○ **Outdoor facilities**: Limited to 2,800 flowering plants.

○ **Greenhouse facilities**: May choose between a limit of 2,800 flowering plants or 30,000 square feet of canopy space.

○ **Citation**: Missouri Constitution, Art. XIV, §2(9)​.

### **2. Processing Rights:**

● **Comprehensive cultivation facilities**: May process marijuana for trimming, curing, and creating prerolls, but they cannot manufacture marijuana-infused products without a separate license.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)​.

● **Microbusiness wholesale facilities**: Authorized to cultivate and process marijuana, including creating prerolls and infused prerolls. They are limited to 250 flowering plants.

○ **Citation**: Missouri Constitution, Art. XIV, §2(19)​​.

### **3. Solvent and Extraction Limits:**

● **Approved extraction methods**: Cultivation facilities may not perform solvent-based extractions using hazardous solvents (e.g., butane) unless specifically licensed to do so. Approved solvents include water, glycerin, propylene glycol, vegetable oil, or food-grade ethanol.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(l)​.

● **License required for solvent-based extraction**: Facilities must obtain a specific license for using solvents beyond those approved for basic extraction processes.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(l)​.

### **4. Inventory Management:**

● **Seed-to-sale tracking**: All marijuana cultivated, processed, and transferred by a licensed facility must be tracked through a state-mandated seed-to-sale tracking system. This ensures compliance with inventory limits and prevents diversion to illicit markets.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​​.

### **5. Waste Disposal:**

● **Marijuana waste**: The disposal of marijuana waste, including plant material and expired products, must comply with department rules. These rules are designed to ensure that waste is rendered unusable and unrecognizable.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(f)​.

● **Security of waste**: All marijuana waste must be stored securely until it can be destroyed or disposed of according to state regulations.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(f)​.

### **6. Security Requirements:**

● **Surveillance and security systems**: Licensed cultivation facilities must implement security measures, including video surveillance, alarms, and secure storage for marijuana. This applies to all areas where marijuana is grown, processed, or stored.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(f)​.

● **Restricted access**: Access to areas where marijuana is cultivated or processed must be restricted to authorized personnel.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(f)​.

### **7. Compliance and Audits:**

● **Compliance audits**: Facilities are subject to regular audits and inspections to ensure compliance with cultivation and processing standards, including inventory tracking, security, and proper disposal of marijuana waste.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(g)​.

● **Penalties for non-compliance**: Violations of cultivation regulations can result in administrative penalties, including fines, license suspension, or revocation.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a)​​.

### **8. Product Testing:**

● **Mandatory testing**: Marijuana products must be tested for potency and contaminants before they are sold or transferred to other licensed facilities.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(c), §2(5)​.

● **Independent labs**: Testing must be conducted by independent laboratories, separate from cultivation facilities.

○ **Citation**: Missouri Constitution, Art. XIV, §2(6)​.

### **1. Mandatory Testing Requirements:**

● **Testing required for all marijuana products**: All marijuana and marijuana-infused products must be tested before they are sold to consumers or transferred to other facilities. Testing ensures products are free of contaminants and accurately labeled.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(c), §2(5)​​.

### **2. Independent Testing Facilities:**

● **Certified independent labs**: Marijuana testing must be conducted by certified independent laboratories, which cannot have ownership ties to cultivation, manufacturing, or retail facilities. This prevents conflicts of interest and ensures unbiased testing.

○ **Citation**: Missouri Constitution, Art. XIV, §2(6)​​.

● **No federal agency requirements**: Labs do not need federal agency certification to conduct tests but must meet Missouri’s state standards.

○ **Citation**: Missouri Constitution, Art. XIV, §2(6)​​.

### **3. Potency Testing:**

● **THC and cannabinoid content**: Products must be tested for accurate levels of THC, CBD, and other cannabinoids. This ensures that potency information is correctly labeled for consumers.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d), §2(5)​.

### **4. Contaminant Testing:**

● **Mandatory contaminant screening**: All products must be tested for harmful contaminants, including:

○ **Pesticides**

○ **Heavy metals**

○ **Molds, fungi, and bacteria**

○ **Residual solvents (if applicable)** These screenings ensure public safety by preventing the sale of dangerous or tainted products.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(c), §2(5)​.

### **5. Testing Frequency and Procedures:**

● **Random and batch testing**: Facilities must submit random or representative samples of each batch of marijuana or marijuana-infused products for testing. Each batch must meet safety and potency requirements before being sold.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(c), §2(5)​.

### **6. Lab Standards and Personnel:**

● **Certification of labs**: Labs must meet state standards for equipment, methods, and personnel qualifications. The department sets specific requirements for the operation of marijuana testing facilities.

○ **Citation**: Missouri Constitution, Art. XIV, §2(6)​.

● **Personnel qualifications**: Lab technicians must meet qualifications as set by the state, though federal licensure is not required.

○ **Citation**: Missouri Constitution, Art. XIV, §2(6)​.

### **7. Labeling Based on Testing:**

● **Required labeling**: All marijuana products must be labeled with the results of their potency and contaminant tests. Labels must include:

○ **THC content per serving**

○ **Total THC per package**

○ **Active cannabinoids (e.g., CBD)**

○ **Any detected contaminants** This ensures transparency and helps consumers make informed choices.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

### **8. Consequences of Non-Compliance:**

● **Penalties for failing tests**: If a batch fails testing (e.g., for contamination), the product cannot be sold or transferred. Facilities may face fines, suspensions, or license revocation for repeated violations.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a), §2(5)​.

### **9. Audit and Reporting Requirements:**

● **Testing facility audits**: Marijuana testing facilities are subject to audits by the department to ensure compliance with state regulations. These audits check for proper testing procedures and accurate reporting.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(g), §2(5)​.

● **Reporting of results**: Testing facilities must report results to the department, which may publish aggregate testing data to ensure transparency.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(g)​.

### **1. Sale of Marijuana to Consumers:**

● **Retail sales**: Comprehensive dispensary facilities are licensed to sell marijuana, marijuana seeds, marijuana-infused products, and paraphernalia directly to consumers. Sales may occur on-site or via delivery.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)​​.

● **Delivery services**: Dispensaries are allowed to deliver marijuana products to consumers, either through their own services or third-party delivery services.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)​​.

● **Microbusiness dispensary sales**: Microbusiness dispensaries may also sell marijuana products directly to consumers, patients, and caregivers, with the same delivery options.

○ **Citation**: Missouri Constitution, Art. XIV, §2(18)​​.

### **2. Transaction Limits:**

● **Per-transaction limit**: Missouri law sets a minimum transaction limit of three ounces of dried marijuana or its equivalent per transaction. The department may set higher limits but cannot reduce it below this amount.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(m)​​.

● **Possession limits**: Consumers aged 21 or older may possess up to three ounces of marijuana at any time, and patients may possess more if recommended by a doctor.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)​​.

### **3. Sales to Minors and ID Verification:**

● **Prohibition on sales to minors**: It is illegal to sell marijuana to individuals under 21 years old, except for qualifying medical patients. Dispensaries must verify age using a valid government-issued ID.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(a)​​.

● **Age verification requirement**: Retail and microbusiness dispensaries must ensure all customers are at least 21 years of age by checking government-issued identification prior to sale.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(m)​​.

### **4. Transportation and Distribution Between Licensed Facilities:**

● **Licensed transporters**: Facilities can transport marijuana between licensed facilities, provided they comply with department regulations on secure transport. Businesses may be certified to operate solely as transporters.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​​.

● **Self-transportation by licensees**: Licensed facilities (e.g., cultivators, manufacturers, dispensaries) may transport their own products to other facilities, provided they follow state transportation rules.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​​.

### **5. Secure Transportation Standards:**

● **Security requirements for transport**: Marijuana products must be transported securely, with specific safety protocols in place to prevent diversion or theft. This includes locked containers and secure vehicles.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

● **Tracking during transportation**: All marijuana products must be tracked during transportation, ensuring compliance with the seed-to-sale system. This system monitors the transfer of products between licensed facilities.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​​.

### **6. Distribution to Testing Facilities:**

● **Testing distribution**: Licensed cultivators and manufacturers must transport samples of marijuana and marijuana-infused products to licensed independent testing facilities for safety and potency checks.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(c)​.

● **Certified transporters**: Testing samples can be transported by the licensed facility itself or a certified third-party transporter.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

### **7. Local Control and Restrictions:**

● **Local regulations on sales**: Municipalities may impose additional restrictions on marijuana sales within their jurisdictions, including setting limits on operating hours or banning retail sales altogether.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​.

● **Proximity restrictions**: Sales facilities must comply with local rules regarding proximity to schools, daycares, or other sensitive areas.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​.

### **8. Recordkeeping for Sales:**

● **Sales records**: Dispensaries are required to maintain detailed records of each sale, including transaction details, customer information (if applicable), and seed-to-sale tracking data.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(g)​​.

● **Retention of records**: Sales records must be retained for a specified period, though Missouri law does not mandate a specific time frame. The department may establish retention requirements in future regulations.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(g)​.

### **9. Penalties for Non-Compliance:**

● **Penalties for illegal sales**: Facilities that violate sales regulations, including selling to minors or exceeding transaction limits, may face fines, suspension, or revocation of their license.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a)​​.

### **1. Legal Age for Consumption:**

● **Minimum age**: Marijuana consumption is legal for adults aged 21 and older. Individuals under 21 are prohibited from using marijuana, except for qualifying medical patients.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(b)​​.

### **2. Public Consumption:**

● **Prohibition on public consumption**: Consumption of marijuana in public places is generally prohibited unless the location is licensed for public use by local authorities. Smoking marijuana in places where tobacco smoking is banned is also prohibited.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(i), §2(3)(h)​​.

● **Licensed consumption areas**: Local governments have the authority to license specific areas where public marijuana consumption is allowed.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(i)​.

### **3. Consumption in Private Spaces:**

● **Private property rights**: Individuals may consume marijuana in private residences or properties, subject to restrictions imposed by property owners or lease agreements. Lease agreements executed after the law’s effective date cannot prohibit tenants from consuming marijuana, except by smoking.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)​​.

● **Landlord restrictions**: Landlords may prohibit marijuana smoking on their properties but cannot prevent tenants from consuming marijuana by other methods (e.g., edibles).

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(k)​​.

### **4. Consumption in Vehicles:**

● **No consumption while operating a vehicle**: It is illegal to consume marijuana while operating or being in control of a motor vehicle, train, aircraft, or motorboat.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(e)​.

● **Possession in vehicles**: While consumption is prohibited, adults over 21 may possess marijuana in vehicles, provided it is not used or consumed while the vehicle is being operated.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(e)​​.

### **5. Employment and Workplace Consumption:**

● **No workplace consumption rights**: Employers are not required to permit or accommodate marijuana use in the workplace. Employers retain the right to prohibit employees from consuming or being under the influence of marijuana while working.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(f)​​.

● **Disciplinary actions**: Employers may discipline employees for working while under the influence of marijuana or for consuming marijuana during work hours.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(f)​​.

### **6. School and Daycare Restrictions:**

● **Prohibition on school grounds**: The use or possession of marijuana is prohibited on the grounds of public or private schools (preschool through secondary education), institutions of higher education, and in school buses.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(g)​​.

● **Daycare restrictions**: Similar to schools, the possession or consumption of marijuana is prohibited in licensed daycare facilities.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(g)​​.

### **7. Consumption by Medical Patients:**

● **Medical exemptions**: Qualifying medical patients under 21 may legally consume marijuana for medical purposes but are subject to the same public and workplace consumption restrictions.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(c)​.

● **Consumption in public**: Even medical patients are prohibited from consuming marijuana in public places unless allowed in designated consumption areas.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(i)​​.

### **8. Penalties for Illegal Consumption:**

● **Public consumption penalties**: Violators of public consumption restrictions may face fines or other penalties under local regulations.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a)​​.

● **Vehicle consumption penalties**: Consuming marijuana while operating or being in control of a vehicle is subject to penalties, including fines and potential arrest.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(e)​.

### **9. Smoking and Vaporizing in Public:**

● **Prohibited where tobacco smoking is banned**: Smoking or vaporizing marijuana is not permitted in any area where tobacco smoking is prohibited, including indoor public spaces like restaurants and bars.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(h)​.

### **10. Local Government Authority:**

● **Local restrictions**: Municipalities have the authority to further regulate marijuana consumption in public spaces and may designate certain areas where consumption is permitted.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(i)​.

### **1. General Advertising Restrictions:**

● **Comparable to alcohol**: Advertising and promotion of marijuana must not be more restrictive than the regulations governing alcohol advertising.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(n)​.

### **2. Prohibition on Targeting Minors:**

● **No marketing to minors**: It is prohibited to advertise marijuana products in a manner that is designed to appeal to individuals under 21 years of age. This includes the use of images, language, or symbols that may attract children.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

● **Advertising near schools**: Marketing or advertising of marijuana products near schools, daycare centers, or areas commonly frequented by minors is restricted.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

### **3. Content of Advertisements:**

● **Health claims**: Advertisements must not make any false or misleading claims about the health benefits or safety of marijuana. Any medical or therapeutic claims must be supported by reliable scientific evidence.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

● **THC content**: Ads must clearly indicate the THC content of products, ensuring consumers are aware of potency and strength.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

### **4. Location-Based Restrictions:**

● **Proximity to sensitive areas**: Marijuana advertisements must not be placed within a certain distance of schools, daycare centers, or playgrounds. Local governments may impose additional location-based advertising restrictions.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

● **Billboards and public spaces**: Missouri law allows local authorities to impose restrictions on billboard advertising or advertising in public spaces where children are likely to be present.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

### **5. Digital and Online Advertising:**

● **Age-gated websites**: Online advertisements for marijuana products must be displayed on age-gated websites, ensuring that only individuals 21 years and older can view the content.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(n)​.

● **Social media marketing**: Social media advertising must comply with the same age verification requirements, and platforms that target minors or have large under-21 user bases should be avoided.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(n)​.

### **6. Promotions and Discounts:**

● **Limited promotions**: Any promotions, discounts, or coupons must adhere to the same restrictions as alcohol-related promotions, ensuring that they do not encourage overconsumption or unsafe practices.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(n)​.

● **Prohibited giveaways**: Marijuana products may not be given away as free samples or used in promotions that target consumers under 21.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(n)​.

### **7. False or Misleading Advertising:**

● **No deceptive practices**: Advertisements must not contain false or misleading information, particularly in relation to product safety, potency, or health claims.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

● **Penalties for violations**: Businesses that violate advertising regulations may face fines, license suspension, or other penalties.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a)​​.

### **8. Branding and Packaging Restrictions:**

● **Appealing to children**: Branding and packaging must not use cartoon characters, bright colors, or other features that could appeal to children. Packaging must also include health warnings and be child-resistant.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

● **Required disclosures**: Packaging must include accurate information about THC and other cannabinoids, as well as any contaminants detected in product testing.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

### **9. Local Government Authority:**

● **Local restrictions**: Local governments may impose additional advertising restrictions, particularly concerning the proximity of advertisements to schools, parks, and other sensitive areas.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(n), §2(13)​.

### **10. Penalties for Non-Compliance:**

● **Fines and suspensions**: Violating advertising rules may result in penalties, including fines or suspension of business licenses. Continued non-compliance could lead to revocation of the license.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a)​​.

### **1. Excise Tax on Marijuana Sales:**

● **Adult-use marijuana tax rate**: A 6% state excise tax is levied on the retail sale of marijuana for adult use. This tax is applied in addition to regular state and local sales taxes.

○ **Citation**: Missouri Constitution, Art. XIV, §2(7)(1)​​.

● **Medical marijuana exemption**: Sales of medical marijuana are exempt from the 6% state excise tax, but regular state and local sales taxes still apply.

○ **Citation**: Missouri Constitution, Art. XIV, §2(7)(2)​.

### **2. Local Taxation:**

● **Local tax authority**: Local governments may impose an additional sales tax of up to 3% on the retail sale of adult-use marijuana, in addition to the state excise tax.

○ **Citation**: Missouri Constitution, Art. XIV, §2(7)(3)​​.

● **Voting requirement for local taxes**: Any additional local tax must be approved by voters in the respective city or county through a local election.

○ **Citation**: Missouri Constitution, Art. XIV, §2(7)(3)​​.

### **3. Allocation of Tax Revenue:**

● **Revenue distribution**:

○ **State tax revenue**: The 6% state excise tax is allocated to a newly created **Marijuana Tax Fund**.

○ **25%** of the fund goes to **veterans’ services**.

○ **10%** is allocated to fund **substance abuse treatment** programs.

○ **50%** is directed to the **Missouri State Public Defender System**.

○ The remaining **15%** is used for **administration** of the marijuana program.

○ **Citation**: Missouri Constitution, Art. XIV, §2(7)(4)​.

● **Local tax revenue**: Local excise taxes collected are directed to the city or county's general revenue fund for local use.

○ **Citation**: Missouri Constitution, Art. XIV, §2(7)(3)​​.

### **4. License and Application Fees:**

● **License application fees**:

○ Retail: $7,000 application fee.

○ Cultivation: $12,000 application fee.

○ Manufacturing: $7,000 application fee.

○ Microbusiness: $1,500 application fee.

○ **Citation**: Missouri Constitution, Art. XIV, §2(9), §2(10), §2(11), §2(12)​​.

● **Annual renewal fees**:

○ Retail: $10,000 annual renewal.

○ Cultivation: $25,000 annual fee.

○ Manufacturing: $10,000 annual fee.

○ Microbusiness: $1,500 annual fee (no fee in the first year).

○ **Citation**: Missouri Constitution, Art. XIV, §2(9), §2(10), §2(11), §2(12)​​.

### **5. Tax Compliance and Reporting:**

● **Monthly tax remittance**: Marijuana businesses must remit excise and sales taxes to the Missouri Department of Revenue on a monthly basis.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(j)​.

● **Tracking and recordkeeping**: Businesses are required to maintain detailed sales records, including tax collection and remittance records, and must comply with the seed-to-sale tracking system.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(g)​.

### **6. Penalties for Non-Compliance:**

● **Penalties for late tax payments**: Businesses failing to remit taxes on time may face fines, interest, and other penalties. Continued non-compliance could result in suspension or revocation of licenses.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a), §2(4)(j)​​.

● **License suspension for tax violations**: Failure to comply with tax obligations, including reporting and payment, may result in the suspension or revocation of a business’s marijuana license.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a)​​.

### **7. Exemptions from Other Taxes:**

● **No additional taxes based on THC content**: Missouri law does not allow the state or local governments to impose additional taxes based solely on THC content in marijuana products.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(l)​.

### **8. Appeals for Tax Disputes:**

● **Right to appeal**: Businesses may appeal tax assessments or penalties through administrative channels and, if necessary, the courts. The administrative hearing commission or a successor entity handles such disputes.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(i), §2(4)(a)​​.

### **1. License Suspension and Revocation:**

● **Grounds for suspension or revocation**: The Department of Health and Senior Services (DHSS) may suspend or revoke a marijuana business license for violations of regulations, including failure to comply with product safety, security, or tax remittance requirements. A reasonable cure period (not less than 30 days) must be provided before suspension or revocation unless there is an imminent threat to public health or safety.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a)​​.

### **2. Penalties for Non-Compliance:**

● **Administrative penalties**: Licensees may face administrative penalties, including fines or restrictions, for violations of rules, such as failure to maintain required records, non-compliance with security measures, or inadequate product testing.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(i), §2(4)(a)​​.

● **Fines**: The DHSS has the authority to impose fines for regulatory violations. The fines must be reasonable and in line with the severity of the infraction.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a), §2(4)(i)​​.

### **3. Penalties for Selling to Minors:**

● **Prohibition on sales to minors**: Selling marijuana to individuals under 21 years old (except for medical patients) is strictly prohibited. Violations can result in heavy fines, license suspension, or permanent revocation.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(a), §2(4)(a)​​.

### **4. Penalties for Public Consumption:**

● **Public consumption penalties**: Individuals caught consuming marijuana in public areas where it is prohibited may face local fines or penalties. This includes smoking in locations where tobacco smoking is banned or consuming marijuana in public parks.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(i), §2(4)(a)​​.

### **5. Vehicle and Operating While Intoxicated Penalties:**

● **Driving under the influence of marijuana**: Operating a motor vehicle, train, aircraft, or motorboat while under the influence of marijuana is prohibited. Evidence must show that the driver was impaired, not just that they had THC in their system.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(d)​​.

● **Penalties for vehicle use**: Penalties for consuming marijuana while operating a vehicle can include fines, license suspension, or arrest, especially if endangering others or operating recklessly.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(e)​.

### **6. Recordkeeping and Audit Compliance:**

● **Failure to maintain records**: Marijuana facilities are required to maintain accurate records related to sales, inventory, and tax remittance. Failure to comply with recordkeeping requirements may result in penalties, including fines or license suspension.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(g), §2(4)(i)​​.

● **Audit compliance**: Facilities are subject to routine audits by the state. Failure to comply with an audit request or discrepancies found during an audit can lead to penalties.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(g)​​.

### **7. Penalties for Non-Compliance with Security Requirements:**

● **Security breaches**: Licensed facilities must maintain strict security measures, including surveillance, secure access points, and physical security. Non-compliance with security regulations can result in penalties, including fines or suspension.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(f)​​.

● **Storage and transportation violations**: Failure to securely store or transport marijuana products in accordance with state regulations can lead to fines and other penalties.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

### **8. Appeals Process for Penalties:**

● **Right to appeal**: Licensees have the right to appeal any penalties or disciplinary actions imposed by the DHSS. Appeals are handled through the Administrative Hearing Commission or a similar entity.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(i)​​.

● **Judicial review**: If a licensee is dissatisfied with the outcome of an administrative hearing, they may seek judicial review of the final decision in accordance with state law.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(i)​​.

### **9. Criminal Penalties for Unlicensed Activities:**

● **Operating without a license**: Engaging in the cultivation, manufacturing, or sale of marijuana without a valid license is illegal and subject to criminal penalties, including fines and imprisonment.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a)​​.

● **Illicit sales or diversion to the black market**: Diverting licensed marijuana to the illicit market is a serious offense and can lead to severe penalties, including fines, license revocation, and criminal prosecution.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a)​​.

### **10. Enforcement of Testing Requirements:**

● **Failure to comply with testing requirements**: Marijuana products that fail to meet testing standards (e.g., for contaminants or potency) cannot be sold or distributed. Non-compliance can result in penalties for the manufacturer or distributor.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(c), §2(5)​.

### **11. Local Enforcement Authority:**

● **Local enforcement**: Local governments have the authority to enforce additional regulations or penalties related to zoning, business operations, and public safety, as long as they do not conflict with state law.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​.

### **1. Social Equity License Types:**

● **Microbusiness licenses**: Missouri offers specific microbusiness licenses to promote participation in the marijuana industry by individuals from communities disproportionately impacted by marijuana prohibition. These licenses are available for two types of businesses:

○ **Microbusiness Dispensary Facility**: Allows for the sale and delivery of marijuana and marijuana-infused products directly to consumers.

○ **Microbusiness Wholesale Facility**: Allows cultivation, processing, and sale of marijuana products to other microbusinesses.

○ **Citation**: Missouri Constitution, Art. XIV, §2(12)​​.

### **2. Eligibility for Social Equity Applicants:**

● **Criteria for eligibility**: To qualify for a microbusiness license, applicants must meet at least one of the following criteria:

○ **Low income**: Applicants must have a net worth of less than $250,000 and an income below 250% of the federal poverty level for at least three of the ten years before applying.

○ **Veteran status**: Applicants must have a valid service-connected disability card issued by the U.S. Department of Veterans Affairs.

○ **Prior marijuana offense**: Applicants or their immediate family members (parent, guardian, or spouse) must have been arrested for, prosecuted for, or convicted of a non-violent marijuana offense at least one year before the law’s effective date.

○ **Residence in a disproportionately impacted area**: Applicants must reside in a ZIP code or census tract where:

■ 30% or more of the population lives below the federal poverty level;

■ The unemployment rate is 50% higher than the state average; or

■ The historic rate of incarceration for marijuana-related offenses is 50% higher than the state average.

○ **Education in an unaccredited school district**: Applicants must have graduated from or resided in an area with an unaccredited school district for at least three of the past five years.

○ **Citation**: Missouri Constitution, Art. XIV, §2(12)(a)​​.

### **3. License Set-Asides for Social Equity Applicants:**

● **Lottery system for microbusiness licenses**: At least 50% of new microbusiness licenses awarded must go to social equity applicants who meet the eligibility criteria. These licenses are awarded via a lottery system to ensure fairness.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3), §2(12)​​.

● **Microbusiness caps**: A minimum of six microbusiness licenses per congressional district must be issued, with additional licenses awarded after periodic reviews.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​​.

### **4. Ownership and Employment Opportunities:**

● **Promoting ownership**: The department encourages applicants to submit voluntary social equity plans that promote ownership and employment opportunities for individuals from disproportionately impacted communities. These plans are enforceable if a license is granted.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(k)​​.

● **Job creation**: Licensees are encouraged to hire individuals from communities affected by marijuana prohibition, providing them with economic opportunities in the cannabis industry.

○ **Citation**: Missouri Constitution, Art. XIV, §2(12)(h)​.

### **5. Social Equity Officer:**

● **Chief equity officer**: Missouri appoints a **Chief Equity Officer** to oversee and ensure compliance with social equity programs. The officer is responsible for educating the public about opportunities available to social equity applicants and enforcing social equity provisions.

○ **Citation**: Missouri Constitution, Art. XIV, §2(14)​.

● **Equity programming**: The officer is also tasked with developing technical assistance and public education programs targeted toward communities disproportionately impacted by marijuana prohibition.

○ **Citation**: Missouri Constitution, Art. XIV, §2(14)​.

### **6. Reporting and Oversight:**

● **Annual report**: The Chief Equity Officer must submit an annual report detailing the state’s efforts to ensure compliance with social equity goals, including how licenses were distributed and the impact of equity programs. The report is provided to the legislature and made available to the public.

○ **Citation**: Missouri Constitution, Art. XIV, §2(14)​.

● **Review process**: Every 270 days, a review is conducted to certify that previous microbusiness licenses were awarded to eligible social equity applicants in good standing. This review ensures that future license allocations remain equitable.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)(b)​.

### **7. Economic Empowerment Initiatives:**

● **Business development**: The equity officer and the state encourage the development of marijuana businesses in economically distressed areas to provide job creation and economic growth. These initiatives include promoting access to capital and technical resources for disadvantaged communities.

○ **Citation**: Missouri Constitution, Art. XIV, §2(12)(h)​.

### **8. Restrictions on Social Equity License Holders:**

● **Single-license limit**: Microbusiness license holders are restricted to owning only one microbusiness license. They cannot also own a comprehensive marijuana cultivation, manufacturing, or dispensary license.

○ **Citation**: Missouri Constitution, Art. XIV, §2(12)​.

● **Transition to larger licenses**: Microbusiness owners may apply for comprehensive licenses, but if granted, they must surrender their microbusiness license to allow another eligible applicant to participate in the program.

○ **Citation**: Missouri Constitution, Art. XIV, §2(12)​.

### **9. Penalties for Violating Social Equity Requirements:**

● **Enforcement of equity plans**: If a licensee’s voluntary social equity plan is approved, it becomes enforceable by the department. Failure to comply with the plan can result in penalties, including fines or suspension of the license.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(k)​.

### **1. Public Health Standards for Marijuana Products:**

● **Product safety requirements**: All marijuana products must meet safety standards to ensure they are free of contaminants and safe for consumption. This includes mandatory testing for pesticides, heavy metals, molds, fungi, and bacteria.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(c)​.

● **Contaminant testing**: Products must undergo contaminant testing to verify that they do not contain harmful substances that could endanger public health.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(c), §2(5)​.

### **2. Potency and Labeling Requirements:**

● **THC potency testing**: Marijuana products must be tested for THC and other cannabinoid content to ensure accurate labeling of potency. This ensures that consumers are aware of the strength of the products they are purchasing.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d), §2(5)​.

● **Labeling standards**: Labels must clearly state the levels of THC and other cannabinoids per serving and per package. Labels must also include any detected contaminants and appropriate health warnings.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

### **3. Child-Resistant Packaging:**

● **Mandatory child-resistant packaging**: All marijuana products must be sold in resealable, child-resistant packaging to prevent accidental ingestion by minors. Packaging must be compliant with federal standards for child-resistant closures.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

● **Prohibition on attractive packaging**: Packaging and labeling that is designed to appeal to children, such as cartoon characters or bright colors, is prohibited.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

### **4. Health Warnings and Consumer Education:**

● **Health warnings**: All marijuana products must include clear warnings on their packaging about the potential risks of marijuana use, including risks to pregnant women, the potential for dependency, and delayed onset of effects in edibles.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

● **Public education programs**: The state is required to support public health education programs that provide information on the safe use of marijuana, potential health risks, and guidelines to avoid misuse.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

### **5. Regulation of Marijuana-Infused Products:**

● **Standards for infused products**: Marijuana-infused products, including edibles, topicals, and other consumables, are subject to the same safety and potency testing requirements as flower products. These products must also be clearly labeled with dosage and serving size information.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d), §2(4)(c)​.

● **Edible dosage limits**: Though no specific per-serving THC limit is set by statute, products must clearly indicate the THC content per serving, with serving sizes standardized to prevent overconsumption.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

### **6. Advertising and Marketing Restrictions:**

● **Health-related claims**: Advertisements must not make false or misleading health claims about marijuana products. Any medical or therapeutic claims must be supported by reliable scientific evidence.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

● **Targeting minors**: Advertising that targets minors or uses imagery or language appealing to children is prohibited. This includes restrictions on advertising near schools or other areas frequented by minors.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

### **7. Public Use and Health Safety:**

● **Prohibition on public smoking**: Smoking marijuana in public spaces, especially where tobacco smoking is prohibited, is not allowed. This ensures protection from secondhand marijuana smoke in public areas.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(h), §2(3)(i)​.

● **Designated consumption areas**: Local governments may designate certain areas for public consumption, but such spaces must be licensed and meet public health and safety standards.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(i)​.

### **8. Emergency Response and Overdose Prevention:**

● **Public health monitoring**: The state is tasked with monitoring public health impacts related to marijuana use, including potential emergency room visits or adverse events related to overconsumption, particularly of edibles.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

● **Emergency health responses**: Public health programs may be required to provide resources or education related to preventing marijuana overconsumption and recognizing the signs of marijuana overdose or adverse reactions.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

### **9. Security and Safety Standards for Facilities:**

● **Security requirements**: All marijuana facilities must meet stringent security standards, including surveillance, restricted access, and secure storage of marijuana to prevent unauthorized access and ensure public safety.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(f)​.

● **Transportation safety**: Marijuana products must be transported securely between licensed facilities, with strict protocols in place to prevent theft or diversion to the illicit market.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

### **10. Penalties for Violating Health and Safety Standards:**

● **Fines and sanctions**: Licensees who fail to comply with health and safety standards, including product testing, packaging, or labeling requirements, may face penalties such as fines, suspension, or license revocation.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a), §2(4)(c)​​.

● **Public health violations**: Facilities that repeatedly violate public health standards may face harsher penalties, including permanent license revocation.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(a)​.

### **1. Definition and Legal Status of Hemp:**

● **Hemp definition**: Missouri defines hemp as any cannabis plant, or derivative thereof, that contains no more than 0.3% THC by dry weight. Hemp is distinct from marijuana and is regulated under different laws.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​.

● **Legal status of hemp**: Industrial hemp cultivation, processing, and sales are legal under state law, as long as the THC content remains below the 0.3% threshold.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​.

### **2. Licensing and Regulation of Hemp:**

● **Licensing for hemp growers**: Individuals or businesses seeking to cultivate hemp must obtain a license through the Missouri Department of Agriculture. The licensing process includes background checks and compliance with federal and state regulations.

○ **Citation**: Missouri Revised Statutes, §195.010​.

● **Hemp processing licenses**: Processors of hemp are required to obtain a separate license, ensuring that processing activities adhere to state regulations on THC limits and product safety.

○ **Citation**: Missouri Revised Statutes, §195.010​.

### **3. THC Limits in Hemp Products:**

● **THC concentration limit**: Hemp and hemp-derived products must contain no more than 0.3% THC by dry weight. Products exceeding this limit are classified as marijuana and subject to marijuana regulations.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​.

● **Testing for compliance**: Hemp products must undergo testing to ensure that THC levels remain within the legal limit. Testing must be conducted by certified laboratories.

○ **Citation**: Missouri Revised Statutes, §195.010​.

### **4. Sale and Distribution of Hemp Products:**

● **Retail sale of hemp products**: Retailers are permitted to sell hemp-derived products, including CBD oil, textiles, and consumables, as long as the products comply with state and federal hemp regulations.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​.

● **Prohibition on marketing to minors**: Hemp products must not be marketed in a way that appeals to children, and packaging must be child-resistant.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(e)​.

### **5. Synthetic THC (e.g., Delta-8, Delta-9, and Delta-10 THC):**

● **Regulation of synthetic THC**: Missouri law prohibits the sale and distribution of synthetic cannabinoids, including synthetic forms of THC such as delta-8 THC, delta-9 THC, and delta-10 THC, unless expressly approved by the Department of Health and Senior Services.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(l)​.

● **Manufacturing synthetic THC**: Solvent-based extractions using synthetic cannabinoids or any chemically altered forms of THC are prohibited unless the manufacturer is specifically licensed to conduct such activities.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(l)​.

### **6. Legal Uses of Hemp-Derived CBD:**

● **CBD in products**: CBD extracted from hemp is legal for use in a variety of products, including edibles, topicals, and supplements, provided that it adheres to the 0.3% THC limit. These products can be sold over the counter without a prescription.

○ **Citation**: Missouri Revised Statutes, §195.010​.

● **Exclusion from marijuana laws**: Hemp-derived CBD products are explicitly excluded from the regulations governing marijuana, making them widely available under separate regulatory frameworks.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​.

### **7. Transporting Hemp Across State Lines:**

● **Interstate transport of hemp**: Under both federal and state law, hemp can be legally transported across state lines, provided it complies with the THC limits. Transporters must carry appropriate documentation proving the legality of the hemp.

○ **Citation**: Missouri Revised Statutes, §195.010​.

● **Documentation requirements**: Transporters must provide proof that the hemp product being transported has undergone testing and meets the legal THC limit of 0.3%.

○ **Citation**: Missouri Revised Statutes, §195.010​.

### **8. Enforcement and Penalties for Hemp Violations:**

● **Non-compliance with THC limits**: Hemp products that exceed the 0.3% THC limit are classified as marijuana and subject to the same penalties as illegal marijuana production or distribution.

○ **Citation**: Missouri Constitution, Art. XIV, §2(13)​.

● **Penalties for synthetic THC violations**: The manufacture, sale, or distribution of synthetic THC products without proper licensing may result in fines, license suspension, or criminal prosecution.

○ **Citation**: Missouri Constitution, Art. XIV, §2(3)(l)​.

### **9. Consumer Safety for Hemp Products:**

● **Mandatory testing for hemp-derived products**: All hemp-derived products must undergo testing to ensure they meet safety standards for contaminants and adhere to THC concentration limits. Products failing these tests must be recalled or destroyed.

○ **Citation**: Missouri Revised Statutes, §195.010​.

● **Health warnings on CBD products**: Similar to marijuana products, hemp-derived products must include labeling that warns consumers about potential health risks and includes accurate information about potency.

○ **Citation**: Missouri Constitution, Art. XIV, §2(4)(d)​.

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**#### NEVADA ####**

### **1. License Types and Scope**

#### **Types of Licenses Available:**

Nevada offers the following cannabis license types under its adult-use legalization framework:

* **Retail License**: Permits the sale of marijuana products directly to consumers for adult-use purposes. On-site consumption is **not permitted** at retail establishments under Nevada law.  
  **Statute**: NRS 453.096  
  **Administrative Rule**: NAC 453D.250
* **Cultivation License**: Allows the holder to grow, cultivate, and harvest marijuana plants. This license also permits activities like trimming, drying, and curing, but does **not allow direct sales to consumers**. Cultivation products are sold to other licensed businesses such as processors and retailers.  
  **Statute**: NRS 453.091  
  **Administrative Rule**: NAC 453D.260
* **Manufacturing/Processing License**: Allows for the production of marijuana concentrates, edibles, and other infused products. Manufacturers can use approved extraction methods, including solvent-based and non-solvent-based processes, though solvent-based extractions require additional approvals.  
  **Statute**: NRS 453.091  
  **Administrative Rule**: NAC 453D.270
* **Testing License**: Testing facilities are required to test marijuana products for safety, including potency and contaminant levels. All products must be tested before entering the market.  
  **Statute**: NRS 453.061  
  **Administrative Rule**: NAC 453D.290
* **Distribution License**: This license allows for the transportation of marijuana products between licensed facilities, including from cultivation to processing, and from processing to retail.  
  **Statute**: NRS 453.066  
  **Administrative Rule**: NAC 453D.275
* **Microbusiness License**: Nevada allows small-scale operators to obtain a microbusiness license, which combines cultivation, production, and retail into a single license, though with **strict limits on scale**.  
  **Statute**: NRS 453D.210  
  **Administrative Rule**: NAC 453D.300
* **Social Equity-specific Licenses**: This license category supports applicants from communities disproportionately impacted by previous marijuana laws. The Cannabis Compliance Board has developed specific programs to lower barriers for these applicants.  
  **Statute**: NRS 453D.510  
  **Administrative Rule**: NAC 453D.505

#### **Permitted Activities by License Type:**

* **Retail License**:
  + **Permits sale to consumers**, but **on-site consumption** is not allowed (NRS 453D.100). Retailers are restricted to selling only state-tested and approved cannabis products.  
    **Statute**: NRS 453D.100  
    **Administrative Rule**: NAC 453D.310
* **Cultivation License**:
  + Allows growing, harvesting, trimming, and curing of marijuana. However, direct sales to consumers are prohibited. Cultivators must sell to licensed processors or retailers.  
    **Statute**: NRS 453.091  
    **Administrative Rule**: NAC 453D.320
* **Manufacturing/Processing License**:
  + Manufacturing license holders are permitted to use extraction methods (both solvent-based and CO2-based) to produce concentrates and edibles, though **special approval** is needed for certain chemical extractions.  
    **Statute**: NRS 453.091  
    **Administrative Rule**: NAC 453D.330
* **Testing License**:
  + Testing facilities must test all marijuana products for safety and potency, verifying levels of contaminants such as pesticides, heavy metals, and microbial impurities before any product reaches the consumer market.  
    **Statute**: NRS 453.061  
    **Administrative Rule**: NAC 453D.340
* **Distribution License**:
  + Licensees are responsible for the transportation of marijuana products across the supply chain, including moving products between cultivation, manufacturing, and retail facilities.  
    **Statute**: NRS 453.066  
    **Administrative Rule**: NAC 453D.350
* **Microbusiness License**:
  + This license enables small businesses to combine retail, cultivation, and production within a limited scope and size. Nevada imposes restrictions on the amount of marijuana that can be cultivated and sold under this license.  
    **Statute**: NRS 453D.210  
    **Administrative Rule**: NAC 453D.300

### **2. Licensing Process**

#### **Application Requirements by License Type:**

* **Background Checks**: All applicants, including owners and key employees, must pass a criminal background check. The background check includes submitting fingerprints to both the state and FBI.  
  **Statute**: NRS 453.336  
  **Administrative Rule**: NAC 453D.370
* **Residency Requirements**: Nevada does **not** require residency for owners of marijuana businesses, though ownership interests must be fully disclosed.  
  **Statute**: NRS 453D.200  
  **Administrative Rule**: NAC 453D.400
* **Financial Disclosures**: All financial backers and ownership interests must be disclosed during the application process. This includes providing financial history, ownership structure, and capital commitments.  
  **Statute**: NRS 453D.500  
  **Administrative Rule**: NAC 453D.410
* **Site and Security Plans**: Applicants must submit detailed security protocols and site plans, including surveillance requirements, access controls, and storage solutions for marijuana. Security measures must comply with specific regulations outlined in Nevada's administrative code.  
  **Statute**: NRS 453D.220  
  **Administrative Rule**: NAC 453D.450

### **2. Licensing Process (Continued)**

#### **Application Fee Structure:**

Nevada’s Cannabis Compliance Board has established a fee structure based on the type of license:

* **Retail License**:
  + **Application Fee**: $20,000
  + **Annual Renewal Fee**: $6,600  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.225​
* **Cultivation License**:
  + **Application Fee**: $30,000
  + **Annual Renewal Fee**: $10,000  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.225​
* **Testing License**:
  + **Application Fee**: $15,000
  + **Annual Renewal Fee**: $4,000  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.225​
* **Microbusiness License**:
  + **Application Fee**: $10,000
  + **Annual Renewal Fee**: $3,300  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.225​
* **Social Equity Licenses**:
  + The Cannabis Compliance Board has introduced **fee reductions** for social equity applicants, often reducing or waiving fees based on eligibility criteria.  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.230​

#### **Eligibility and Limitations:**

* **Out-of-State Ownership**:
  + Nevada does not impose restrictions on out-of-state ownership for cannabis businesses, but all financial interests must be disclosed during the application process.  
    **Statute**: NRS 453D.200  
    **Administrative Rule**: NAC 453D.510​
* **Criminal Background Restrictions**:
  + Individuals with certain felony convictions are **prohibited** from holding a cannabis license. This includes convictions related to drug trafficking (excluding marijuana offenses). Background checks include both state and federal criminal databases.  
    **Statute**: NRS 453.336  
    **Administrative Rule**: NAC 453D.225​
* **Ownership Caps**:
  + Nevada imposes no statutory caps on the number of licenses a single entity or individual may hold, but applicants must fully disclose all ownership interests and ensure compliance with any local restrictions.  
    **Statute**: NRS 453D.200  
    **Administrative Rule**: NAC 453D.510​

### **3. Timeline for Application Processing**

#### **Average Processing Time:**

* **90 Days**: The Cannabis Compliance Board typically processes cannabis license applications within 90 days of submission, provided that all necessary documentation and fees are submitted correctly. However, processing times can vary depending on the completeness of the application and whether additional information or corrections are required.  
  **Statute**: NRS 453D.230  
  **Administrative Rule**: NAC 453D.310​
* **Expedited Processing for Social Equity Applicants**:
  + Social equity applicants receive priority status during the application process. This fast-tracks their applications, often reducing wait times to below the standard 90-day processing window.  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.505​

### **4. Appeals and Dispute Resolution**

#### **Application Denials and Appeals Process:**

* If an application for a cannabis license is denied, applicants have the right to appeal the decision. The appeal must be submitted within **30 days** of receiving the denial notice, and the Cannabis Compliance Board is required to review the appeal and provide a decision within a reasonable timeframe.  
  **Statute**: NRS 453D.310  
  **Administrative Rule**: NAC 453D.600​
* During the appeals process, the applicant may submit additional documentation or evidence to support their case. If the board upholds the denial, further legal action can be pursued through the state court system.  
  **Statute**: NRS 453D.320  
  **Administrative Rule**: NAC 453D.605​

### **5. Business Operations**

#### **Permitted Activities for Each License Type:**

* **Retail License**:
  + Retailers are allowed to **sell cannabis products** directly to adult consumers. **On-site consumption** is prohibited at retail locations unless specifically licensed for consumption.  
    **Statute**: NRS 453D.100  
    **Administrative Rule**: NAC 453D.310​
* **Cultivation License**:
  + Cultivators are permitted to **grow, harvest, and sell** cannabis to other licensed entities such as processors or retailers. However, they are **not allowed to sell directly to consumers** unless they hold a separate retail license.  
    **Statute**: NRS 453.091  
    **Administrative Rule**: NAC 453D.320​
* **Manufacturing/Processing License**:
  + Manufacturers can **process raw cannabis** into concentrates, edibles, tinctures, and other cannabis products. Certain methods, such as solvent-based extraction, require additional permits for safety compliance.  
    **Statute**: NRS 453.091  
    **Administrative Rule**: NAC 453D.330​
* **Testing License**:
  + Testing facilities are required to **analyze cannabis products** for potency, contaminants (such as pesticides and heavy metals), and microbial impurities before they can be sold to consumers. Testing must be performed by licensed and accredited labs.  
    **Statute**: NRS 453.061  
    **Administrative Rule**: NAC 453D.340​
* **Distribution License**:
  + Distributors are responsible for **transporting cannabis products** between licensed establishments (e.g., from cultivation to manufacturing, or manufacturing to retail). Distributors must comply with strict security and tracking requirements during transportation.  
    **Statute**: NRS 453.066  
    **Administrative Rule**: NAC 453D.350​
* **Microbusiness License**:
  + Microbusinesses combine cultivation, processing, and retail into a **single small-scale operation**, allowing for limited sales and production. These businesses are subject to more stringent volume limits than larger operators.  
    **Statute**: NRS 453D.210  
    **Administrative Rule**: NAC 453D.300​

#### **Operational Limitations:**

* **Transaction Limits**:
  + Daily purchase limits for cannabis products are enforced at retail locations. A consumer is allowed to purchase **up to 1 ounce of cannabis** or its equivalent in other forms (e.g., concentrates, edibles).  
    **Statute**: NRS 453D.110  
    **Administrative Rule**: NAC 453D.310​
* **Business Hours**:
  + Licensed retail operations must adhere to specific business hours, typically operating from **8:00 AM to 12:00 AM**, though municipalities may impose stricter limits.  
    **Statute**: NRS 453D.100  
    **Administrative Rule**: NAC 453D.320​
* **On-Site Security**:
  + All cannabis businesses must maintain **24-hour surveillance** of their premises, with **physical security personnel** required during business hours. Access to restricted areas (such as cannabis storage and cultivation areas) must be controlled and recorded.  
    **Statute**: NRS 453D.200  
    **Administrative Rule**: NAC 453D.350​

#### **Ownership and Management:**

* **Out-of-State Ownership**:
  + Nevada does **not prohibit** out-of-state ownership of cannabis businesses, but ownership interests must be disclosed, and owners are subject to **background checks** and financial reviews.  
    **Statute**: NRS 453D.200  
    **Administrative Rule**: NAC 453D.510​
* **Management Background Checks**:
  + Background checks are required for all owners, managers, and key employees of cannabis businesses. These checks include fingerprinting and must be submitted to the Nevada Department of Public Safety and the FBI.  
    **Statute**: NRS 453D.225  
    **Administrative Rule**: NAC 453D.370​
* **License Caps**:
  + Nevada imposes **no statutory caps** on the number of licenses an entity or individual can hold. However, all licenses and ownership interests must be disclosed and comply with the Nevada Cannabis Compliance Board’s reporting rules.  
    **Statute**: NRS 453D.200  
    **Administrative Rule**: NAC 453D.510​

### **6. Recordkeeping and Reporting**

#### **Recordkeeping Requirements:**

* **Retention Period**:
  + Cannabis businesses are required to retain all **business, inventory, and financial records** for a minimum of **7 years**. This includes sales data, seed-to-sale tracking, financial records, and employee records.  
    **Statute**: NRS 453D.220  
    **Administrative Rule**: NAC 453D.410​
* **Types of Records**:
  + Businesses must maintain records of **inventory, sales transactions, customer data**, and **seed-to-sale tracking reports**. These records must be available for review by regulators and law enforcement upon request.  
    **Statute**: NRS 453D.220  
    **Administrative Rule**: NAC 453D.410​

#### **Reporting Requirements:**

* **Sales and Tax Reports**:
  + Businesses are required to submit **monthly sales and tax reports** to the Nevada Department of Taxation. Failure to submit reports on time can result in fines and penalties.  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.460​
* **Financial Statements**:
  + Licensed cannabis businesses must submit **annual financial statements**, including profit and loss reports, balance sheets, and tax filings, to the Cannabis Compliance Board. These reports ensure compliance with state regulations and financial transparency.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.460​
* **Seed-to-Sale Tracking**:
  + All cannabis businesses must use a **state-mandated seed-to-sale tracking system**, which monitors the entire lifecycle of cannabis products from cultivation to sale. Businesses must update their inventory in the system regularly and report any discrepancies immediately.  
    **Statute**: NRS 453D.220  
    **Administrative Rule**: NAC 453D.410​

### **7. Zoning and Location Restrictions**

#### **Zoning Requirements:**

* **Designated Zones**:
  + Cannabis businesses in Nevada must operate in **commercial or industrial zones**, as designated by local authorities. Specific zoning regulations are determined by each municipality, but the state requires cannabis businesses to adhere to local zoning ordinances.  
    **Statute**: NRS 453D.210  
    **Administrative Rule**: NAC 453D.500​
* **Buffer Zones**:
  + Cannabis establishments are required to maintain a minimum distance from sensitive areas, including schools, parks, and places of worship. The **minimum distance** is typically **1,000 feet from schools** and **300 feet from community facilities**, though local governments may enforce stricter rules.  
    **Statute**: NRS 453D.210  
    **Administrative Rule**: NAC 453D.510​

#### **Location-Based Limits:**

* **Proximity Limits**:
  + Cannabis businesses, particularly retail locations, must maintain a certain distance from one another to prevent clustering in specific areas. The minimum distance between retail cannabis stores is generally **1,500 feet**, but this can vary by local jurisdiction.  
    **Statute**: NRS 453D.210  
    **Administrative Rule**: NAC 453D.510​
* **Mixed-Use Buildings**:
  + Cannabis businesses are generally prohibited from operating in **mixed-use buildings** that combine residential and commercial spaces. Only strictly commercial or industrial properties are permitted.  
    **Statute**: NRS 453D.210  
    **Administrative Rule**: NAC 453D.510​

#### **Local Jurisdiction Control:**

* **Local Restrictions**:
  + Local governments in Nevada have the authority to impose stricter zoning or location restrictions beyond state requirements. Municipalities may also prohibit cannabis businesses altogether or regulate aspects such as business hours, signage, and proximity to certain facilities.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.505​

### **8. Security Requirements**

#### **Security Systems:**

* **Surveillance Requirements**:
  + Cannabis establishments are required to install and maintain **24-hour video surveillance** of their premises, including all access points, sales areas, and cultivation sites. Cameras must record at all times and store footage for a minimum of **30 days**.  
    **Statute**: NRS 453D.220  
    **Administrative Rule**: NAC 453D.560​
* **Physical Security**:
  + Businesses must install **alarm systems**, **motion detectors**, and **restricted access controls** for secure areas, such as storage rooms and cultivation spaces. All entrances and exits must be monitored to prevent unauthorized access.  
    **Statute**: NRS 453D.220  
    **Administrative Rule**: NAC 453D.570​
* **Cannabis Storage**:
  + All cannabis products must be stored in **secure vaults or safes** during non-operating hours. These storage areas must meet specific standards for structural integrity and access control.  
    **Statute**: NRS 453D.220  
    **Administrative Rule**: NAC 453D.580​

#### **Security Personnel:**

* **On-Site Security Personnel**:
  + Cannabis businesses, especially retailers, are required to have **security personnel on-site** during business hours. Security guards must be licensed and trained in accordance with state regulations.  
    **Statute**: NRS 453D.200  
    **Administrative Rule**: NAC 453D.590​
* **Security Audits and Inspections**:
  + Nevada requires regular **security audits** to ensure compliance with the state’s security requirements. These audits may be conducted annually or more frequently if required. Failure to comply with security standards can result in fines or license suspension.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.600​

### **9. Employment and Staffing**

#### **Hiring Requirements:**

* **Background Checks**:
  + All employees of cannabis businesses must undergo a **criminal background check** before being hired. This applies to employees working in cultivation, retail, manufacturing, and transportation. Background checks are processed through the Nevada Department of Public Safety.  
    **Statute**: NRS 453D.220  
    **Administrative Rule**: NAC 453D.620​
* **Training Requirements**:
  + Employees must complete mandatory training on topics such as **responsible cannabis sales**, **security protocols**, and **state regulations**. Retail employees must also be trained in identifying potential overconsumption and preventing sales to minors.  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.630​

#### **Staffing Requirements:**

* **Employee-to-Customer Ratio**:
  + While Nevada does not mandate a specific **employee-to-customer ratio** for cannabis businesses, sufficient staffing is required to ensure **security and compliance** at all times.  
    **Statute**: NRS 453D.100  
    **Administrative Rule**: NAC 453D.640​
* **On-Site Management**:
  + Licensed cannabis establishments must have **management or supervisory personnel** on-site during all hours of operation. Managers are responsible for overseeing compliance, security, and daily operations.  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.650​

#### **Employee Conduct Rules:**

* **On-Site Cannabis Use**:
  + Employees are **prohibited** from consuming cannabis on the premises of a licensed cannabis business, including cultivation and retail facilities, during work hours. Violation of this rule can result in immediate termination and penalties for the business.  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.660​
* **Cash Handling**:
  + Employees handling cash must adhere to strict cash management protocols. This includes **daily cash reconciliation**, use of **secure cash storage**, and **video monitoring** of all cash transactions.  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.670​

### **10. Inventory Management**

#### **Inventory Tracking:**

* **Tracking System**:
  + All licensed cannabis businesses are required to use the state's **seed-to-sale tracking system**, which monitors cannabis plants and products throughout their entire lifecycle—from cultivation to final sale. Nevada uses **Metrc** (Marijuana Enforcement Tracking Reporting Compliance) as its tracking system.  
    **Statute**: NRS 453D.220  
    **Administrative Rule**: NAC 453D.700​
* **Inventory Updates**:
  + Licensees must update inventory records in the tracking system daily to ensure the state has real-time visibility into all cannabis products. Businesses must log all transactions, including sales, product transfers, and waste disposal.  
    **Statute**: NRS 453D.220  
    **Administrative Rule**: NAC 453D.710​

#### **Inventory Audits:**

* **Audit Requirements**:
  + Cannabis businesses must conduct regular **internal inventory audits** to prevent product loss, theft, or misreporting. These audits should be done at least **monthly**, and any discrepancies must be immediately reported to the Nevada Cannabis Compliance Board.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.720​
* **Reporting Loss or Theft**:
  + In the event of product loss or theft, cannabis businesses are required to report the incident to the Cannabis Compliance Board within **24 hours**. Failure to report could result in penalties or suspension of the license.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.730​

#### **Cannabis Waste Management:**

* **Waste Disposal**:
  + All cannabis waste, including expired products and plant waste, must be rendered unusable and then disposed of in accordance with state regulations. This typically involves mixing cannabis waste with non-consumable waste products.  
    **Statute**: NRS 453D.220  
    **Administrative Rule**: NAC 453D.740​
* **Authorized Disposal Vendors**:
  + Cannabis businesses are allowed to use **licensed waste disposal vendors** or facilities for cannabis waste management. Proper records of waste disposal must be kept and updated in the seed-to-sale tracking system.  
    **Statute**: NRS 453D.220  
    **Administrative Rule**: NAC 453D.750​

### **11. Operational Compliance Audits**

#### **Audit Requirements:**

* **Audit Frequency**:
  + Licensed cannabis businesses are subject to regular compliance audits, typically conducted **annually** by the Nevada Cannabis Compliance Board. The frequency may increase for businesses with prior violations or non-compliance issues.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.800​
* **Audit Scope**:
  + Audits cover a range of operational areas, including **inventory management, security protocols, financial reporting, and employee compliance**. The Cannabis Compliance Board reviews records and conducts on-site inspections to ensure adherence to state regulations.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.810​

#### **Consequences for Non-Compliance:**

* **Penalties for Failing Audits**:
  + Failure to pass a compliance audit can result in penalties, including **fines, suspension, or revocation of the license**. Businesses are typically given a grace period to rectify minor violations before more severe penalties are enforced.  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.820​
* **Grace Period**:
  + A grace period of **30 days** is often provided to cannabis businesses to correct any violations identified during an audit. Businesses that fail to comply within the grace period may face escalated enforcement actions.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.830​

### **12. Fees and Financial Obligations**

#### **Ongoing Fees:**

* **Annual License Fees**:
  + Cannabis businesses must pay **annual renewal fees** to maintain their licenses. These fees vary based on the license type:
    - **Retail License**: $6,600
    - **Cultivation License**: $10,000
    - **Testing License**: $4,000
    - **Microbusiness License**: $3,300  
      **Statute**: NRS 453D.510  
      **Administrative Rule**: NAC 453D.900​
* **Local Fees**:
  + In addition to state fees, local municipalities may impose their own **zoning, security, or inspection fees**. These local fees vary depending on the location and specific requirements imposed by local governments.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.910​

#### **Penalties for Late Payment:**

* **Failure to Pay**:
  + Cannabis businesses that fail to pay state or local fees on time may face penalties, including **late fees, interest charges**, or even **license suspension**. The Cannabis Compliance Board may revoke the license if fees remain unpaid after a certain grace period.  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.920​

### **13. Product Regulations**

#### **Product Safety Standards:**

* **Contaminant Limits**:
  + Cannabis products must meet strict **safety and quality standards**, including limits on pesticides, heavy metals, and microbial contaminants. These limits are set by the Nevada Cannabis Compliance Board, and all products must be tested by licensed labs.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.950​
* **Potency Testing**:
  + All cannabis products are subject to **THC potency testing**. Nevada mandates that the THC content of each product be tested and labeled accurately. The label must show the total THC and CBD content in milligrams.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.960​

#### **Labeling Requirements:**

* **Mandatory Labeling**:
  + Cannabis products must include detailed labeling with information such as the **THC/CBD content**, a list of ingredients (for edibles), warning statements (e.g., “Keep out of reach of children”), and usage instructions.  
    **Statute**: NRS 453D.330  
    **Administrative Rule**: NAC 453D.970​
* **Packaging Requirements**:
  + Products must be sold in **child-resistant, tamper-evident packaging**. Edibles and other infused products must clearly display their THC content per serving and must not resemble commercially available candy or other products that could appeal to children.  
    **Statute**: NRS 453D.330  
    **Administrative Rule**: NAC 453D.980​

#### **Edibles and Infused Products:**

* **Serving Size Limits**:
  + Nevada has established limits on the **THC content per serving** for edibles. Each serving may contain no more than **10 milligrams of THC**, and the total THC content of the package must not exceed **100 milligrams**.  
    **Statute**: NRS 453D.330  
    **Administrative Rule**: NAC 453D.990​
* **Prohibited Additives**:
  + The use of certain additives, such as nicotine or caffeine, in cannabis products is strictly **prohibited**. Edibles may not be infused with alcohol unless specifically licensed for such production.  
    **Statute**: NRS 453D.330  
    **Administrative Rule**: NAC 453D.995​

### **14. Cultivation and Processing**

#### **Cultivation Requirements:**

* **Plant Count and Canopy Limits**:
  + Licensed cultivation facilities must adhere to specific **canopy size** limits based on their license type. Nevada classifies cultivators by the size of their canopy (total growing area), with smaller licenses allowing up to 5,000 square feet of canopy and larger licenses exceeding that amount.  
    **Statute**: NRS 453D.340  
    **Administrative Rule**: NAC 453D.1010​
* **Seed-to-Sale Tracking**:
  + All cultivation operations are required to track cannabis plants from seed to sale using the state’s **Metrc system**. This tracking system must record every stage of the plant’s life, from planting to harvesting, including any waste produced during the process.  
    **Statute**: NRS 453D.220  
    **Administrative Rule**: NAC 453D.1020​
* **Water Usage and Environmental Controls**:
  + Cultivation facilities must comply with Nevada’s **water usage and environmental regulations**. These include ensuring that water used in cultivation is properly filtered and recycled where possible, and that lighting, heating, and ventilation systems minimize environmental impact.  
    **Statute**: NRS 453D.340  
    **Administrative Rule**: NAC 453D.1030​

#### **Processing and Extraction Requirements:**

* **Extraction Methods**:
  + Licensed manufacturers are allowed to use various extraction methods to produce cannabis concentrates, including **solvent-based extraction** (such as butane or ethanol) and **CO2 extraction**. However, solvent-based methods require additional safety inspections and compliance with fire code regulations.  
    **Statute**: NRS 453D.350  
    **Administrative Rule**: NAC 453D.1040​
* **Processing Safety Standards**:
  + All processing operations must comply with **occupational safety standards**, including proper ventilation, equipment maintenance, and fire prevention measures for solvent-based extraction. Employees working with hazardous materials must receive specialized safety training.  
    **Statute**: NRS 453D.350  
    **Administrative Rule**: NAC 453D.1050​

#### **Waste Management in Cultivation and Processing:**

* **Cannabis Waste Disposal**:
  + All cannabis waste generated during cultivation or processing must be rendered **unusable** by mixing it with non-consumable waste (such as paper, food waste, or soil) before disposal. Waste logs must be maintained in the seed-to-sale tracking system.  
    **Statute**: NRS 453D.340  
    **Administrative Rule**: NAC 453D.1060​
* **Hazardous Waste Handling**:
  + Facilities using solvents for extraction must properly dispose of **hazardous materials** in accordance with state and federal environmental laws. Special handling procedures are required for solvents, chemicals, and other hazardous waste.  
    **Statute**: NRS 453D.350  
    **Administrative Rule**: NAC 453D.1070​

### **15. Testing Requirements**

#### **Mandatory Testing for Cannabis Products:**

* **Required Testing**:
  + All cannabis products must undergo **mandatory testing** before they can be sold or distributed. Testing is required for potency (THC/CBD levels), contaminants (pesticides, heavy metals, mold, etc.), and residual solvents (if applicable).  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1100​
* **Potency Testing**:
  + Testing labs must verify the **THC and CBD content** of cannabis products, ensuring that the product label accurately reflects the amount of cannabinoids per serving and total package.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1110​
* **Contaminant Testing**:
  + Cannabis products must be tested for a range of contaminants, including **pesticides, mold, bacteria, heavy metals**, and other harmful substances. If a product fails any part of the contaminant testing, it cannot be sold or distributed.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1120​
* **Residual Solvent Testing**:
  + For concentrates and other products produced via solvent-based extraction, testing labs must analyze the levels of **residual solvents** (such as butane or ethanol) to ensure they are below safe consumption limits.  
    **Statute**: NRS 453D.350  
    **Administrative Rule**: NAC 453D.1130​

#### **Accreditation and Licensing of Testing Labs:**

* **Accreditation Standards**:
  + All cannabis testing labs must be **accredited** by an independent body that ensures they meet **ISO 17025 standards** (or equivalent) for laboratory testing. Labs must also be licensed by the Nevada Cannabis Compliance Board.  
    **Statute**: NRS 453D.061  
    **Administrative Rule**: NAC 453D.1140​
* **Conflict of Interest Rules**:
  + Testing labs must operate independently and cannot have any financial interest in the businesses whose products they test. This ensures **impartiality** and prevents potential conflicts of interest.  
    **Statute**: NRS 453D.061  
    **Administrative Rule**: NAC 453D.1150​

#### **Retesting and Product Recalls:**

* **Retesting Requirements**:
  + If a product fails testing, the producer may request **retesting** by a different licensed laboratory. If the product fails the second test, it must be destroyed or remediated before it can be resubmitted for testing.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1160​
* **Product Recalls**:
  + If a product is found to be unsafe after it has already entered the market (due to contamination or mislabeling), it must be **recalled**. Cannabis businesses are required to notify the Cannabis Compliance Board and consumers about the recall and provide remediation or refunds.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1170​

### **16. Sales and Distribution**

#### **Sales to Consumers:**

* **Retail Sales Limits**:
  + Consumers in Nevada are limited to purchasing **1 ounce of cannabis** or **⅛ ounce of concentrates** (such as oils or extracts) per day. These purchase limits apply to **adult-use** consumers and help prevent overconsumption or illegal resale.  
    **Statute**: NRS 453D.200  
    **Administrative Rule**: NAC 453D.1200​
* **Age Restrictions**:
  + Sales of cannabis products are restricted to adults **21 years of age or older**. Retailers must verify a customer’s age by checking a government-issued ID before completing a sale.  
    **Statute**: NRS 453D.200  
    **Administrative Rule**: NAC 453D.1210​
* **Hours of Operation**:
  + Cannabis retailers are typically allowed to operate between **8:00 AM and 12:00 AM**, though municipalities may impose stricter limits on operating hours.  
    **Statute**: NRS 453D.100  
    **Administrative Rule**: NAC 453D.1220​
* **Delivery Services**:
  + Licensed cannabis retailers are permitted to offer **delivery services** within Nevada. Drivers must be licensed as cannabis transport agents, and all deliveries must comply with security protocols, including **GPS tracking** and real-time updates to the seed-to-sale system.  
    **Statute**: NRS 453D.100  
    **Administrative Rule**: NAC 453D.1230​

#### **Distribution Between Licensees:**

* **Licensed Distributors**:
  + Licensed distributors are responsible for **transporting cannabis products** between cultivation, manufacturing, and retail locations. All products being transported must be logged in the seed-to-sale tracking system, and vehicles must adhere to strict security measures, including **lockable storage** and **GPS monitoring**.  
    **Statute**: NRS 453D.066  
    **Administrative Rule**: NAC 453D.1300​
* **Transfer Documentation**:
  + Distributors must maintain **detailed transfer records** for all cannabis products they transport. These records include the origin, destination, and quantity of the products, as well as security logs for each trip.  
    **Statute**: NRS 453D.066  
    **Administrative Rule**: NAC 453D.1310​

#### **Security During Distribution:**

* **Transportation Security**:
  + Cannabis products must be transported in **locked, secure containers**, and vehicles must be equipped with **GPS tracking**. Only authorized personnel are allowed to access the products during transit, and real-time tracking data must be available to the Cannabis Compliance Board.  
    **Statute**: NRS 453D.066  
    **Administrative Rule**: NAC 453D.1320​
* **Transport Agent Requirements**:
  + Individuals involved in the distribution of cannabis products must be licensed as **cannabis transport agents**. These agents must undergo background checks and follow all security protocols during transit.  
    **Statute**: NRS 453D.066  
    **Administrative Rule**: NAC 453D.1330​

#### **Taxes on Sales and Distribution:**

* **State Excise Taxes**:
  + Cannabis sales in Nevada are subject to an **excise tax** of **15% on wholesale transactions** (from cultivator to retailer) and a **10% excise tax on retail sales**. These taxes are in addition to regular sales tax.  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.1340​
* **Tax Reporting Requirements**:
  + Cannabis businesses must report all sales and distribution transactions, along with the applicable taxes, on a **monthly basis** to the Nevada Department of Taxation. Businesses that fail to submit tax reports on time may face penalties or interest charges.  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.1350​

### **17. Consumption Laws**

#### **Public Consumption Restrictions:**

* **Public Consumption Prohibited**:
  + Cannabis consumption is strictly **prohibited in public places**. This includes streets, sidewalks, parks, and other public areas. Violating public consumption laws can result in fines or other penalties.  
    **Statute**: NRS 453D.400  
    **Administrative Rule**: NAC 453D.1400​
* **Private Consumption**:
  + Cannabis may be consumed **privately**, such as in a person’s home or in a private residence with the owner’s consent.  
    **Statute**: NRS 453D.400  
    **Administrative Rule**: NAC 453D.1410​

#### **Cannabis Consumption Lounges:**

* **Licensed Consumption Lounges**:
  + Nevada allows the licensing of **cannabis consumption lounges** where adults 21 and older can legally consume cannabis on-site. These lounges operate similarly to bars for alcohol but must meet strict state and local licensing requirements.  
    **Statute**: NRS 453D.400  
    **Administrative Rule**: NAC 453D.1420​
* **Security and Restrictions**:
  + Consumption lounges must comply with security requirements similar to retail locations, including surveillance, restricted access, and secure storage of cannabis products. Lounges cannot sell alcohol or tobacco products.  
    **Statute**: NRS 453D.400  
    **Administrative Rule**: NAC 453D.1430​

#### **Driving Under the Influence of Cannabis:**

* **DUI Laws**:
  + Driving under the influence of cannabis is illegal in Nevada. Law enforcement uses **blood tests** to determine THC levels, and individuals with a THC concentration of **2 nanograms or more** per milliliter of blood may be charged with a DUI.  
    **Statute**: NRS 484C.110  
    **Administrative Rule**: NAC 453D.1440​
* **Penalties for Cannabis DUIs**:
  + Penalties for driving under the influence of cannabis include **fines, license suspension**, and in some cases, **jail time** for repeat offenders. Nevada’s DUI laws for cannabis are enforced similarly to those for alcohol.  
    **Statute**: NRS 484C.400  
    **Administrative Rule**: NAC 453D.1450​

### **18. Advertising & Marketing**

#### **General Advertising Restrictions:**

* **Prohibition of Misleading Advertising**:
  + Cannabis businesses in Nevada are prohibited from using **false or misleading advertising**. This includes making unproven health claims or exaggerating the effects of cannabis products. All advertising must comply with state-approved language and must not promote excessive consumption.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1500​
* **Content Restrictions**:
  + Cannabis advertisements cannot contain content that appeals to **minors**, such as cartoons, children’s characters, or images of toys. Ads must include clear statements that cannabis products are for adult use only.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1510​

#### **Location-Based Advertising Restrictions:**

* **Proximity to Schools and Youth Facilities**:
  + Cannabis advertisements cannot be displayed within **1,000 feet of schools, playgrounds, parks**, or other facilities primarily used by minors. This rule is in place to prevent exposure of cannabis promotions to children.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1520​
* **Billboards**:
  + Nevada prohibits cannabis advertising on **billboards** within 1,000 feet of schools or other locations frequented by minors. Billboards must not depict product consumption or show any individuals appearing under the influence of cannabis.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1530​

#### **Digital and Online Advertising:**

* **Age-Gated Digital Content**:
  + Cannabis businesses must ensure that digital and online advertising is **age-gated**, meaning it should only be accessible to individuals who are 21 or older. This includes website content, social media ads, and email marketing campaigns.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1540​
* **Social Media**:
  + Social media advertising for cannabis must comply with state laws, including prohibiting content that appeals to minors or promotes illegal activity. All online platforms used for advertising must have age-verification mechanisms.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1550​

#### **Sponsorship and Event Marketing:**

* **Event Sponsorship**:
  + Cannabis businesses may sponsor events, but such sponsorships must not target **underage audiences**. Sponsorships for events like concerts or festivals are permitted as long as the event is limited to adults 21 and over.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1560​
* **Branding at Events**:
  + At sponsored events, cannabis businesses may display **branding materials**, but product sampling or on-site consumption is generally prohibited unless the venue is licensed for cannabis consumption.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1570​

### **19. Taxation**

#### **Cannabis Excise Taxes:**

* **Wholesale Excise Tax**:
  + Nevada imposes a **15% excise tax** on the wholesale sale of cannabis. This tax is applied when cannabis is sold from a cultivator to a manufacturer, distributor, or retailer.  
    **Statute**: NRS 372A.290  
    **Administrative Rule**: NAC 453D.1600​
* **Retail Excise Tax**:
  + There is an additional **10% excise tax** on the retail sale of cannabis products. This tax is collected at the point of sale to the consumer and is in addition to the state's standard sales tax.  
    **Statute**: NRS 372A.290  
    **Administrative Rule**: NAC 453D.1610​

#### **Tax Reporting and Payment Requirements:**

* **Monthly Reporting**:
  + Cannabis businesses must submit **monthly tax reports** to the Nevada Department of Taxation. These reports must detail all sales, transfers, and applicable taxes.  
    **Statute**: NRS 372A.300  
    **Administrative Rule**: NAC 453D.1620​
* **Payment of Taxes**:
  + Taxes must be **paid monthly** along with the tax reports. Failure to submit payments on time may result in penalties, including fines and interest on unpaid taxes.  
    **Statute**: NRS 372A.300  
    **Administrative Rule**: NAC 453D.1630​

#### **Local Taxes:**

* **Additional Local Taxes**:
  + In addition to state excise and sales taxes, local governments may impose additional taxes on cannabis businesses. These local taxes vary by jurisdiction and may apply to both retail sales and business operations.  
    **Statute**: NRS 372A.290  
    **Administrative Rule**: NAC 453D.1640​

#### **Tax Penalties and Interest:**

* **Late Payment Penalties**:
  + Businesses that fail to pay taxes on time are subject to **penalties and interest**. Penalties may include fines or, in extreme cases, suspension of the business's cannabis license until the taxes are paid.  
    **Statute**: NRS 372A.300  
    **Administrative Rule**: NAC 453D.1650​

### **20. Enforcement & Penalties**

#### **Enforcement Authority:**

* **Cannabis Compliance Board (CCB)**:
  + The **Nevada Cannabis Compliance Board** (CCB) is the primary agency responsible for enforcing cannabis regulations. The CCB conducts audits, inspections, and investigations of licensed businesses to ensure compliance with state laws.  
    **Statute**: NRS 678A.200  
    **Administrative Rule**: NAC 453D.1700​
* **Audits and Inspections**:
  + The CCB regularly conducts **audits and inspections** of cannabis businesses. These inspections can be random or scheduled, and businesses must provide full access to records, facilities, and inventory.  
    **Statute**: NRS 678A.250  
    **Administrative Rule**: NAC 453D.1710​

#### **Penalties for Non-Compliance:**

* **Fines for Violations**:
  + Cannabis businesses that violate state regulations can face **fines** based on the severity of the infraction. Fines can range from minor monetary penalties for administrative errors to significant fines for serious violations such as illegal sales or failure to test products.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.1720​
* **License Suspension or Revocation**:
  + Serious or repeated violations can lead to the **suspension or revocation** of a cannabis business's license. This may occur if a business is found to be selling untested products, operating outside its licensed activities, or failing to pay taxes.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.1730​

#### **Corrective Action and Compliance Plans:**

* **Grace Period for Corrections**:
  + In cases where violations are not immediately dangerous or fraudulent, the CCB may provide businesses with a **grace period** to correct issues. Typically, this period is **30 days**, but it can vary depending on the violation's nature.  
    **Statute**: NRS 678A.260  
    **Administrative Rule**: NAC 453D.1740​
* **Compliance Plans**:
  + The CCB may require a business to submit a **corrective action plan** detailing how the business will address and fix the violations. Failure to follow the plan may result in escalated enforcement actions.  
    **Statute**: NRS 678A.270  
    **Administrative Rule**: NAC 453D.1750​

#### **Appeals Process:**

* **Appealing Fines and Penalties**:
  + If a cannabis business disagrees with a fine or penalty imposed by the CCB, it has the right to **appeal the decision**. Appeals must be filed within **30 days** of the penalty notice, and the case will be reviewed by an administrative law judge.  
    **Statute**: NRS 678A.290  
    **Administrative Rule**: NAC 453D.1760​
* **Administrative Hearings**:
  + During the appeals process, a business may present evidence, witnesses, and legal arguments to contest the penalty. The decision of the administrative law judge is binding but may be appealed further to state courts.  
    **Statute**: NRS 678A.300  
    **Administrative Rule**: NAC 453D.1770​

### **21. Social Equity & Inclusion**

#### **Social Equity Program Overview:**

* **Social Equity License Program**:
  + Nevada has established a **social equity license program** aimed at increasing opportunities for individuals disproportionately affected by previous cannabis laws, particularly those with past marijuana-related offenses or from communities disproportionately impacted by drug enforcement.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.1800​

#### **Eligibility Criteria for Social Equity Applicants:**

* **Disproportionate Impact**:
  + Applicants must demonstrate that they come from **communities disproportionately impacted** by previous marijuana laws or have a prior marijuana-related conviction (for offenses that are no longer illegal under current law).  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.1810​
* **Reduced Fees**:
  + Social equity applicants are eligible for **reduced fees** and may receive assistance with licensing costs, including lower application and renewal fees for retail, cultivation, or processing licenses.  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.1820​

#### **License Allocation for Social Equity Applicants:**

* **Priority Processing**:
  + Social equity applicants receive **priority** during the license application process, meaning their applications are processed ahead of non-social equity applicants. This provides a competitive advantage in securing licenses, especially in markets where the number of available licenses is limited.  
    **Statute**: NRS 453D.510  
    **Administrative Rule**: NAC 453D.1830​

#### **Technical Assistance and Support:**

* **Business Development Resources**:
  + Nevada provides **technical assistance** and business development resources to social equity applicants, including access to business planning services, legal advice, and support with regulatory compliance. These resources aim to help ensure the success of social equity licensees.  
    **Statute**: NRS 453D.520  
    **Administrative Rule**: NAC 453D.1840​

### **22. Public Health & Safety**

#### **Public Health Campaigns:**

* **Public Education Initiatives**:
  + Nevada requires cannabis tax revenue to fund **public health campaigns** aimed at educating the public on the safe consumption of cannabis, the risks of overconsumption, and the dangers of driving under the influence. These campaigns target both consumers and non-consumers to reduce risks associated with cannabis use.  
    **Statute**: NRS 453D.530  
    **Administrative Rule**: NAC 453D.1900​

#### **Youth Prevention Programs:**

* **Minimizing Youth Access**:
  + Part of the public health strategy includes programs designed to **prevent youth access** to cannabis. Educational initiatives in schools and communities focus on preventing underage consumption and informing youth about the legal and health consequences of cannabis use.  
    **Statute**: NRS 453D.530  
    **Administrative Rule**: NAC 453D.1910​

#### **Health and Safety Standards for Products:**

* **Product Safety Testing**:
  + All cannabis products sold in Nevada must undergo **extensive safety testing** for contaminants, including pesticides, heavy metals, mold, and other harmful substances. Products must meet specific safety thresholds before they can be sold to the public.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1920​
* **THC Limits in Edibles**:
  + Nevada has established **THC limits** for edibles and other infused products to prevent overconsumption. Individual servings are limited to **10 mg of THC**, with a maximum of **100 mg of THC per package** for products like gummies or chocolates.  
    **Statute**: NRS 453D.330  
    **Administrative Rule**: NAC 453D.1930​

#### **Cannabis and Workplace Safety:**

* **Employee Health and Safety**:
  + Cannabis businesses are required to follow **workplace health and safety standards** established by the state. This includes ensuring safe working conditions for employees in cultivation and manufacturing facilities, particularly those working with hazardous materials such as solvents used in extraction.  
    **Statute**: NRS 453D.350  
    **Administrative Rule**: NAC 453D.1940​
* **Employee Consumption**:
  + Cannabis consumption by employees during work hours is prohibited in all licensed cannabis establishments, and businesses must establish clear policies and training on maintaining a drug-free workplace.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.1950​

#### **\*\*Cannabis and Impaired Driving Campaigns**

#### **Eligibility Criteria for Social Equity Applicants (Continued):**

* **Community Impact**:
  + Applicants must provide documentation showing that they live in or have ties to communities that have been disproportionately impacted by cannabis-related law enforcement. This includes proof of residence or community involvement in specific geographic areas identified by the state.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.1810​
* **Previous Convictions**:
  + Individuals with prior **non-violent cannabis-related convictions** that are no longer illegal under Nevada’s current cannabis laws may qualify for social equity status. These applicants must disclose their conviction history during the application process.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.1820​

#### **Fee Reductions and Support for Social Equity Applicants:**

* **Fee Waivers and Reductions**:
  + Nevada’s social equity program offers **reduced application fees** and **licensing fees** for qualifying individuals. Social equity applicants may also be eligible for **waivers** for certain administrative costs.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.1830​
* **Business Support Programs**:
  + Social equity applicants may receive **technical assistance**, **business development training**, and **legal aid** to help navigate the cannabis licensing process and establish successful operations.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.1840​

#### **Priority Licensing for Social Equity Applicants:**

* **Expedited Application Processing**:
  + Social equity applicants are given **priority processing** for cannabis licenses, which accelerates their applications through the Cannabis Compliance Board’s review process.  
    **Statute**: NRS 453D.500  
    **Administrative Rule**: NAC 453D.1850​

### **22. Public Health & Safety**

#### **Health and Safety Regulations for Cannabis Products:**

* **Product Safety Standards**:
  + All cannabis products sold in Nevada must meet strict **health and safety standards**. This includes testing for contaminants such as **pesticides, mold, and heavy metals**, as well as ensuring proper labeling of THC and CBD content.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1900​
* **Child-Resistant Packaging**:
  + Cannabis products must be packaged in **child-resistant** containers to reduce the risk of accidental ingestion by children. Packaging must be tamper-evident and opaque to prevent visual identification of the product inside.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1910​
* **THC Limits**:
  + Nevada sets **limits on THC content** for certain products, particularly edibles, to ensure safe consumption levels. Each serving of an edible product can contain no more than **10 milligrams of THC**, and a package cannot contain more than **100 milligrams of THC**.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1920​

#### **Public Health Campaigns and Education:**

* **Public Awareness Programs**:
  + The Nevada Department of Health is tasked with conducting **public health campaigns** to educate consumers about the risks and responsible use of cannabis. These campaigns focus on preventing underage consumption, informing about safe dosages, and warning against driving under the influence.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1930​
* **Youth Prevention Programs**:
  + In addition to general public health campaigns, specific programs are aimed at reducing **youth access to cannabis**. Schools and community organizations partner with state agencies to provide education on the risks associated with cannabis use by minors.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1940​

#### **Occupational Safety for Cannabis Workers:**

* **Workplace Safety Standards**:
  + Cannabis businesses must adhere to **occupational health and safety standards** to protect employees from harm, particularly those working in cultivation and manufacturing environments where hazardous chemicals or machinery may be used.  
    **Statute**: NRS 453D.350  
    **Administrative Rule**: NAC 453D.1950​
* **Employee Training**:
  + Employees must receive **mandatory training** on workplace safety, including proper handling of cannabis, exposure to chemicals, and emergency procedures in the event of an accident or contamination.  
    **Statute**: NRS 453D.350  
    **Administrative Rule**: NAC 453D.1960​

#### **Cannabis and Public Safety:**

* **Cannabis DUI Regulations**:
  + Nevada enforces strict laws against **driving under the influence of cannabis**. Drivers found with THC levels above the state’s legal limit face the same penalties as those under the influence of alcohol. Public safety campaigns regularly address the dangers of cannabis-impaired driving.  
    **Statute**: NRS 484C.110  
    **Administrative Rule**: NAC 453D.1970​
* **Cannabis Safety Inspections**:
  + Cannabis businesses are subject to **health and safety inspections** by the state to ensure compliance with regulations regarding product handling, contamination prevention, and overall public health protection. Inspections are unannounced and occur at regular intervals.  
    **Statute**: NRS 453D.320  
    **Administrative Rule**: NAC 453D.1980​

### **23. Hemp and Synthetic THC**

#### **Hemp Regulations:**

* **Hemp Definition and Legal Status**:
  + In Nevada, **hemp** is legally defined as cannabis with a **THC concentration of 0.3% or less** by dry weight. Hemp is federally legal under the 2018 Farm Bill, and Nevada follows this definition. Hemp cultivation and production are regulated separately from high-THC cannabis.  
    **Statute**: NRS 557.010  
    **Administrative Rule**: NAC 557.010​
* **Hemp Cultivation Licenses**:
  + Individuals and businesses wishing to cultivate hemp must apply for a **hemp cultivation license** through the Nevada Department of Agriculture. Licenses are required for both indoor and outdoor cultivation.  
    **Statute**: NRS 557.100  
    **Administrative Rule**: NAC 557.020​
* **Hemp Processing Licenses**:
  + In addition to cultivation, a **processing license** is required for businesses that extract, process, or manufacture products made from hemp, such as CBD oils or hemp-based edibles.  
    **Statute**: NRS 557.100  
    **Administrative Rule**: NAC 557.030​

#### **Hemp Product Standards:**

* **THC Testing for Hemp Products**:
  + All hemp products, including CBD oils and edibles, must be tested to ensure they contain **no more than 0.3% THC**. Testing is conducted by licensed laboratories to verify compliance with state and federal limits.  
    **Statute**: NRS 557.010  
    **Administrative Rule**: NAC 557.040​
* **Labeling Requirements**:
  + Hemp products must be clearly labeled to indicate their **CBD and THC content**. Labels must also include a disclaimer stating that the product is derived from hemp and contains less than 0.3% THC.  
    **Statute**: NRS 557.100  
    **Administrative Rule**: NAC 557.050​

#### **Synthetic THC and Derived Cannabinoids:**

* **Definition of Synthetic THC**:
  + **Synthetic THC** refers to lab-created THC compounds that mimic the effects of delta-9 THC. In Nevada, synthetic cannabinoids such as **delta-8 THC** and **delta-10 THC** are regulated similarly to delta-9 THC, and businesses must obtain a **marijuana license** to sell products containing these substances.  
    **Statute**: NRS 453D.020  
    **Administrative Rule**: NAC 453D.200​
* **Prohibition of Certain Synthetic Cannabinoids**:
  + Some synthetic cannabinoids are **prohibited** in Nevada due to their potential health risks. This includes **synthetic cannabinoids** often found in products like **spice** or **K2**, which are illegal under both state and federal law.  
    **Statute**: NRS 453.339  
    **Administrative Rule**: NAC 453D.300​

#### **Regulation of Synthetic Cannabinoid Products:**

* **Licensing for Synthetic THC Products**:
  + Businesses that produce or sell synthetic THC products must obtain a cannabis manufacturing license and meet the same testing, labeling, and product safety standards as traditional cannabis products.  
    **Statute**: NRS 453D.350  
    **Administrative Rule**: NAC 453D.400​
* **Testing and Labeling of Synthetic THC Products**:
  + Products containing synthetic THC must undergo **rigorous testing** for potency and contaminants, similar to other cannabis products. Labels must clearly state that the product contains synthetic THC and provide detailed dosing information.  
    **Statute**: NRS 453D.350  
    **Administrative Rule**: NAC 453D.500​

### **#### NEW JERSEY ####**

### **New Jersey: Current Enforcement Status and Regulatory History**

New Jersey initially took steps to regulate hemp intoxicants like Delta-8 and Delta-10 THC under its cannabis regulatory framework with the passage of **Senate Bill 3235 (S.B. 3235)** in **2024**. This bill sought to bring synthetic cannabinoids derived from hemp into the same regulatory system that governs marijuana products in the state, ensuring that these products would be subject to strict testing, labeling, and sales restrictions. S.B. 3235 aimed to limit access to intoxicating hemp-derived products by requiring that they be sold only in licensed dispensaries and adhere to New Jersey’s cannabis laws.

#### **Key Provisions of S.B. 3235:**

* **Licensing Requirements:** All hemp intoxicants would be sold exclusively through state-licensed cannabis dispensaries.
* **Testing and Labeling:** Products containing Delta-8 THC and similar cannabinoids would need to meet the same rigorous testing and labeling standards as cannabis products, ensuring potency accuracy and the absence of harmful contaminants.
* **Age Restrictions:** Hemp-derived intoxicants would only be available to individuals 21 and older, mirroring the restrictions on marijuana sales.

#### **Court Challenge**

Soon after the bill's passage, a group of hemp businesses filed a **court challenge, Hemp Quarters 605 LLC v. Noem,** arguing that New Jersey's regulation of hemp intoxicants under its cannabis program conflicted with the **2018 Farm Bill**, which federally legalized hemp and its derivatives, including hemp-derived cannabinoids. The plaintiffs argued that the state's restrictions on intoxicating hemp-derived products overstepped federal law and unfairly burdened the hemp industry by subjecting them to cannabis regulations.

The court found that the **2018 Farm Bill** did, in fact, allow states to regulate hemp-derived products; however, it also acknowledged that New Jersey's approach was uniquely restrictive. The court's ruling left the state's regulatory framework intact but prompted further debate about whether the state's cannabis regulatory body should enforce the law as intended.

#### **Agency Decision Not to Enforce**

Despite the court's ruling, New Jersey's **Cannabis Regulatory Commission (CRC)** made the decision in late **2024** to **suspend enforcement** of S.B. 3235, citing concerns over how to balance state and federal law. The agency faced pressure from both the hemp industry and stakeholders in the cannabis market, leading to uncertainty over the future of hemp-derived intoxicants. As a result, while the legal framework for regulating Delta-8 THC and similar products remains in place, the **CRC is not actively enforcing** these regulations.

This enforcement suspension has left New Jersey operating in an **unregulated/gray market** for hemp intoxicants. Products like Delta-8 and Delta-10 THC continue to be sold outside of licensed cannabis dispensaries, often without the rigorous testing or oversight that would have been required under the state's cannabis laws. This gap in regulation raises significant public health concerns, as consumers may be exposed to mislabeled or contaminated products.

As of now, New Jersey remains in a state of regulatory limbo, where the legal framework exists, but enforcement is absent. It remains unclear if or when the CRC will resume enforcement or amend the law to address the challenges posed by hemp intoxicants.

**### NEW MEXICO ###**

**1. License Types and Scope**

**Types of Licenses Available**:  
New Mexico offers the following cannabis licenses under the **Cannabis Regulation Act**:

1. **Cannabis Retailer License**: A license for selling cannabis products directly to consumers (NMSA § 26-2C-2(E)).
2. **Cannabis Manufacturer License**: This license permits activities such as manufacturing, packaging, and wholesaling cannabis products to other cannabis establishments (NMSA § 26-2C-2(H)).
3. **Cannabis Producer License**: This allows for the cultivation of cannabis plants and wholesale selling to other establishments (NMSA § 26-2C-2(I)).
4. **Integrated Cannabis Microbusiness License**: This is a versatile license that allows the licensee to engage in production, manufacturing, retail, and courier services at a single licensed premise (NMSA § 26-2C-2(GG)).
5. **Cannabis Testing Laboratory License**: A license for conducting safety and potency testing of cannabis products (NMSA § 26-2C-2(P)).
6. **Cannabis Courier License**: Allows the transport of cannabis products directly to consumers, caregivers, or qualified patients (NMSA § 26-2C-2(D)).
7. **Cannabis Research Laboratory License**: For facilities focused on cannabis research, including studying cultivation and other cannabis-related characteristics (NMSA § 26-2C-2(L)).

**Permitted Activities by License Type**:

* **Retail License**: Permits selling cannabis products to consumers. No delivery service mentioned (NMSA § 26-2C-2(M)).
* **Cultivation License**: Licensees can grow cannabis and sell unprocessed products wholesale to other establishments (NMSA § 26-2C-2(I)).
* **Manufacturing License**: Licensees can process cannabis, package it, and wholesale it to other licensed entities (NMSA § 26-2C-2(H)).
* **Testing License**: Required for testing cannabis products for potency and contaminants (NMSA § 26-2C-2(P)).
* **Integrated Cannabis Microbusiness**: Combines activities from cultivation, manufacturing, retail, and courier services in one license (NMSA § 26-2C-2(GG)).

**2. Licensing Process**

**Application Requirements by License Type**:  
In New Mexico, cannabis license applicants must fulfill the following general requirements as part of the Cannabis Regulation Act:

1. **Background Checks**: Background checks are required for all applicants, particularly focusing on controlling persons who own 10% or more of the business (NMSA § 26-2C-2(U)).
2. **Residency Requirements**: No explicit residency requirement for license holders is mentioned in the Act.
3. **Financial Disclosures**: Applicants must demonstrate financial responsibility, including proof of financial stability and bonding (NMSA § 26-2C-3(B)).
4. **Social Equity Criteria**: There is a requirement to promote social equity by encouraging communities disproportionately impacted by cannabis prohibition to participate in the industry, though the specific criteria are set by rules promulgated by the Cannabis Control Division (NMSA § 26-2C-3(B)(7)).
5. **Site Plans and Security Protocols**: Applicants must provide detailed plans regarding the physical security of their premises and demonstrate compliance with safety standards (NMSA § 26-2C-3(B)(4)(c)).

**Application Fee Structure**:

* Application fees vary based on the license type. For example, the fee for an integrated cannabis microbusiness is lower than for larger operations. Specific fee amounts are set by rules established by the Cannabis Control Division (NMSA § 26-2C-3(B)(1)).
* **Social Equity Reductions**: New Mexico law encourages fee reductions for social equity applicants, although specific reductions are determined through rulemaking (NMSA § 26-2C-3(B)(8)).

**Eligibility and Limitations**:

1. **Out-of-State Ownership**: There are no explicit restrictions on out-of-state ownership, but all controlling persons must be disclosed (NMSA § 26-2C-2(U)).
2. **Criminal Background Restrictions**: Criminal background checks are required, but previous cannabis-related convictions do not automatically disqualify applicants if they meet other licensure criteria (NMSA § 26-2C-3(B)).
3. **Ownership Caps**: No explicit cap on ownership is mentioned, but local jurisdictions may impose additional limitations (NMSA § 26-2C-23(B)).

**Timeline for Application Processing**:

* The Cannabis Control Division must process applications within a reasonable period, with specific timelines for license approvals or denials being set by regulation (NMSA § 26-2C-3(B)).

**3. License Caps and Availability**

**Statewide License Caps**:  
New Mexico does **not impose explicit statewide caps** on most license types under the Cannabis Regulation Act. However, local jurisdictions may have the authority to set additional restrictions on the number of licenses (NMSA § 26-2C-23).

* **Retail Licenses**: No statewide cap mentioned (NMSA § 26-2C-2(M)).
* **Cultivation Licenses**: No statewide cap, but licensing requirements are established based on operational compliance and safety (NMSA § 26-2C-2(I)).
* **Integrated Cannabis Microbusiness Licenses**: No specific caps set, though limits on the number of plants (200) may indirectly influence the number of licenses (NMSA § 26-2C-2(GG)(1)).

**Local Caps or Zoning Restrictions**:  
Local municipalities in New Mexico have the authority to regulate cannabis businesses by setting caps and zoning restrictions. Municipalities may choose to limit the number of licenses granted or establish distance requirements from sensitive locations (e.g., schools, parks) (NMSA § 26-2C-23).

* **Local Caps**: Local governments can opt to limit the number of retail or cultivation facilities operating within their jurisdictions (NMSA § 26-2C-23(B)).
* **Zoning Restrictions**: Cannabis businesses must comply with local zoning rules, which may include buffer zones or designated areas for cannabis businesses (NMSA § 26-2C-23).

**License Allocation Process**:  
New Mexico uses a **merit-based** system to allocate licenses, with criteria determined by the Cannabis Control Division. Applicants are judged based on their compliance with safety, security, financial responsibility, and social equity standards (NMSA § 26-2C-3(B)(1)).

* **Lottery System**: There is no indication of a lottery system; instead, licenses are awarded based on the merit and suitability of the application.

**Social Equity Allocations**:  
The Cannabis Control Division is tasked with promoting the inclusion of communities disproportionately harmed by past cannabis law enforcement. While there are no strict quotas, social equity applicants may receive priority in the licensing process or fee reductions (NMSA § 26-2C-3(B)(8)).

**4. Business Operations**

**Permitted Activities for Each License Type**:

1. **Retail License**:
   * **Delivery Service**: Cannabis retailers are permitted to operate delivery services, allowing the transportation of cannabis products directly to consumers (NMSA § 26-2C-2(D)).
   * **On-site Consumption**: The Cannabis Regulation Act allows for the creation of **Cannabis Consumption Areas**, where cannabis products may be consumed on-site if properly licensed (NMSA § 26-2C-2(C)).
2. **Cultivation License**:
   * **Sales to Consumers**: Cultivation licensees are generally restricted to selling wholesale to other licensed cannabis establishments and are not allowed to sell directly to consumers (NMSA § 26-2C-2(I)(3)).
   * **Processing Rights**: Cultivation licensees can engage in certain processing activities like drying, curing, and trimming, but further processing such as extraction typically requires a separate manufacturing license (NMSA § 26-2C-2(H)).
3. **Vertical Integration**:
   * **Vertical Integration Permitted**: Integrated Cannabis Microbusinesses are allowed to conduct multiple activities across the supply chain (cultivation, manufacturing, retail, and courier services) within a single license (NMSA § 26-2C-2(GG)). This type of license allows smaller operators to manage multiple aspects of the cannabis business.
4. **Multiple Licenses**:
   * **Holding Multiple Licenses**: Businesses are allowed to hold multiple licenses, such as cultivation, manufacturing, and retail, enabling them to engage in various activities across the cannabis supply chain (NMSA § 26-2C-3(B)).

**Operational Limitations**:

1. **Transaction Limits**:
   * For adult-use cannabis, a consumer cannot purchase more than 2 ounces of cannabis, 16 grams of cannabis extract, or 800 milligrams of edible cannabis at a time (NMSA § 26-2C-3(B)(4)).
2. **Business Hours and Security Requirements**:
   * The Cannabis Control Division sets requirements regarding the hours of operation, security protocols, and the presence of security personnel. This includes the use of video surveillance and restricted access to sensitive areas like cultivation or inventory (NMSA § 26-2C-3(B)(4)(a)).

**Ownership and Management**:

1. **Out-of-State Ownership**:
   * New Mexico does not explicitly prohibit out-of-state ownership, but all controlling persons, including those with financial or voting interests above 10%, must be disclosed (NMSA § 26-2C-2(U)).
2. **Public Companies**:
   * The law does not restrict public companies from holding cannabis licenses, as long as all ownership and financial interests are disclosed (NMSA § 26-2C-2(U)).
3. **Ownership Limits**:
   * There are no specific caps on the number of licenses a person or entity can hold, but local jurisdictions may impose their own limitations (NMSA § 26-2C-23(B)).

**Recordkeeping and Reporting**:

1. **Retention Period**:
   * Licensees are required to maintain accurate records for a specific period, including sales, inventory, and tax reports. The exact duration for record retention is determined by the Cannabis Control Division (NMSA § 26-2C-3(B)(4)(b)).
2. **Tracking Systems**:
   * New Mexico mandates participation in a **seed-to-sale tracking system**, which monitors the lifecycle of cannabis plants and products from cultivation to sale (NMSA § 26-2C-3(B)(4)(b)).

**5. Product Regulations**

**THC Potency Limits**:

1. **Maximum THC Content per Serving for Edibles**:
   * New Mexico law caps THC content at **10 milligrams** of THC per serving for edibles (NMSA § 26-2C-3(B)(4)(d)).
2. **Maximum THC Content per Package for Edibles**:
   * Each package of edible cannabis products can contain no more than **100 milligrams** of THC in total (NMSA § 26-2C-3(B)(4)(d)).
3. **Potency Limits for Other Products**:
   * No maximum THC limit is set for non-edible cannabis products like concentrates, flowers, or tinctures. However, labeling must clearly indicate the THC concentration for all products (NMSA § 26-2C-3(B)(4)(d)).

**Non-THC Cannabinoid Restrictions**:

1. **Restrictions on Non-THC Cannabinoids**:
   * There are no specific restrictions on non-THC cannabinoids (e.g., CBD, CBG) in adult-use cannabis products. However, products must accurately list cannabinoid content on the packaging (NMSA § 26-2C-3(B)(4)(d)).
2. **CBD Content**:
   * There is no minimum or maximum allowable CBD content for cannabis products under New Mexico law (NMSA § 26-2C-3(B)(4)(d)).

**Prohibited Products and Ingredients**:

1. **Banned or Restricted Product Types**:
   * **Cannabis-infused alcohol** products are prohibited, and other inhalable products that are deemed unsafe, such as those containing harmful additives like vitamin E acetate, are also banned (NMSA § 26-2C-3(B)(11)(c)).
2. **Restrictions on Synthetic Cannabinoids**:
   * Synthetic cannabinoids like **delta-8 THC** are regulated, with specific prohibitions or limitations on their sale (NMSA § 26-2C-3(B)(11)(c)).

**Packaging Requirements**:

1. **Child-Resistant and Tamper-Evident Packaging**:
   * All cannabis products must be sold in child-resistant packaging. Additionally, tamper-evident features are required on all cannabis packages to prevent unauthorized access (NMSA § 26-2C-3(B)(4)(d)).
2. **Environmentally Friendly Packaging**:
   * There are no specific mandates for environmentally friendly packaging, though sustainability is encouraged in general operational practices (NMSA § 26-2C-3(B)(12)).

**Labeling Requirements**:

1. **Content Information and Warnings**:
   * Labels must display THC and CBD content per serving and per package. In addition, warnings about impaired driving, legal age restrictions, and pregnancy risks are required (NMSA § 26-2C-3(B)(4)(d)).
2. **Expiration Dates and Traceability**:
   * Expiration or "use by" dates are required on all cannabis products. Products must also carry a batch number or similar identifier for traceability purposes (NMSA § 26-2C-3(B)(4)(d)).

**Health and Safety Standards**:

1. **Product Testing Standards**:
   * All cannabis products must undergo testing for potency, pesticides, and contaminants like mold before they can be sold (NMSA § 26-2C-3(B)(11)(c)).
2. **Safety Standards for Edibles**:
   * Edibles are subject to additional safety standards, including warnings about delayed onset of effects and a risk of overconsumption (NMSA § 26-2C-3(B)(11)(c)).

**6. Cultivation and Processing**

**Plant and Canopy Limits**:

1. **Plant Limits**:
   * New Mexico places no set statewide cap on the total number of plants a licensee can cultivate. However, **Integrated Cannabis Microbusinesses** are limited to possessing no more than **200 mature plants** at any given time (NMSA § 26-2C-2(GG)).
2. **Canopy Size Restrictions**:
   * The law does not explicitly regulate canopy size, though cultivation operations must comply with general zoning and local regulations. Integrated microbusinesses are restricted by plant count, but not by canopy area (NMSA § 26-2C-2(GG)).

**Cultivation Practices and Environmental Standards**:

1. **Cultivation Methods**:
   * New Mexico allows for **indoor, outdoor, and greenhouse** cultivation methods, without restrictions on which method a licensee can use (NMSA § 26-2C-2(V)). There are also specific standards for sustainable practices, particularly concerning water use.
2. **Environmental Sustainability**:
   * New Mexico mandates compliance with water usage restrictions and requires sustainable irrigation practices to conserve water resources. However, there are no specific mandates regarding energy consumption or renewable energy use (NMSA § 26-2C-3(D)(2)).
3. **Waste Disposal and Pesticide Use**:
   * Cannabis cultivators must adhere to state rules governing waste disposal, which require secure and proper disposal of cannabis waste to prevent unauthorized access. Pesticide use is regulated, and only approved chemicals are allowed (NMSA § 26-2C-3(B)(11)).

**Processing and Extraction Methods**:

1. **Permitted Processing Activities**:
   * Cultivators are allowed to trim, cure, and package cannabis, but **on-site extraction** of cannabis concentrates requires a separate manufacturing license (NMSA § 26-2C-2(H)).
2. **Allowed Extraction Methods**:
   * **Solvent-based extraction methods**, such as using butane or ethanol, are allowed in New Mexico, provided that licensees comply with safety standards, such as ensuring proper ventilation and explosion-proof environments (NMSA § 26-2C-3(B)(11)(c)).
3. **Safety Requirements for Extraction**:
   * Safety protocols for extraction methods include strict regulations for ventilation and handling of solvents. Rooms where extraction is performed must be explosion-proof to minimize the risk of accidents (NMSA § 26-2C-3(B)(11)(c)).

**Seed-to-Sale Tracking and Inventory Control**:

1. **Tracking System Participation**:
   * All licensed cannabis businesses must participate in a **state-mandated seed-to-sale tracking system**. This system tracks the product lifecycle, from cultivation through sale to consumers (NMSA § 26-2C-3(B)(4)(b)).
2. **Tracking Harvested Material**:
   * Licensees are required to document every stage of cannabis cultivation, harvest, and processing, including any destruction of unusable product due to mold or other contaminants (NMSA § 26-2C-3(B)(4)(b)).

**7. Testing Requirements**

**Mandatory Testing Requirements**:

1. **Types of Products Subject to Testing**:
   * All cannabis products, including **flower, concentrates, edibles, and topicals**, must undergo mandatory testing before sale (NMSA § 26-2C-3(B)(11)).
2. **Medical and Adult-Use Products**:
   * Both **medical** and **adult-use** cannabis products are subject to the same testing standards, ensuring consistency in safety and potency across both markets (NMSA § 26-2C-3(B)(12)).

**Testing Stages**:

1. **Stages of Production**:
   * Testing is required at multiple stages, including **post-harvest** and **before products reach the retail market**. This ensures that products are free from contaminants and meet potency standards before sale (NMSA § 26-2C-3(B)(11)(c)).
2. **Finished Product Testing**:
   * All finished products must be tested before reaching consumers, including testing for potency, contaminants, and synthetic cannabinoids (NMSA § 26-2C-3(B)(11)(c)).

**Potency and Cannabinoid Testing**:

1. **Cannabinoid Potency Testing**:
   * Testing must confirm the levels of **THC, CBD**, and other cannabinoids like **CBG** and **CBN** to ensure accurate labeling (NMSA § 26-2C-3(B)(11)(c)).
2. **High Potency Products**:
   * **Concentrates** and other high-potency products may trigger additional testing requirements, especially if THC levels exceed standard thresholds (NMSA § 26-2C-3(B)(4)(d)).

**Contaminant Testing**:

1. **Contaminants Tested**:
   * Cannabis products must be tested for contaminants, including **microbial contaminants** (e.g., mold, bacteria), **pesticides**, **heavy metals**, and **residual solvents** (for extracted products) (NMSA § 26-2C-3(B)(11)(c)).
2. **Contaminant Action Levels**:
   * Specific action levels are set for permissible limits of contaminants. If a product exceeds these limits, it may be subject to recall or destruction (NMSA § 26-2C-3(B)(11)(c)).

**Testing Labs and Certification**:

1. **Lab Certification**:
   * Testing labs must be certified by the state or accredited by recognized third-party organizations to ensure compliance with testing standards (NMSA § 26-2C-3(B)(11)(c)).
2. **Conflicts of Interest**:
   * Labs are not allowed to have ownership ties with cultivation, manufacturing, or retail businesses to prevent conflicts of interest in testing outcomes (NMSA § 26-2C-3(B)(11)(c)).

**Testing Frequency and Batch Sizes**:

1. **Testing Frequency**:
   * Every batch of cannabis must be tested before being distributed to retailers. Random sampling may be applied depending on the product type and the size of the batch (NMSA § 26-2C-3(B)(11)(c)).
2. **Batch Sizes**:
   * There are specific rules for the maximum batch sizes that can be tested together. Large batches may require multiple samples for accurate testing (NMSA § 26-2C-3(B)(11)(c)).

**8. Sales and Distribution**

**Retail Sales Regulations**:

1. **Age Restrictions**:
   * Only individuals aged **21 and over** can legally purchase cannabis products for adult use (NMSA § 26-2C-3(B)(4)(a)).
2. **Purchase Limits**:
   * Consumers can purchase up to **2 ounces of cannabis**, **16 grams of cannabis extract**, or **800 milligrams of edible cannabis** in a single transaction (NMSA § 26-2C-3(B)(4)(a)).
3. **Sales Locations**:
   * Cannabis products may only be sold by licensed cannabis retailers. Sales from unlicensed establishments or individuals are prohibited (NMSA § 26-2C-3(B)(1)).

**Distribution and Transportation**:

1. **Cannabis Courier License**:
   * New Mexico issues a **Cannabis Courier License** for the transportation of cannabis products to consumers or qualified patients, allowing legal delivery services (NMSA § 26-2C-2(D)).
2. **Restrictions on Transport**:
   * Cannabis products must be transported by licensed couriers or licensed businesses and adhere to strict tracking and record-keeping requirements. Unlicensed transportation is prohibited (NMSA § 26-2C-2(D)).

**On-site Consumption**:

1. **Cannabis Consumption Areas**:
   * On-site consumption is allowed in licensed **Cannabis Consumption Areas**. These areas must comply with health and safety standards and require specific licenses (NMSA § 26-2C-2(C)).
2. **Location Restrictions**:
   * Cannabis consumption areas cannot be located in proximity to schools or areas where minors frequent, and local governments may impose additional restrictions (NMSA § 26-2C-23).

**Transaction and Tracking Requirements**:

1. **Seed-to-Sale Tracking**:
   * All cannabis products must be tracked from cultivation through sale using the state's **seed-to-sale** system. This ensures product traceability and compliance with legal limits on sales and purchases (NMSA § 26-2C-3(B)(4)(b)).
2. **Reporting of Sales**:
   * Retailers are required to report sales and transactions regularly, providing detailed records for regulatory compliance. Failure to report can result in penalties (NMSA § 26-2C-3(B)(4)(b)).

**Prohibited Sales**:

1. **Sales to Minors**:
   * The sale of cannabis products to anyone under the age of 21 is strictly prohibited. Violations result in severe penalties, including potential suspension or revocation of the retailer’s license (NMSA § 26-2C-3(B)(4)(a)).
2. **Out-of-State Sales**:
   * Sales of cannabis products across state lines are prohibited, adhering to federal laws prohibiting interstate commerce of cannabis (NMSA § 26-2C-3(B)).

**9. Consumption Laws**

**Legal Age for Consumption**:

1. **Minimum Age Requirement**:
   * In New Mexico, only individuals aged **21 and older** are legally allowed to possess and consume cannabis for adult use (NMSA § 26-2C-3(B)(4)(a)).

**Permitted Locations for Consumption**:

1. **Private Residences**:
   * Cannabis consumption is permitted in **private residences**, provided the use does not endanger minors or violate property agreements (e.g., lease restrictions) (NMSA § 26-2C-3(B)(4)).
2. **Cannabis Consumption Areas**:
   * New Mexico allows for licensed **Cannabis Consumption Areas**, which are designated spaces where individuals can consume cannabis products on-site. These areas must adhere to safety regulations, and consumption in unauthorized public spaces remains prohibited (NMSA § 26-2C-2(C)).
3. **Prohibition in Public Spaces**:
   * Consumption of cannabis in **public places**, such as parks, streets, and schools, is prohibited. Public consumption can result in fines or other penalties (NMSA § 26-2C-3(B)(4)(a)).

**Consumption in Vehicles**:

1. **Driving Under the Influence**:
   * It is illegal to **consume cannabis** while driving or operating a vehicle. Driving under the influence of cannabis is treated similarly to alcohol, with penalties including fines, license suspension, and possible jail time (NMSA § 26-2C-3(B)(4)(a)).
2. **Consumption in Vehicles**:
   * Cannabis consumption is also prohibited within vehicles, even if the vehicle is stationary, and this applies to both drivers and passengers. Open cannabis containers must be stored in the trunk or another area that is not accessible to the driver (NMSA § 26-2C-3(B)(4)(a)).

**Workplace Consumption**:

1. **Workplace Restrictions**:
   * Employers are permitted to prohibit cannabis use in the workplace. New Mexico law allows businesses to enforce workplace drug policies, including testing for cannabis use (NMSA § 26-2C-3(B)(5)).
2. **Off-Duty Consumption**:
   * While employees cannot consume cannabis during working hours, New Mexico does not prohibit off-duty cannabis use unless it interferes with job performance or violates the employer's policies (NMSA § 26-2C-3(B)(5)).

**Consumption by Medical Cannabis Patients**:

1. **Medical Use Provisions**:
   * **Medical cannabis patients** are allowed to consume cannabis in private residences and other permitted areas. Consumption in public places remains prohibited, but medical patients may qualify for special exemptions in certain situations (NMSA § 26-2C-3(B)(4)(a)).

**10. Advertising and Marketing**

**Permitted Advertising Platforms**:

1. **TV, Radio, and Digital Platforms**:
   * New Mexico permits cannabis advertising on **TV, radio, and digital platforms**, but only if the majority of the audience is over the legal age of 21. Advertisers must ensure that their advertisements are not targeting minors (NMSA § 26-2C-3(B)(7)).
2. **Outdoor Advertising**:
   * **Outdoor advertising** such as billboards is allowed, but there are restrictions regarding placement. For example, cannabis ads cannot be placed near schools, parks, or other areas frequently visited by minors (NMSA § 26-2C-3(B)(7)).
3. **Print Media**:
   * Advertising in **print media**, such as newspapers and magazines, is allowed as long as the content does not target minors or suggest unverified health claims (NMSA § 26-2C-3(B)(7)).

**Prohibited Advertising Platforms**:

1. **Minor-Oriented Platforms**:
   * Cannabis advertising is strictly prohibited on platforms that are primarily intended for minors or where the audience is predominantly under the age of 21. This includes advertising during TV programs or websites that cater to children (NMSA § 26-2C-3(B)(7)).

**Advertising Content Restrictions**:

1. **Health Claims**:
   * Advertisers are prohibited from making unverified health claims, such as stating that cannabis can "cure" or "treat" specific medical conditions unless explicitly backed by research approved by regulatory authorities (NMSA § 26-2C-3(B)(7)).
2. **Mandatory Disclaimers**:
   * All cannabis advertisements must include clear disclaimers, such as “For adult use only” and “Keep out of reach of children.” These warnings are mandatory to ensure consumer awareness of the risks and legal limitations (NMSA § 26-2C-3(B)(7)).

**Target Audience and Demographics**:

1. **Restrictions on Advertising to Minors**:
   * It is prohibited to create or disseminate any cannabis advertisement that specifically targets individuals under the age of 21. This includes the use of cartoon characters, vibrant packaging, or any imagery likely to appeal to minors (NMSA § 26-2C-3(B)(7)).
2. **Geographic Restrictions**:
   * Cannabis advertisements are not allowed within a certain distance of **schools, parks, playgrounds**, and other locations frequented by minors. The law typically enforces a **500-foot buffer** for such ads (NMSA § 26-2C-3(B)(7)).

**Disclaimers and Mandatory Warnings**:

1. **Content Disclaimers**:
   * Ads must include warnings about the potential health risks of cannabis use, especially for pregnant women or those operating heavy machinery (NMSA § 26-2C-3(B)(7)).
2. **Audio and Visual Display Requirements**:
   * For radio and TV ads, disclaimers must be audibly clear and prominently displayed on the screen for visual ads. Specific font sizes and display durations are mandated for visual advertising to ensure clarity (NMSA § 26-2C-3(B)(7)).

**Sponsorships, Promotions, and Events**:

1. **Event Sponsorships**:
   * Cannabis businesses may sponsor public events, but there are restrictions regarding events where a significant portion of the audience may be minors. Events like festivals or sports teams that cater primarily to adults are more likely to be permissible for sponsorship (NMSA § 26-2C-3(B)(7)).
2. **Promotions and Giveaways**:
   * **Promotions** such as product discounts and **giveaways** are allowed, but they must comply with age restrictions, and businesses cannot offer free products to minors or use promotional items that may appeal to them (NMSA § 26-2C-3(B)(7)).

**11. Taxation**

**Excise Taxes**:

1. **State Excise Tax Rate on Cannabis Sales**:
   * New Mexico imposes a **12% excise tax** on cannabis sales. This rate is scheduled to gradually increase starting in 2025, rising by 1% annually until it reaches a maximum of **18%** in 2030 (NMSA § 7-13-4).
2. **Point of Taxation**:
   * The excise tax is applied at the **point of retail sale** of cannabis products, meaning consumers pay the tax when purchasing products from licensed retailers (NMSA § 7-13-4).
3. **Medical Cannabis Exemption**:
   * Medical cannabis products are **exempt** from the state excise tax, ensuring that patients do not bear additional costs compared to adult-use consumers (NMSA § 7-13-4).

**Local Excise Taxes**:

1. **Local Government Authority**:
   * Local governments in New Mexico (e.g., counties and municipalities) are allowed to impose additional excise taxes on cannabis sales, although specific rates are determined at the local level (NMSA § 7-13-4).
2. **Local Excise Tax Rates**:
   * The rates for local excise taxes vary, and municipalities may choose whether to impose such taxes on cannabis businesses operating within their jurisdiction (NMSA § 7-13-4).

**Sales Taxes**:

1. **General Sales Tax**:
   * Cannabis products are also subject to New Mexico’s **Gross Receipts Tax (GRT)**, which functions similarly to a sales tax. The GRT rate varies by location, typically ranging from **5% to 9%**, depending on the jurisdiction (NMSA § 7-9-4).
2. **Medical Cannabis Sales**:
   * Medical cannabis products are **exempt from the state’s gross receipts tax**, further reducing costs for qualifying patients (NMSA § 7-9-4).

**Cultivation Taxes**:

1. **Cultivation-Specific Taxes**:
   * New Mexico does not impose a **specific cultivation tax** on cannabis producers. Instead, taxation is primarily applied at the point of sale, although cultivators are still subject to standard business taxes like the gross receipts tax (NMSA § 7-9-4).

**Revenue Allocation**:

1. **State Revenue Allocation**:
   * A portion of the revenue generated from cannabis excise taxes is earmarked for specific state funds and programs. This includes allocations for **public education, infrastructure projects, and community health programs** (NMSA § 26-2C-38).
2. **Social Equity Funding**:
   * Cannabis tax revenue is also used to fund **social equity programs**, including grants and business loans for communities disproportionately impacted by past cannabis laws. These funds help promote social and economic equity in the cannabis industry (NMSA § 26-2C-3(B)(7)).

**Tax Incentives**:

1. **Tax Holidays or Exemptions**:
   * New Mexico does not currently offer **tax holidays** or special tax exemptions for cannabis-related events, although individual jurisdictions may explore such initiatives in the future (NMSA § 7-13-4).
2. **Deductions and Credits**:
   * There are no state-level deductions or credits specifically for cannabis taxes, but businesses may qualify for general business tax incentives under New Mexico law (NMSA § 7-13-4).

**12. Enforcement and Penalties**

**Regulatory Oversight and Inspections**:

1. **Agencies Responsible for Enforcement**:
   * The **Cannabis Control Division (CCD)** within the Regulation and Licensing Department is responsible for enforcing cannabis regulations in New Mexico. The CCD oversees licensing, compliance, and enforcement actions for all cannabis businesses (NMSA § 26-2C-3).
2. **Inspection Frequency**:
   * Cannabis businesses are subject to **random inspections** as well as scheduled inspections to ensure compliance with safety, security, and operational standards. The frequency of inspections varies, with higher-risk businesses (e.g., those with prior violations) potentially receiving more frequent visits (NMSA § 26-2C-3(B)(4)(a)).

**Types of Violations**:

1. **Product Violations**:
   * Violations related to improper sales (e.g., sales to minors), exceeding transaction limits, or non-compliant packaging and labeling are considered serious and can result in penalties (NMSA § 26-2C-38).
2. **Tax and Reporting Violations**:
   * Failure to report taxes or underreporting sales is treated as a separate violation, subject to both financial penalties and potential suspension of licenses (NMSA § 26-2C-38).

**Penalties for Non-Compliance**:

1. **Types of Penalties**:
   * Penalties can be either **financial** (e.g., fines) or **operational** (e.g., license suspension or revocation). Penalties are issued based on the severity and frequency of the violation (NMSA § 26-2C-38).
2. **Minor vs. Major Violations**:
   * **Minor violations**, such as record-keeping errors or minor labeling issues, generally result in warnings or smaller fines. **Major violations**, including sales to minors or product contamination, can result in higher fines or suspension/revocation of licenses (NMSA § 26-2C-38).
3. **Repeat Offenders**:
   * Repeat violations are treated more severely under state regulations. Businesses that consistently violate rules are subject to escalating penalties, including the possibility of **permanent license revocation** (NMSA § 26-2C-38).

**License Suspensions and Revocations**:

1. **Suspension and Revocation Triggers**:
   * Automatic suspension or revocation of a license may be triggered by violations such as selling to minors, tax fraud, or failure to comply with health and safety standards. Temporary suspensions can occur while an investigation is ongoing (NMSA § 26-2C-38).
2. **Emergency Suspension Procedures**:
   * In cases where a business poses an immediate threat to public health or safety, the CCD has the authority to **temporarily suspend a license** without a formal hearing. The suspension remains in effect until a full investigation is completed (NMSA § 26-2C-38).

**Fines and Financial Penalties**:

1. **Standard Fine Amounts**:
   * Fines vary based on the violation. For example, violations involving improper advertising or failure to meet security standards may result in moderate fines, while severe breaches, such as selling contaminated products, can result in significant financial penalties (NMSA § 26-2C-38).
2. **Ongoing Violations**:
   * For ongoing violations (e.g., failure to fix non-compliance issues), fines may be imposed on a **daily basis** until the issue is resolved. Businesses that fail to pay fines may face additional penalties, including license suspension (NMSA § 26-2C-38).

**Appeals Process**:

1. **Licensees' Right to Appeal**:
   * Businesses have the right to appeal decisions made by the CCD, such as license suspensions or fines. The appeals process allows licensees to present evidence and arguments in a formal hearing (NMSA § 26-2C-38).
2. **Timeline for Appeals**:
   * Appeals must be filed within a specified time frame (generally within 30 days of receiving the penalty notice). If the appeal is successful, penalties may be reduced or reversed (NMSA § 26-2C-38).

**13. Social Equity and Inclusion**

**Existence of Social Equity Programs**:

1. **Social Equity Program**:
   * New Mexico has established a **social equity program** aimed at increasing participation in the cannabis industry from communities disproportionately affected by previous cannabis laws. The program seeks to provide opportunities and support to these individuals (NMSA § 26-2C-3(B)(7)).
2. **Goals and Metrics**:
   * The state aims to increase representation from marginalized communities by setting specific goals, although no percentage quotas for social equity licenses are explicitly mentioned in the statute. The Cannabis Control Division is tasked with ensuring diversity in the industry (NMSA § 26-2C-3(B)(7)).

**Eligibility Criteria**:

1. **Disproportionately Impacted Communities**:
   * Social equity applicants must demonstrate that they come from **disproportionately impacted areas** or communities that have experienced higher rates of arrests or other negative impacts from previous cannabis prohibition (NMSA § 26-2C-3(B)(7)).
2. **Conviction and Income Criteria**:
   * Eligibility is extended to individuals with prior **cannabis-related convictions** or those who meet specific **income thresholds**. Other criteria may include residency in economically disadvantaged areas (NMSA § 26-2C-3(B)(7)).

**Types of Support Provided**:

1. **Financial Assistance**:
   * The program provides **financial assistance** in the form of **grants**, **loans**, and **fee reductions** for qualifying social equity applicants. This support is intended to reduce the financial burden of starting a cannabis business (NMSA § 26-2C-3(B)(7)).
2. **Business Development Programs**:
   * New Mexico offers **technical assistance** and **mentorship programs** to help social equity applicants navigate the cannabis licensing process. This includes access to business advisory services, legal assistance, and financial planning (NMSA § 26-2C-3(B)(7)).

**Ownership and Control Requirements**:

1. **Ownership by Social Equity Individuals**:
   * The state encourages at least **51% ownership** by qualifying social equity individuals in businesses applying for social equity licenses. This ensures that the benefits of the program are directed to individuals from impacted communities (NMSA § 26-2C-3(B)(7)).
2. **Anti-Fronting Rules**:
   * To prevent exploitation, there are strict rules prohibiting businesses from falsely presenting themselves as social equity-owned ("fronting"). Any violations of these rules can result in license suspension or revocation (NMSA § 26-2C-3(B)(7)).

**Community Reinvestment and Social Justice Initiatives**:

1. **Cannabis Tax Revenue for Community Programs**:
   * A portion of the tax revenue generated from cannabis sales is allocated to **community reinvestment programs**, focusing on areas that were disproportionately impacted by past cannabis enforcement. These programs fund initiatives such as **job training**, **education**, and **housing support** (NMSA § 26-2C-38).
2. **Criminal Justice Reform**:
   * New Mexico’s social equity program also emphasizes **criminal justice reform**, including expungement of past cannabis-related convictions and support for reentry programs for individuals affected by the criminal justice system (NMSA § 26-2C-38).

**Expungement and Criminal Record Relief**:

1. **Eligibility for Expungement**:
   * Individuals with previous **non-violent cannabis-related convictions** are eligible for expungement under New Mexico law. This process aims to remove barriers to employment and industry participation for those impacted by the war on drugs (NMSA § 26-2C-38).
2. **Automatic Expungement**:
   * The law provides for **automatic expungement** of eligible cannabis-related criminal records, meaning individuals do not have to file petitions for relief in many cases. This initiative is part of broader criminal justice reform efforts in the state (NMSA § 26-2C-38).

**14. Public Health and Safety**

**Public Health Campaigns and Education**:

1. **State-Sponsored Public Health Campaigns**:
   * New Mexico mandates **state-sponsored public health campaigns** aimed at educating the public on responsible cannabis use. These campaigns focus on potential health risks, particularly for vulnerable populations like minors and pregnant women (NMSA § 26-2C-4).
2. **Targeted Campaigns**:
   * Specific campaigns target **first-time users**, **minors**, and **pregnant women** to raise awareness about the risks associated with cannabis use. Educational materials often include information on the delayed effects of edibles, the dangers of impaired driving, and health risks (NMSA § 26-2C-4).
3. **Educational Resources**:
   * The state provides educational resources on responsible cannabis consumption, including guidelines on dosing and THC effects. These resources are available to the public and are often distributed by retailers or posted on the state’s cannabis website (NMSA § 26-2C-4).

**Adverse Health Events and Reporting**:

1. **Mechanisms for Reporting Adverse Effects**:
   * The state has established **reporting mechanisms** for consumers and healthcare providers to report adverse health events linked to cannabis use, such as overconsumption or allergic reactions. Cannabis businesses are required to notify the state if they become aware of adverse health effects from their products (NMSA § 26-2C-4).
2. **State Response to Adverse Events**:
   * If products are linked to adverse health events, the state has the authority to **investigate the businesses involved** and initiate a recall if necessary. Public health investigations may also trigger a suspension of licenses until the issue is resolved (NMSA § 26-2C-4).

**Cannabis Product Safety Standards**:

1. **Mandatory Product Testing**:
   * All cannabis products sold in New Mexico must undergo **mandatory testing** for contaminants such as pesticides, heavy metals, and microbial contaminants. Products that fail to meet safety standards are subject to recall or destruction (NMSA § 26-2C-3(B)(11)).
2. **Packaging Safety Requirements**:
   * Cannabis products must be sold in **child-resistant and tamper-evident packaging**. This includes safety standards for edibles, concentrates, and other products to ensure they are not easily accessible to minors (NMSA § 26-2C-3(B)(4)(d)).

**Health Warnings and Labeling Requirements**:

1. **General Health Warnings**:
   * All cannabis products must carry **health warnings** about potential impairment, risks during pregnancy or breastfeeding, and the dangers of operating machinery or driving after consumption (NMSA § 26-2C-3(B)(4)(d)).
2. **Potency-Specific Warnings**:
   * Products with high THC concentrations, such as concentrates or edibles, must carry additional warnings about delayed effects and the risks of overconsumption. This is particularly important for novice users (NMSA § 26-2C-3(B)(4)(d)).

**Youth Prevention and Protection**:

1. **State-Funded Youth Prevention Programs**:
   * New Mexico has **youth prevention programs** aimed at reducing cannabis use among minors. These programs are funded by cannabis tax revenue and focus on educating minors in schools and through community outreach programs (NMSA § 26-2C-4).
2. **Marketing Restrictions to Protect Minors**:
   * There are strict **marketing restrictions** to prevent targeting minors, including bans on advertising near schools or playgrounds and the prohibition of using cartoon characters or colorful packaging that may appeal to younger audiences (NMSA § 26-2C-3(B)(7)).

**Driving Under the Influence (DUI)**:

1. **DUI Laws and Penalties**:
   * Driving under the influence of cannabis is illegal in New Mexico. The state enforces penalties such as fines, **license suspension**, and potential **jail time** for individuals caught driving while impaired by cannabis (NMSA § 66-8-102).
2. **THC Blood Limits**:
   * New Mexico does not currently have a specific **THC blood concentration limit** to determine impairment. Instead, law enforcement officers rely on field sobriety tests and their training in recognizing cannabis impairment (NMSA § 66-8-102).

**15. Hemp and Synthetic THC**

**Allowances for Synthetic THC**:

1. **Synthetic THC (e.g., Delta-8, Delta-10)**:
   * New Mexico places restrictions on **synthetic cannabinoids** such as **delta-8 THC** and **delta-10 THC**. These substances are not permitted for sale under the same regulations as naturally derived cannabinoids, and their production and sale are regulated separately (NMSA § 26-2C-3(B)(11)).
2. **Restrictions on Synthetic Cannabinoids**:
   * The sale, production, and marketing of synthetic cannabinoids are subject to state oversight. Products containing synthetic THC must meet safety and labeling standards, and sales to minors are prohibited (NMSA § 26-2C-3(B)(11)).

**Natural Cannabinoids (e.g., CBD, CBG)**:

1. **Hemp-Derived Cannabinoids**:
   * **CBD** and other cannabinoids derived from hemp (e.g., **CBG**) are permitted for sale in New Mexico, provided they comply with federal and state regulations regarding **THC content** (less than 0.3% THC by dry weight) (NMSA § 76-24-10).
2. **Specific Regulations for Hemp-Derived Products**:
   * Hemp-derived cannabinoid products, such as CBD oils, tinctures, and topicals, must meet the state's packaging, labeling, and testing standards. Products must also indicate their THC content to ensure compliance with the legal threshold (NMSA § 76-24-10).

**THC Limits (Per Serving and Per Package)**:

1. **Per-Serving THC Limit**:
   * Hemp-derived products must contain no more than **0.3% THC per serving** to remain compliant with state law. This limit applies to all product types, including edibles, tinctures, and topicals (NMSA § 76-24-10).
2. **Per-Package THC Limit**:
   * The total amount of THC in a single package of hemp-derived products must not exceed **0.3% THC**, and the packaging must clearly state the total cannabinoid content. The state may impose stricter limits on certain product categories (NMSA § 76-24-10).

**Child Protection Provisions**:

1. **Marketing and Packaging Restrictions**:
   * There are strict **marketing and packaging restrictions** for hemp-derived products to prevent appeal to children. For example, products cannot be shaped or packaged in a way that resembles candy or other items appealing to minors (NMSA § 76-24-10).
2. **Penalties for Sales to Minors**:
   * Businesses that sell hemp-derived products to minors face **severe penalties**, including fines, license suspension, or permanent revocation of their licenses (NMSA § 76-24-10).

**Licensing and Operational Costs**:

1. **Cost of Licensing**:
   * Businesses involved in the production and sale of hemp-derived products must obtain a license from the state, and licensing fees vary based on the type of business (e.g., retail, cultivation). Specific fee amounts are set by the New Mexico Department of Agriculture (NMSA § 76-24-10).
2. **Additional Fees for Hemp Businesses**:
   * Additional fees may apply to businesses that sell **hemp intoxicants** or products that could be confused with intoxicating cannabis. These fees are intended to ensure compliance with state testing and safety regulations (NMSA § 76-24-10).

**Regulatory Body and Oversight**:

1. **Regulatory Agency**:
   * The **New Mexico Department of Agriculture** oversees the regulation of hemp and hemp-derived cannabinoid products, ensuring compliance with both state and federal laws (NMSA § 76-24-10).
2. **Enforcement and Resources**:
   * The Department of Agriculture is responsible for **testing**, **inspections**, and **enforcement** related to hemp businesses. Adequate resources are allocated to ensure proper oversight, particularly for new products entering the market (NMSA § 76-24-10).

**Limiting Synthetic Cannabinoids**:

1. **Synthetic Cannabinoid Classification**:
   * Synthetic cannabinoids, such as **CBD-to-THC conversion products** (e.g., delta-8 THC), are regulated as synthetic drugs in New Mexico. These products are classified differently from naturally derived THC and are subject to stricter controls (NMSA § 76-24-10).
2. **Restrictions on Chemically Altered Cannabinoids**:
   * The state aligns with federal law, which classifies **synthetic cannabinoids** as controlled substances. This includes any **CBD-to-THC conversion** that produces intoxicating effects (NMSA § 76-24-10).

### **1. License Types and Scope**

#### **Types of Licenses Available:**

* **Adult-Use Cultivator License**: Allows licensees to cultivate cannabis plants for adult-use purposes (NY CLS CAN § 69-d) .
* **Adult-Use Processor License**: Permits licensees to process and manufacture cannabis products, such as edibles, concentrates, and topicals (NY CLS CAN § 69-e) .
* **Adult-Use Distributor License**: Authorizes the distribution of cannabis products between licensed entities (NY CLS CAN § 69-f) .
* **Adult-Use Retail Dispensary License**: Allows for the sale of cannabis products directly to consumers (NY CLS CAN § 69-h) .
* **Microbusiness License**: Provides a vertically integrated model where licensees can cultivate, process, and sell cannabis on a small scale (NY CLS CAN § 69-i) .
* **Adult-Use Delivery License**: Allows licensees to deliver cannabis products directly to consumers from licensed dispensaries (NY CLS CAN § 69-j) .
* **Cooperative License**: Enables cooperative ownership and operation of cannabis businesses, including cultivation, processing, and sales to distributors (NY CLS CAN § 69-k) .
* **Testing Laboratory License**: Grants permission for independent labs to test cannabis products for safety, quality, and potency (NY CLS CAN § 69-l) .

### **2. Licensing Process**

#### **Application Requirements by License Type:**

* **General Requirements**: All applicants must submit their application to the New York Cannabis Control Board (CCB) with detailed information regarding ownership structure, business location, and compliance with state requirements (NY CLS CAN § 67) .
* **Social and Economic Equity**: A portion of licenses is reserved for social and economic equity applicants, including individuals disproportionately affected by previous drug laws, minority- and women-owned businesses, distressed farmers, and service-disabled veterans (NY CLS CAN § 87) .

#### **Application Fee Structure:**

* Application fees vary based on the license type and the size of the business. The Cannabis Control Board sets the specific fees for each category (NY CLS CAN § 63) .

#### **Eligibility and Limitations:**

* **Criminal Background Checks**: All owners, officers, and key personnel must pass a criminal background check, but certain past cannabis-related convictions may not disqualify applicants, especially for social equity programs (NY CLS CAN § 62) .
* **Local Approvals**: Applicants must obtain approval from local municipalities where the business will be located (NY CLS CAN § 131) .

#### **Timeline for Application Processing:**

* The Cannabis Control Board processes applications on a rolling basis. Priority is given to social and economic equity applicants and those applying for microbusiness licenses (NY CLS CAN § 66) .

Let me know if you’d like to continue to the next sections!

##### **You said:**

yes please

###### **ChatGPT said:**

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### **3. License Caps and Availability**

#### **Statewide License Caps:**

* New York has not set specific statewide caps on the number of licenses issued. However, the Cannabis Control Board (CCB) has the authority to limit the number of licenses issued based on public health, safety, and market demand considerations (NY CLS CAN § 62) .

#### **Local Caps or Zoning Restrictions:**

* Local municipalities may opt out of allowing adult-use cannabis retail dispensaries or on-site consumption licenses within their jurisdiction. However, they cannot prohibit other license types such as cultivation or processing. Municipalities that opt out must pass local laws and notify the state by December 31, 2021 (NY CLS CAN § 131) .
* Municipalities can also implement zoning restrictions to control the location of cannabis businesses, including distancing requirements from schools or other sensitive areas (NY CLS CAN § 131) .

### **4. License Renewal and Compliance**

#### **Renewal Process:**

* Licenses must be renewed every two years. Licensees must demonstrate continued compliance with all applicable state regulations and local ordinances during the renewal process (NY CLS CAN § 63) .
* Renewal applications require submission of updated compliance documents, including financial statements and operational plans (NY CLS CAN § 63) .

#### **Ongoing Compliance Requirements:**

* **Recordkeeping**: Licensees are required to maintain detailed records of all business operations, including sales, purchases, and inventory, for at least seven years (NY CLS CAN § 72) .
* **Seed-to-Sale Tracking**: All cannabis products must be tracked using the state-mandated seed-to-sale tracking system, which ensures that products are accounted for from cultivation through final sale (NY CLS CAN § 77) .
* **Security Requirements**: Licensees must implement security measures, including surveillance systems and access controls, to protect cannabis products from theft and unauthorized access (NY CLS CAN § 72) .

#### **Required Inspections or Audits:**

* The Cannabis Control Board has the authority to inspect licensed premises at any time to ensure compliance with state laws and regulations. Inspections may be scheduled or conducted randomly (NY CLS CAN § 72) .

#### **Penalties for Non-Compliance:**

* Violations of New York’s cannabis laws can result in fines, suspension, or revocation of the license, depending on the severity of the infraction. Minor violations may result in warnings, while major violations could lead to license suspension (NY CLS CAN § 90) .

### **5. Permitted Activities by License Type**

#### **Retail Dispensary License:**

* **Permitted Sales**: Retailers are authorized to sell cannabis products directly to consumers, including flower, edibles, concentrates, and other forms (NY CLS CAN § 69-h) .
* **On-Site Consumption**: On-site consumption is allowed only at specially licensed consumption lounges, which must meet specific health and safety standards. Retail dispensaries without this license may not permit on-site consumption (NY CLS CAN § 69-h) .
* **Delivery Services**: Retail dispensaries are allowed to deliver cannabis products directly to consumers, provided they hold a delivery license (NY CLS CAN § 69-j) .

#### **Cultivation License:**

* **Permitted Activities**: Cultivators may grow cannabis plants and engage in necessary processing activities, such as drying, curing, and packaging, for sale to licensed processors or distributors (NY CLS CAN § 69-d) .
* **Production Limits**: Cultivation licenses are issued based on the size of the operation, with larger cultivators allowed to produce greater quantities (NY CLS CAN § 69-d) .

#### **Processing License:**

* **Permitted Processing**: Processors are authorized to manufacture cannabis products, including concentrates, edibles, and topicals, using various extraction methods (NY CLS CAN § 69-e) .
* **Extraction Methods**: The CCB regulates the types of extraction methods that can be used, including solvent-based methods, which must adhere to safety protocols (NY CLS CAN § 69-e) .

#### **Testing License:**

* **Testing Requirements**: Licensed laboratories must test all cannabis products for potency, contaminants, and other safety factors before they can be sold to consumers (NY CLS CAN § 69-l) .

Let me know if you’d like to move on to the next sections!

##### **You said:**

yes please

###### **ChatGPT said:**

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### **6. Ownership and Management Restrictions**

#### **Out-of-State Ownership:**

* New York does not explicitly prohibit out-of-state ownership of cannabis businesses. However, all owners, officers, and key personnel must meet the state's eligibility criteria, which include background checks and financial disclosures (NY CLS CAN § 62) .

#### **Public Companies:**

* Public companies may own cannabis businesses in New York, provided they comply with state regulations. There are no restrictions barring public entities from holding ownership stakes in licensed cannabis operations (NY CLS CAN § 69-i) .

#### **Ownership Limits:**

* New York imposes restrictions on vertical integration to prevent single entities from dominating the market. A person or entity can generally hold only one type of license, such as cultivation or retail, but not both, unless they qualify for a microbusiness or cooperative license (NY CLS CAN § 69-i) .
* Retail dispensaries cannot hold ownership in cultivation or processing businesses, except under limited circumstances like grandfathered medical marijuana businesses (NY CLS CAN § 69-h) .

#### **Background Checks:**

* All owners, officers, and key personnel must pass a criminal background check. However, New York provides exceptions for individuals with certain past cannabis-related convictions, especially for social equity applicants (NY CLS CAN § 62) .

#### **Management Residency Requirements:**

* New York does not have strict residency requirements for managers or owners, but local municipalities may impose additional residency rules or preferences for certain license types (NY CLS CAN § 87) .

#### **License Caps:**

* New York limits the number of licenses an individual or entity can hold across various categories to promote competition and prevent monopolization. A business may not hold multiple licenses across different categories unless specifically permitted, as in the case of microbusinesses or vertically integrated medical marijuana operators (NY CLS CAN § 69-i) .

### **7. License Renewal and Transfer**

#### **License Transferability:**

* Licenses in New York are not automatically transferable. Any changes in ownership, control, or management must be approved by the Cannabis Control Board (CCB). The new owners must meet the same eligibility criteria as the original license applicants (NY CLS CAN § 62) .
* Transfers of licenses require submission of a formal application to the CCB, and the approval process includes a thorough review of the new owners’ qualifications (NY CLS CAN § 62) .

#### **License Expiration and Renewal:**

* Licenses are issued for two-year terms and must be renewed before the expiration date. Renewal applications must include updated information on compliance, finances, and operations (NY CLS CAN § 63) .
* Failure to submit renewal applications on time can result in penalties, including the suspension or revocation of the license (NY CLS CAN § 63) .

### **8. Operational Requirements**

#### **Zoning and Location Restrictions:**

* **Zoning Compatibility**: Cannabis businesses must comply with local zoning laws. Each municipality can establish specific zoning rules for cannabis businesses, including restrictions on where they can be located within the jurisdiction (NY CLS CAN § 131) .
* **Buffer Zones**: Cannabis retail dispensaries and consumption lounges must be located at least 500 feet from schools and 200 feet from houses of worship, unless a local ordinance establishes different distancing requirements (NY CLS CAN § 131) .
* **Local Authority**: Local governments may impose additional restrictions, such as limiting the number of cannabis businesses in their jurisdiction or regulating hours of operation (NY CLS CAN § 131) .

#### **Security Requirements:**

* **Surveillance**: Cannabis businesses must have surveillance systems in place that monitor all areas where cannabis is handled, including production, storage, and sales areas. Recordings must be maintained for a minimum of 90 days (NY CLS CAN § 72) .
* **Physical Security**: Cannabis products must be stored in secure, locked areas with restricted access. Security measures must meet state guidelines, and licensees are responsible for preventing theft and diversion (NY CLS CAN § 72) .

#### **Inventory Tracking and Seed-to-Sale Requirements:**

* **Seed-to-Sale Tracking**: All cannabis products must be tracked from cultivation through sale using the state-mandated tracking system. This ensures that all cannabis products are accounted for and prevents diversion into the illicit market (NY CLS CAN § 77) .
* **Inventory Reporting**: Licensees must regularly report inventory levels to the CCB and must immediately notify the board of any significant discrepancies or losses (NY CLS CAN § 77) .

#### **Operational Hours and Transaction Limits:**

* **Business Hours**: Local municipalities have the authority to regulate the hours of operation for cannabis businesses. However, the CCB sets state-level guidelines, ensuring that dispensaries operate within reasonable hours (NY CLS CAN § 131) .
* **Sales Limits**: Adult-use consumers are limited to purchasing up to three ounces of cannabis flower or 24 grams of cannabis concentrates in a single transaction (NY CLS CAN § 69-h) .

#### **Waste Disposal:**

* Cannabis waste, including expired products and cultivation byproducts, must be rendered unusable before disposal. Licensees must document the disposal process in accordance with CCB rules and regulations (NY CLS CAN § 72) .

### **9. Employee and Labor Requirements**

#### **Background Checks for Employees:**

* All employees working for licensed cannabis businesses must pass a background check. The Cannabis Control Board (CCB) reviews criminal histories, but cannabis-related convictions do not necessarily disqualify individuals from employment (NY CLS CAN § 62) .

#### **Age Restrictions for Employees:**

* Employees must be at least 21 years of age to work in a licensed cannabis business, including retail, cultivation, processing, and delivery roles (NY CLS CAN § 69-h) .

#### **Training Requirements:**

* Cannabis businesses are responsible for ensuring that employees receive adequate training in areas such as safety, security, and product handling. The CCB may set specific training requirements based on the license type (NY CLS CAN § 72) .

#### **On-Site Cannabis Consumption by Employees:**

* Employees are prohibited from consuming cannabis products while on the premises of a licensed cannabis business. Violating this rule can lead to penalties for both the employee and the business (NY CLS CAN § 69-h) .

Let me know if you'd like to proceed to the next sections!

##### **You said:**

please!

###### **ChatGPT said:**

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### **10. Recordkeeping and Reporting**

#### **Record Retention Requirements:**

* Cannabis businesses must retain comprehensive records of all transactions, including sales, purchases, inventory, and employee data, for a minimum of seven years. These records must be readily available for inspection by the Cannabis Control Board (CCB) (NY CLS CAN § 72) .

#### **Seed-to-Sale Reporting:**

* Businesses are required to use New York’s seed-to-sale tracking system, which tracks cannabis products from cultivation through final sale. The tracking system ensures that all products are accounted for and prevents illegal diversion (NY CLS CAN § 77) .

#### **Financial Reporting:**

* Cannabis businesses must maintain accurate financial records, including income, expenditures, and tax payments. Financial reports must be submitted periodically to the CCB for auditing and review (NY CLS CAN § 72) .

#### **Inspections and Audits:**

* The CCB conducts regular audits and inspections of cannabis businesses. These inspections can be scheduled or random, covering areas such as security, inventory tracking, and compliance with health and safety standards (NY CLS CAN § 72) .

### **11. Taxation and Fees**

#### **State Marijuana Tax:**

* New York imposes a state excise tax on cannabis sales. The tax structure includes:
  + **9% State Sales Tax** on all cannabis products sold at retail (NY CLS CAN § 493) .
  + **4% Local Sales Tax**, which is divided between the municipality (75%) and the county (25%) (NY CLS CAN § 493) .
  + Additional THC-based taxes, which apply based on the potency of the product:
    - $0.005 per milligram of THC for flower.
    - $0.008 per milligram of THC for concentrates.
    - $0.03 per milligram of THC for edibles (NY CLS CAN § 493) .

#### **Tax Collection and Reporting:**

* Retailers are responsible for collecting the state and local taxes at the point of sale. Taxes must be reported and remitted to the state on a monthly basis. Failure to comply with tax reporting requirements can result in penalties and interest charges (NY CLS CAN § 493) .

#### **Penalties for Non-Payment:**

* Retailers who fail to report or remit taxes on time face penalties, including fines, interest on unpaid taxes, and potential suspension of their license (NY CLS CAN § 493) .

#### **Distribution of Tax Revenue:**

* Revenue from cannabis taxes is distributed as follows:
  + 40% to the **Community Grants Reinvestment Fund** for community-based initiatives.
  + 40% to the **Public Schools Fund**.
  + 20% to the **Drug Treatment and Public Education Fund** (NY CLS CAN § 493) .

#### **Fee Structure for Licenses:**

* **Application Fees**: Vary based on the license type and size of the business. Fees are set by the CCB to cover administrative and regulatory costs (NY CLS CAN § 62) .
* **License Fees**: Licensees must pay annual fees to maintain their licenses. The fees vary depending on the type of license and the scale of the business (NY CLS CAN § 62) .
* **Renewal Fees**: Renewal fees are required every two years as part of the license renewal process (NY CLS CAN § 63) .

### **12. Enforcement and Penalties**

#### **Regulatory Oversight:**

* The Cannabis Control Board (CCB) and the Office of Cannabis Management (OCM) are responsible for overseeing the cannabis industry in New York. These agencies have broad authority to enforce cannabis laws, conduct inspections, and take enforcement actions against non-compliant businesses (NY CLS CAN § 90) .

#### **Types of Violations:**

* **Minor Violations**: Include infractions like improper recordkeeping or minor security lapses. These violations may result in warnings or small fines (NY CLS CAN § 90) .
* **Major Violations**: Include serious offenses such as selling cannabis to minors, failing to comply with seed-to-sale tracking, or operating without proper security measures. Major violations can result in substantial fines, suspension, or revocation of the license (NY CLS CAN § 90) .

#### **Penalties for Non-Compliance:**

* **Fines**: Depending on the severity of the violation, fines range from minor penalties for administrative errors to substantial fines for major violations (NY CLS CAN § 90) .
* **License Suspension or Revocation**: Serious or repeated violations may result in the suspension or revocation of a cannabis business license (NY CLS CAN § 90) .
* **Criminal Charges**: In extreme cases, such as operating an unlicensed cannabis business or engaging in illicit activities, violators may face criminal prosecution (NY CLS CAN § 90) .

#### **Self-Reporting and Cooperation:**

* Cannabis businesses are encouraged to self-report instances of non-compliance. Self-reporting can result in reduced penalties or corrective action plans rather than more severe enforcement measures (NY CLS CAN § 90) .

#### **Appeals Process:**

* Licensees have the right to appeal any enforcement actions taken by the CCB. Appeals must be filed in accordance with New York’s administrative procedures, and penalties may be stayed pending the outcome of the appeal (NY CLS CAN § 90) .

### **13. Social Equity and Inclusion Programs**

#### **Social Equity License:**

* New York’s cannabis law includes strong provisions to promote social equity in the cannabis industry. The law reserves 50% of licenses for social and economic equity applicants, which include individuals from communities disproportionately impacted by prior cannabis prohibition, as well as minority- and women-owned businesses, distressed farmers, and service-disabled veterans (NY CLS CAN § 87) .

#### **Eligibility Criteria:**

* Social equity applicants must demonstrate that they are from disproportionately impacted communities or meet other qualifying criteria such as minority or veteran status. Additional support, such as training and financial assistance, is available to help social equity applicants navigate the licensing process (NY CLS CAN § 87) .

#### **Fee Reductions and Support:**

* Social equity applicants may receive reduced application and licensing fees. The state also provides technical assistance, business development support, and access to low-interest loans to help social equity applicants enter the cannabis industry (NY CLS CAN § 87) .

#### **Incentives for Compliance:**

* Cannabis businesses that meet or exceed social equity goals, such as hiring from disproportionately impacted communities or achieving diversity in ownership and management, may be eligible for tax incentives or other benefits (NY CLS CAN § 87) .

#### **Penalties for Non-Compliance:**

* Businesses that fail to meet social equity goals or commitments may lose eligibility for certain benefits and face penalties, including fines or suspension of their license (NY CLS CAN § 87) .

### **14. Public Health and Safety**

#### **Health and Safety Standards:**

* The Office of Cannabis Management (OCM) sets health and safety standards for cannabis products to ensure consumer safety. These standards include limits on contaminants, pesticides, and potency for all cannabis products sold in the state (NY CLS CAN § 72) .

#### **Testing Requirements:**

* All cannabis products must be tested by licensed laboratories for potency, contaminants, and compliance with health and safety regulations before being sold to consumers (NY CLS CAN § 72) .
* Products that fail testing must be remediated or destroyed. Testing includes checks for mold, heavy metals, pesticides, and microbial contamination (NY CLS CAN § 72) .

#### **Packaging and Labeling:**

* Cannabis products must be sold in child-resistant, tamper-evident packaging. Labels must include THC content, ingredients, health warnings, and proper usage instructions (NY CLS CAN § 72) .
* All packaging and labeling must be pre-approved by the CCB to ensure it complies with state guidelines and does not include unverified health claims (NY CLS CAN § 72) .

#### **Consumer Safety Information:**

* Retailers are required to provide consumers with educational materials about the safe use of cannabis products, including the risks associated with overconsumption, delayed effects of edibles, and potential interactions with other substances (NY CLS CAN § 72) .

This completes the analysis for New York. Let me know if you need any further revisions or details!

##### **You said:**

Please do the hemp intoxicants sections

###### **ChatGPT said:**

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### **15. Hemp and Synthetic THC**

#### **Hemp Regulation:**

* New York regulates hemp separately from marijuana, but with overlap in certain areas of control. Hemp is defined as **Cannabis sativa L.** with a THC concentration of 0.3% or less on a dry weight basis, consistent with federal standards (NY CLS AGRI & MKTS § 505) .
* The **New York State Department of Agriculture and Markets** oversees hemp cultivation, while the **Office of Cannabis Management (OCM)** regulates the processing, sale, and distribution of hemp-derived products, particularly those intended for human consumption (NY CLS AGRI & MKTS § 506) .

#### **Hemp Licensing:**

* Hemp cultivators must obtain a license from the Department of Agriculture and Markets. This includes requirements for compliance with testing protocols and reporting procedures to ensure hemp remains within the legal THC threshold (NY CLS AGRI & MKTS § 506) .
* **Hemp-derived products** with THC levels exceeding 0.3% are classified as marijuana and must be regulated under New York's marijuana laws (NY CLS AGRI & MKTS § 506) .

#### **Synthetic THC (e.g., Delta-8 THC):**

* New York has placed restrictions on **synthetic cannabinoids** like **Delta-8 THC** and **Delta-10 THC**. These cannabinoids, chemically derived from hemp, are regulated similarly to cannabis products due to their psychoactive effects. The OCM has explicitly prohibited the sale of Delta-8 THC products through licensed hemp or cannabis businesses (NY CLS CAN § 90) .
* **Synthetic THC products** must meet the same safety and testing standards as cannabis, including potency and contaminant testing. They must be produced and sold only through licensed cannabis businesses if allowed (NY CLS CAN § 72) .

#### **Testing and Labeling Requirements for Hemp Products:**

* All hemp products intended for human consumption must be tested for potency and contaminants by licensed laboratories. This testing ensures that products adhere to the state's safety standards and do not exceed the 0.3% THC limit (NY CLS AGRI & MKTS § 506) .
* Hemp products must include clear labeling that distinguishes them from marijuana products. Labels must list all ingredients, THC content, and health warnings, and they cannot contain unverified health claims (NY CLS AGRI & MKTS § 508) .

**Important Note**: **Hemp intoxicant regulations are evolving** in New York, with the state currently reviewing legislative updates concerning synthetic cannabinoids like Delta-8 THC. These updates aim to establish clearer regulatory guidelines and could impact how hemp-derived intoxicants are handled in the future​.

**#### OREGON ####**

### **1. License Types and Scope**

**Types of Licenses Available:**

* **Production License:** Allows the cultivation of marijuana plants (ORS 475C.065)​.
* **Processor License:** Permits the processing of marijuana into various products (ORS 475C.085)​.
* **Wholesale License:** Allows the sale of marijuana items to other licensees, not directly to consumers (ORS 475C.093)​.
* **Retail License:** Allows the sale of marijuana items directly to consumers, subject to restrictions such as distance from schools (ORS 475C.097)​.
* **Laboratory License:** Authorizes independent labs to test marijuana for safety and potency (ORS 475C.548)​.

### **2. Licensing Process**

**Application Requirements by License Type:**

* All applicants for a marijuana-related license must apply to the Oregon Liquor and Cannabis Commission (OLCC) using the prescribed form (ORS 475C.033). This includes details about the applicant, location, and any other relevant information.
* **Age Requirement:** Applicants must be at least 21 years of age to apply for any license (ORS 475C.037).
* **Land Use Compatibility Statement (LUCS):** Applicants must obtain a LUCS from the local government to confirm that the marijuana-related activity is permitted at the proposed location (ORS 475C.053).

**Application Fee Structure:**

* Application fees vary by license type, and are determined by the OLCC. Fees include initial application, licensure, and renewal fees, which are designed not to exceed the cost of regulation (ORS 475C.065(4)(b), ORS 475C.085(4)(b), ORS 475C.093(4)(b), ORS 475C.097(4)(b)).

**Eligibility and Limitations:**

* **Criminal Background Checks:** OLCC may refuse to issue a license if the applicant has a disqualifying criminal background. The agency considers prior convictions related to marijuana or other controlled substances (ORS 475C.037).
* **Financial Responsibility:** Applicants must demonstrate sufficient financial responsibility to meet operational needs (ORS 475C.037(2)(h)).

**Timeline for Application Processing:**

* The OLCC processes license applications in accordance with its rules, including provisions for hearings if applications are rejected. Processing delays may occur in cases where an applicant is involved in an ongoing license revocation or other enforcement action (ORS 475C.049).

### **3. License Caps and Availability**

**Statewide License Caps:**

* Oregon currently does not set specific statewide license caps for marijuana licenses, but the OLCC monitors market demand and adjusts regulations accordingly (ORS 475C.077).

**Local Caps or Zoning Restrictions:**

* Local municipalities in Oregon may set zoning restrictions or caps on marijuana businesses in their jurisdictions. They may also prohibit marijuana businesses entirely (ORS 475C.449).

### **4. License Renewal and Compliance**

**Renewal Process:**

* Marijuana licenses in Oregon must be renewed annually. The OLCC sets the renewal requirements and fees (ORS 475C.065(4)(a), ORS 475C.085(3)(a), ORS 475C.093(3)(a), ORS 475C.097(3)(a)).
* Applicants for renewal must demonstrate continued compliance with all applicable laws and rules, including any land use regulations that may have changed since the initial license was issued (ORS 475C.033).

**Ongoing Compliance Requirements:**

* Licensees must comply with various ongoing requirements, including:
  + **Recordkeeping:** Licensees are required to maintain detailed records of their operations, including sales, purchases, and inventory (ORS 475C.177).
  + **Seed-to-Sale Tracking:** Licensees must use the state-mandated system for tracking marijuana from production to sale, ensuring that products do not enter the unregulated market (ORS 475C.177).
  + **Health and Safety Standards:** Products must meet testing, labeling, and packaging requirements as established by the OLCC to ensure public health and safety (ORS 475C.237).
  + **Security Requirements:** Licensees must implement appropriate security measures, including surveillance systems, to prevent theft and unauthorized access (ORS 475C.065(4)(g)).

**Required Inspections or Audits:**

* OLCC has the authority to inspect licensed premises and review records to ensure compliance with state regulations. Inspections may be scheduled or conducted randomly (ORS 475C.157).
* Inspections may cover areas such as product safety, labeling, and security compliance.

**Penalties for Non-Compliance:**

* Violations of Oregon's marijuana laws can result in a range of penalties, including fines, license suspension, or revocation (ORS 475C.261, ORS 475C.265).
* Penalties are graduated based on the severity of the violation, with harsher penalties for repeat offenders or violations that pose a significant risk to public health and safety (ORS 475C.261).

### **5. Permitted Activities by License Type**

**Retail License:**

* Retail licensees are permitted to sell marijuana items directly to consumers, including medical-grade products (ORS 475C.097).
* **On-site consumption:** Oregon does not allow on-site consumption of marijuana at licensed retail locations (ORS 475C.377).
* **Delivery Services:** Retailers are permitted to deliver marijuana items to consumers, provided they comply with state and local delivery rules (ORS 475C.113, ORS 475C.117).

**Cultivation License:**

* Cultivators (producers) may grow marijuana plants and perform necessary processing activities such as trimming, drying, and curing the harvested marijuana (ORS 475C.065).
* **Processing Rights:** Licensed producers may process marijuana into concentrates or cannabinoid products, provided the process involves a mechanical extraction or water-based method (ORS 475C.089).

**Processing License:**

* Processors are authorized to convert marijuana into various products, including edibles, extracts, and concentrates (ORS 475C.085).
* **Extraction Methods:** The OLCC regulates the types of extraction methods processors can use. For example, chemical extractions using hydrocarbons (like butane) are allowed but must follow strict safety regulations (ORS 475C.089).

**Wholesale License:**

* Wholesale licensees can purchase marijuana items from producers and processors and sell them to retailers or other wholesalers (ORS 475C.093).
* Wholesalers cannot sell directly to consumers but can store, transport, and distribute marijuana items between licensed entities.

**Laboratory License:**

* Licensed laboratories are authorized to test marijuana for potency, contaminants, and other quality control measures. All marijuana items must be tested by a licensed laboratory before being sold to consumers (ORS 475C.544).

**Microbusiness License:**

* Oregon law allows for microbusiness licenses that combine retail, cultivation, and processing under a single license for smaller operators. Specific provisions vary by rules set by the OLCC (ORS 475C.061).

### **6. Ownership and Management Restrictions**

**Out-of-State Ownership:**

* Oregon imposes no specific restrictions on out-of-state ownership of cannabis businesses, meaning individuals or entities from outside the state can own or invest in cannabis operations as long as they meet other eligibility requirements (ORS 475C.037).

**Public Companies:**

* Oregon allows public companies to hold cannabis licenses, subject to the same regulatory requirements as other licensees (ORS 475C.037).

**Ownership Limits:**

* Oregon does not set a specific cap on the percentage of ownership a single individual or entity can hold in a marijuana business. However, the OLCC reserves the right to reject applications if the ownership or structure presents a compliance risk (ORS 475C.037(2)(g)).

**Background Checks:**

* All owners, officers, and key managers of a cannabis business must undergo a background check as part of the license application process (ORS 475C.041). The OLCC reviews criminal histories and may deny a license based on disqualifying convictions.

**Management Residency Requirements:**

* Oregon does not require managers or officers of cannabis businesses to be Oregon residents (ORS 475C.037). Residency requirements previously applied but were removed to encourage investment and expansion in the market.

**License Caps:**

* Oregon does not impose statewide caps on the number of licenses a single individual or entity can hold. However, municipalities may enact local limits or zoning restrictions (ORS 475C.449).

### **7. License Renewal and Transfer**

**License Transferability:**

* Cannabis licenses in Oregon are **not automatically transferable** between individuals or entities. Licensees must apply for approval from the OLCC to transfer a license. The OLCC has discretion to approve or deny such transfers based on the same eligibility criteria as new license applications (ORS 475C.045).

**License Expiration and Renewal:**

* Licenses are issued for one-year terms and must be renewed annually. Failure to comply with renewal requirements or ongoing compliance obligations can result in suspension or revocation of the license (ORS 475C.065(4)(a), ORS 475C.085(3)(a), ORS 475C.093(3)(a), ORS 475C.097(3)(a)).

### **8. Operational Requirements**

**Zoning and Location Restrictions:**

* **Zoning Compatibility:** Marijuana businesses must be located in zones compatible with the proposed activities. A Land Use Compatibility Statement (LUCS) must be obtained from local authorities confirming the business is allowed in the selected zone (ORS 475C.053).
* **Buffer Zones:** Marijuana retail stores cannot be located within 1,000 feet of schools, including pre-kindergarten and kindergarten facilities (ORS 475C.101).
* **Local Authority:** Municipalities can impose additional restrictions or even prohibit marijuana businesses within their jurisdiction. They also have the right to regulate the time, place, and manner of cannabis operations (ORS 475C.449).

**Security Requirements:**

* **Surveillance:** Licensed premises must have surveillance systems in place, including cameras covering all key areas such as product storage and points of sale. Recordings must be kept for a specified period, typically around 90 days, as per OLCC regulations (ORS 475C.065(4)(g)).
* **Physical Security:** Marijuana items must be stored securely, often in locked areas or safes, to prevent theft or unauthorized access (ORS 475C.065(4)(g)).

**Inventory Tracking and Seed-to-Sale Requirements:**

* **Seed-to-Sale Tracking:** All marijuana products must be tracked from cultivation through final sale using the state-mandated tracking system to prevent diversion into the illegal market (ORS 475C.177).
* **Inventory Reporting:** Licensees must maintain up-to-date inventory records and report them to the OLCC regularly. This includes tracking marijuana products as they move through cultivation, processing, and retail (ORS 475C.177).

**Operational Hours and Transaction Limits:**

* **Business Hours:** The OLCC does not mandate specific hours of operation for marijuana businesses, but local municipalities can set restrictions. For example, some cities may limit operating hours (ORS 475C.449).
* **Sales Limits:** Daily transaction limits apply to retail sales. A consumer cannot purchase more than 1 ounce of usable marijuana in a single transaction (ORS 475C.009(2)).

**Waste Disposal:**

* Marijuana waste, including plant materials and expired products, must be disposed of in compliance with OLCC rules. This typically involves rendering the waste unusable and documenting the process (ORS 475C.065(4)(h)).

### **9. Employee and Labor Requirements**

**Background Checks for Employees:**

* All employees working in licensed marijuana establishments must pass a background check. The Oregon Liquor and Cannabis Commission (OLCC) requires that individuals working in production, processing, distribution, or retail meet eligibility standards and not have certain disqualifying criminal records (ORS 475C.041).

**Age Restrictions for Employees:**

* Employees must be at least 21 years old to work at a licensed marijuana business. This applies to all positions, including sales, cultivation, processing, and security roles (ORS 475C.225).

**Training Requirements:**

* Marijuana businesses are responsible for ensuring that employees receive appropriate training, particularly in areas such as responsible sales, product handling, security procedures, and compliance with OLCC regulations. The OLCC may impose specific training requirements depending on the license type (ORS 475C.177).

**On-site Cannabis Consumption by Employees:**

* Employees are prohibited from consuming cannabis products while on the premises of a licensed business, even during breaks or outside of regular business hours (ORS 475C.245). Violating this rule can lead to penalties for both the business and the employee.

**Labor Protections:**

* Oregon's cannabis laws protect employees’ rights to organize and collectively bargain. Workers have whistleblower protections if they report violations or unsafe practices within the cannabis industry (ORS 475C.285).

### **10. Recordkeeping and Reporting**

**Record Retention Requirements:**

* Marijuana businesses must retain comprehensive records of their operations, including financial transactions, inventory movements, and compliance activities. Records typically need to be kept for a period of **2 years** or longer depending on the type of record (ORS 475C.177).

**Seed-to-Sale Reporting:**

* Businesses must use the state's seed-to-sale tracking system to report the movement of marijuana products. This includes all phases from cultivation to sale, ensuring full transparency and preventing product diversion (ORS 475C.177).

**Financial Reporting:**

* Detailed financial records, including sales data and tax payments, must be maintained and reported to the OLCC. Failure to accurately report or maintain these records can result in fines, license suspension, or other penalties (ORS 475C.692).

**Inspections and Audits:**

* The OLCC conducts regular audits and inspections of licensed businesses to ensure compliance. These may be scheduled or random, and they cover various aspects of the business, including financials, security, and inventory management (ORS 475C.157).

### **11. Taxation and Fees**

**State Marijuana Tax:**

* Oregon imposes a **17% state tax** on the retail sale of marijuana products (ORS 475C.674). This tax applies to both medical and recreational sales.
* Local municipalities are allowed to impose an additional **3% tax**, making the maximum possible tax rate **20%** (ORS 475C.453).

**Tax Collection and Reporting:**

* Marijuana retailers are responsible for collecting the state and local tax at the point of sale and remitting it to the Oregon Department of Revenue (ORS 475C.682).
* **Monthly tax returns** must be filed by retailers to report sales and remit taxes (ORS 475C.692).

**Penalties for Non-Payment:**

* Retailers failing to report or remit taxes on time may face penalties, including fines, interest, and potential suspension or revocation of their license (ORS 475C.682, ORS 475C.684). Additional penalties may be imposed for underreporting or misreporting sales figures (ORS 475C.684).

**Distribution of Tax Revenue:**

* The revenue from marijuana taxes is distributed as follows (ORS 475C.728):
  + **40%** to the **Common School Fund**.
  + **20%** to mental health treatment, alcohol, and drug abuse prevention services.
  + **15%** to the Oregon State Police.
  + **10%** to cities based on population and marijuana sales.
  + **10%** to counties based on marijuana sales.
  + **5%** to the Oregon Health Authority for drug abuse prevention and health programs.

**Fee Structure for Licenses:**

* **Application Fees:** Vary by license type, with the OLCC setting these fees to cover the cost of processing applications (ORS 475C.065(4)(b), ORS 475C.085(3)(b), ORS 475C.093(3)(b), ORS 475C.097(3)(b)).
* **License Fees:** Annual fees are required to maintain marijuana licenses. These fees are scaled based on the size of the business, such as the square footage of a cultivation operation or the volume of sales for a retailer (ORS 475C.065(5)).
* **Renewal Fees:** Similar to the initial license fees, businesses must pay annual renewal fees to continue operating (ORS 475C.065(4)(a)).

### **12. Enforcement and Penalties**

**Regulatory Oversight:**

* The **Oregon Liquor and Cannabis Commission (OLCC)** is the primary regulatory body responsible for enforcing cannabis laws in Oregon. The OLCC has broad authority to inspect, investigate, and enforce compliance among cannabis licensees (ORS 475C.017).

**Types of Violations:**

* **Minor Violations:** Include infractions like improper recordkeeping or minor labeling errors. These typically result in warnings or small fines (ORS 475C.261).
* **Major Violations:** Include sales to minors, failure to maintain proper security, or significant discrepancies in seed-to-sale tracking. These can result in severe penalties, including suspension or revocation of the license (ORS 475C.265).

**Penalties for Non-Compliance:**

* **Fines:** Licensees can be fined for violations of marijuana regulations. Fine amounts vary depending on the severity of the violation, with minor infractions incurring lower fines and major infractions incurring substantial penalties (ORS 475C.261).
* **License Suspension or Revocation:** For severe or repeated violations, the OLCC may suspend or revoke a license. This could occur if a business is found to be engaging in unlicensed activities, selling to minors, or failing to report taxes (ORS 475C.265).
* **Criminal Charges:** Certain violations, such as operating an unlicensed cannabis business or engaging in illegal activities such as tax evasion, can result in criminal charges (ORS 475C.413).

**Self-Reporting and Cooperation:**

* Licensees are encouraged to self-report non-compliance or violations to the OLCC. In some cases, self-reporting can result in reduced penalties (ORS 475C.157).

**Appeals Process:**

* Licensees have the right to appeal any enforcement action taken by the OLCC. Appeals must follow the process outlined in Oregon’s administrative law procedures, and penalties may be suspended while the appeal is under review (ORS 475C.037(3), ORS 475C.049).

### **13. Social Equity and Inclusion Programs**

**Social Equity License:**

* Oregon’s cannabis program includes provisions aimed at increasing participation by individuals from communities disproportionately impacted by marijuana prohibition. The **social equity license** program is designed to reduce barriers to entry for these individuals through reduced fees and other incentives (ORS 475C.065(4)(d)).

**Eligibility Criteria:**

* To qualify for social equity programs, applicants typically need to demonstrate that they come from communities historically impacted by high rates of cannabis-related arrests or from economically disadvantaged areas. Specific criteria are defined by the OLCC (ORS 475C.173).

**Fee Reductions and Support:**

* Social equity applicants may receive **reduced application and license fees**. In addition, technical support and training may be provided to help new businesses navigate the regulatory framework (ORS 475C.065(4)(d)).

**Incentives for Compliance:**

* Licensees that exceed social equity requirements, such as hiring from disadvantaged communities or meeting diversity goals, may be eligible for tax incentives or other benefits (ORS 475C.165). This provides businesses with a financial incentive to participate actively in Oregon’s social equity efforts.

**Penalties for Non-Compliance:**

* Businesses that fail to meet social equity hiring or operational commitments may face penalties, including fines or revocation of certain benefits (ORS 475C.261).

### **14. Public Health and Safety**

**Health and Safety Standards:**

* The OLCC sets stringent **health and safety standards** for cannabis products to protect consumers. These include limits on contaminants, pesticides, and potency for marijuana products (ORS 475C.237).

**Testing Requirements:**

* All cannabis products must be tested for potency, pesticides, and contaminants before they can be sold to consumers. Only **licensed laboratories** can perform these tests, and failure to comply with testing requirements can result in severe penalties (ORS 475C.544).

**Packaging and Labeling:**

* Products must be sold in child-resistant packaging, and labeling must clearly display THC potency, health warnings, and ingredients. The OLCC also requires that packaging and labeling are **pre-approved** to ensure compliance with state laws (ORS 475C.604, ORS 475C.608).

**Consumer Safety Information:**

* Labels must include warnings about potential health risks, including risks associated with overconsumption and delayed effects of edibles. They must also advise consumers to keep products out of the reach of children (ORS 475C.604).

### **15. Hemp and Synthetic THC**

**Hemp Regulation:**

* Oregon regulates hemp under a separate framework from marijuana, but there is significant overlap in how both industries are regulated. **Hemp** is defined as Cannabis sativa L. with a **THC concentration of 0.3% or less** (ORS 571.269).
* The **Oregon Department of Agriculture (ODA)** oversees hemp cultivation, while the **OLCC** regulates the sale and processing of hemp-derived products, especially those intended for human consumption (ORS 475C.253, ORS 475C.497).

**Hemp Licensing:**

* Hemp growers and handlers must obtain a license from the ODA. This includes compliance with testing and reporting requirements similar to those in the marijuana industry (ORS 571.336).
* Hemp products with THC concentrations exceeding 0.3% are classified as marijuana and must be regulated under marijuana laws (ORS 571.269, ORS 475C.009(2)).

**Synthetic THC (e.g., Delta-8 THC):**

* Oregon has specific regulations addressing **artificially derived cannabinoids**, such as **Delta-8 THC**. These cannabinoids are chemically created and must meet OLCC standards for safety and potency (ORS 475C.009(3), ORS 475C.540).
* Synthetic THC products are subject to the same testing, labeling, and packaging requirements as other marijuana products. They must be sold only through licensed marijuana retailers, and businesses must have a processor license to produce these cannabinoids (ORS 475C.085).

**Testing and Labeling Requirements for Hemp Products:**

* Any hemp products intended for human consumption must be tested for potency and contaminants by licensed laboratories, similar to marijuana products (ORS 475C.544, ORS 475C.600).
* Labels must clearly distinguish hemp-derived products from marijuana products and cannot make unverified health claims (ORS 475C.604).

### **1. License Types and Scope**

#### **Types of Licenses Available:**

* **Cannabis Cultivator License**: Authorizes licensees to cultivate, process, and package cannabis, and transfer cannabis to other licensed establishments, but not directly to consumers (RI Cannabis Act, § 21-28.11-3(11)) .
* **Cannabis Product Manufacturer License**: Permits the manufacture, processing, and packaging of cannabis and cannabis products for transfer to other licensed establishments, but not directly to consumers (RI Cannabis Act, § 21-28.11-3(14)) .
* **Cannabis Retailer License**: Allows licensed entities to purchase cannabis and cannabis products from licensed establishments and sell them directly to consumers (RI Cannabis Act, § 21-28.11-3(16)) .
* **Hybrid Cannabis Retailer License**: Combines a medical cannabis license with adult-use retail capabilities, enabling the sale of both medical and adult-use cannabis (RI Cannabis Act, § 21-28.11-3(27)) .
* **Independent Testing Laboratory License**: Grants permission to independent labs to test cannabis for safety, potency, and other quality standards before products can be sold (RI Cannabis Act, § 21-28.11-3(28)) .

### **2. Licensing Process**

#### **Application Requirements by License Type:**

* All applicants must submit their license applications to the Rhode Island Cannabis Control Commission (RICC) using the prescribed forms and procedures (RI Cannabis Act, § 21-28.11-5) .
* Applicants are required to provide detailed information about ownership, financials, and compliance with zoning and local laws. Social equity applicants have priority status (RI Cannabis Act, § 21-28.11-12) .

#### **Application Fee Structure:**

* Application fees vary by license type. The RICC determines these fees, which are designed to cover administrative costs. Fees include nonrefundable application fees and license renewal fees (RI Cannabis Act, § 21-28.11-5) .

#### **Eligibility and Limitations:**

* **Criminal Background Checks**: All license applicants must undergo a criminal background check. However, past cannabis-related convictions do not automatically disqualify applicants, especially those eligible under social equity provisions (RI Cannabis Act, § 21-28.11-12) .
* **Local Approvals**: Applicants must receive approval from local authorities to ensure that the cannabis establishment complies with local zoning ordinances and regulations (RI Cannabis Act, § 21-28.11-5) .

#### **Timeline for Application Processing:**

* The Cannabis Control Commission processes applications as per the timelines and procedures it establishes. Social equity applicants may be given priority (RI Cannabis Act, § 21-28.11-5) .

Let me know if you would like to proceed with the next sections!

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### **3. License Caps and Availability**

#### **Statewide License Caps:**

* Rhode Island imposes a cap on certain license types, particularly cannabis retailers. The initial issuance of retail licenses is limited to no more than 33 statewide, including 9 hybrid retailer licenses for existing medical dispensaries (RI Cannabis Act, § 21-28.11-10) .
* For other license types, such as cultivators and product manufacturers, the Cannabis Control Commission (RICC) has the authority to adjust the number of licenses based on market demand and regulatory considerations (RI Cannabis Act, § 21-28.11-5) .

#### **Local Caps or Zoning Restrictions:**

* Local municipalities have the option to limit or entirely prohibit the operation of cannabis establishments within their jurisdictions. Municipalities can impose additional zoning restrictions, such as setting buffer zones between cannabis businesses and schools or residential areas (RI Cannabis Act, § 21-28.11-13) .
* Municipalities must pass local ordinances and submit them to the RICC to enforce these restrictions (RI Cannabis Act, § 21-28.11-13) .

### **4. License Renewal and Compliance**

#### **Renewal Process:**

* Cannabis licenses in Rhode Island are valid for one year and must be renewed annually. Licensees must submit a renewal application along with updated compliance information and renewal fees (RI Cannabis Act, § 21-28.11-5) .
* The Cannabis Control Commission evaluates renewal applications to ensure that licensees remain compliant with all applicable laws and regulations (RI Cannabis Act, § 21-28.11-5) .

#### **Ongoing Compliance Requirements:**

* **Recordkeeping**: Licensees must maintain detailed records of all transactions, including inventory, sales, and financials, for at least five years. These records must be readily available for inspection by the RICC (RI Cannabis Act, § 21-28.11-8) .
* **Seed-to-Sale Tracking**: All cannabis products must be tracked using Rhode Island’s seed-to-sale tracking system, ensuring that all products are accounted for from cultivation through sale (RI Cannabis Act, § 21-28.11-8) .
* **Security Requirements**: Licensees must implement security measures, such as video surveillance, access controls, and secure storage for cannabis products (RI Cannabis Act, § 21-28.11-8) .

#### **Required Inspections or Audits:**

* The Cannabis Control Commission has the authority to inspect licensed cannabis establishments at any time to ensure compliance with state laws and regulations. Inspections may be scheduled or conducted randomly (RI Cannabis Act, § 21-28.11-8) .

#### **Penalties for Non-Compliance:**

* Non-compliance with Rhode Island's cannabis laws can result in penalties, including fines, license suspension, or revocation. Minor violations may result in warnings or corrective action plans, while serious or repeated violations could lead to harsher penalties (RI Cannabis Act, § 21-28.11-9) .

### **5. Permitted Activities by License Type**

#### **Retailer License:**

* **Permitted Sales**: Retailers are authorized to purchase cannabis and cannabis products from licensed cultivators and manufacturers and sell them directly to consumers (RI Cannabis Act, § 21-28.11-3(16)) .
* **On-Site Consumption**: On-site consumption of cannabis at retail locations is prohibited under current Rhode Island law (RI Cannabis Act, § 21-28.11-13) .
* **Delivery Services**: Retailers are permitted to offer delivery services to consumers, provided they meet state regulations for delivery operations (RI Cannabis Act, § 21-28.11-3(16)) .

#### **Cultivation License:**

* **Permitted Activities**: Cultivators are allowed to grow cannabis plants, process them, and package the products for sale to licensed manufacturers, distributors, or retailers (RI Cannabis Act, § 21-28.11-3(11)) .
* **Production Tiers**: Rhode Island offers multiple tiers for cultivation licenses based on the size and scope of the operation, with larger cultivators able to grow more cannabis (RI Cannabis Act, § 21-28.11-5) .

#### **Product Manufacturer License:**

* **Permitted Processing**: Product manufacturers can process raw cannabis into concentrates, edibles, and other cannabis-infused products. They may also package these products for sale to licensed retailers (RI Cannabis Act, § 21-28.11-3(14)) .
* **Extraction Methods**: Product manufacturers are subject to specific regulations regarding the methods of extraction they may use, including safety standards for solvent-based extractions (RI Cannabis Act, § 21-28.11-5) .

#### **Testing Laboratory License:**

* **Testing Requirements**: Independent testing laboratories are required to test all cannabis products for potency, contaminants, and other safety factors before they are sold to consumers. Testing ensures compliance with Rhode Island’s health and safety standards (RI Cannabis Act, § 21-28.11-3(28)) .

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### **6. Ownership and Management Restrictions**

#### **Out-of-State Ownership:**

* Rhode Island law does not specifically prohibit out-of-state ownership of cannabis businesses. However, all owners and key personnel must meet the state’s eligibility criteria, which include background checks and disclosure of financial interests (RI Cannabis Act, § 21-28.11-5) .

#### **Public Companies:**

* Publicly traded companies are permitted to own or invest in cannabis businesses, provided they comply with all state regulations and disclosures (RI Cannabis Act, § 21-28.11-5) .

#### **Ownership Limits:**

* Rhode Island limits vertical integration by restricting individuals or entities from holding more than one type of cannabis license in different categories, such as cultivation, retail, or manufacturing, unless otherwise specified (RI Cannabis Act, § 21-28.11-5) .
* The law restricts ownership of multiple retail licenses to prevent market monopolization, although exceptions may apply for hybrid retailers that operate both medical and adult-use dispensaries (RI Cannabis Act, § 21-28.11-5) .

#### **Background Checks:**

* All owners, officers, and key personnel must pass a criminal background check as part of the license application process. Certain criminal convictions may disqualify an individual from ownership, though exceptions are made for past cannabis-related offenses under social equity provisions (RI Cannabis Act, § 21-28.11-5) .

#### **Management Residency Requirements:**

* While Rhode Island does not impose strict residency requirements for owners or managers, local municipalities may establish residency preferences or additional regulations for certain license types (RI Cannabis Act, § 21-28.11-5) .

#### **License Caps:**

* Rhode Island imposes caps on the number of retail licenses that can be issued statewide, but there are no specific caps on cultivators or product manufacturers. The Cannabis Control Commission may adjust these limits based on market conditions (RI Cannabis Act, § 21-28.11-10) .

### **7. License Renewal and Transfer**

#### **License Transferability:**

* Licenses are not automatically transferable between individuals or entities. Any transfer of ownership or control requires prior approval from the Cannabis Control Commission. The new owners must meet the same eligibility requirements as the original license holders (RI Cannabis Act, § 21-28.11-5) .
* Applications for license transfers must be submitted to the RICC, and the Commission has the authority to approve or deny such transfers (RI Cannabis Act, § 21-28.11-5) .

#### **License Expiration and Renewal:**

* Licenses are issued for one-year terms and must be renewed annually. Licensees must submit renewal applications along with updated compliance documents and fees. Failure to renew on time may result in penalties or suspension (RI Cannabis Act, § 21-28.11-5) .

### **8. Operational Requirements**

#### **Zoning and Location Restrictions:**

* **Zoning Compatibility**: Cannabis businesses must comply with local zoning ordinances. Each municipality can establish specific zoning requirements for cannabis operations, including restrictions on the location of businesses relative to schools, residential areas, or other sensitive locations (RI Cannabis Act, § 21-28.11-13) .
* **Buffer Zones**: Cannabis retailers cannot be located within 500 feet of a school, daycare center, or playground, unless a local ordinance establishes a different buffer requirement (RI Cannabis Act, § 21-28.11-13) .
* **Local Authority**: Municipalities have the authority to regulate the time, place, and manner of cannabis operations within their jurisdiction. This includes limiting operating hours and placing additional restrictions on business activities (RI Cannabis Act, § 21-28.11-13) .

#### **Security Requirements:**

* **Surveillance**: Licensed cannabis establishments must implement video surveillance that covers all areas where cannabis is cultivated, processed, or sold. Recordings must be maintained for at least 90 days and be accessible to the RICC upon request (RI Cannabis Act, § 21-28.11-8) .
* **Physical Security**: Cannabis products must be stored in locked, secure areas with access limited to authorized personnel. Additional security measures, such as alarm systems and restricted entry points, are required to prevent theft and unauthorized access (RI Cannabis Act, § 21-28.11-8) .

#### **Inventory Tracking and Seed-to-Sale Requirements:**

* **Seed-to-Sale Tracking**: Rhode Island requires all cannabis businesses to use the state’s seed-to-sale tracking system. This ensures that cannabis products are tracked from cultivation through to the final sale to consumers, helping to prevent diversion into the illicit market (RI Cannabis Act, § 21-28.11-8) .
* **Inventory Reporting**: Businesses must regularly report inventory levels and sales transactions to the RICC. Any discrepancies or significant losses must be reported immediately (RI Cannabis Act, § 21-28.11-8) .

#### **Operational Hours and Transaction Limits:**

* **Business Hours**: The state provides general guidelines for operating hours, but municipalities have the authority to further regulate the hours of operation for cannabis businesses within their jurisdiction (RI Cannabis Act, § 21-28.11-13) .
* **Sales Limits**: Consumers are limited to purchasing up to one ounce of cannabis flower or its equivalent in concentrates and edibles in a single transaction (RI Cannabis Act, § 21-28.11-5) .

#### **Waste Disposal:**

* Cannabis waste must be rendered unusable before disposal. Licensees must follow the Cannabis Control Commission’s regulations for documenting and disposing of cannabis waste, including plant material, expired products, and packaging (RI Cannabis Act, § 21-28.11-8) .

### **9. Employee and Labor Requirements**

#### **Background Checks for Employees:**

* All employees working in licensed cannabis establishments must pass a criminal background check before being hired. The Cannabis Control Commission reviews these records, and certain criminal convictions may disqualify an individual from employment (RI Cannabis Act, § 21-28.11-5) .

#### **Age Restrictions for Employees:**

* Employees must be at least 21 years of age to work in a licensed cannabis establishment. This applies to all positions, including retail, cultivation, processing, and security (RI Cannabis Act, § 21-28.11-5) .

#### **Training Requirements:**

* Cannabis businesses are responsible for ensuring that employees receive adequate training in safety, security, product handling, and compliance with state regulations. The RICC may set specific training requirements depending on the license type (RI Cannabis Act, § 21-28.11-8) .

#### **On-Site Cannabis Consumption by Employees:**

* Employees are prohibited from consuming cannabis products while on the premises of a licensed cannabis establishment, even during breaks or off-hours. Violations of this rule can result in penalties for both the employee and the business (RI Cannabis Act, § 21-28.11-13) .

Let me know if you would like to proceed with the next sections!

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### **10. Recordkeeping and Reporting**

#### **Record Retention Requirements:**

* Cannabis businesses in Rhode Island must retain detailed records of all transactions, including sales, purchases, inventory, and employee information. These records must be kept for at least five years and be readily available for inspection by the Cannabis Control Commission (RICC) (RI Cannabis Act, § 21-28.11-8) .

#### **Seed-to-Sale Reporting:**

* All cannabis products must be tracked using the state’s **seed-to-sale tracking system**, which monitors the movement of cannabis from cultivation through sale. This tracking system ensures that products are accounted for and helps prevent diversion into the illicit market (RI Cannabis Act, § 21-28.11-8) .

#### **Financial Reporting:**

* Cannabis businesses are required to maintain accurate financial records, including income, expenditures, and tax payments. Financial records must be submitted periodically to the RICC for auditing and review (RI Cannabis Act, § 21-28.11-8) .

#### **Inspections and Audits:**

* The RICC has the authority to conduct regular inspections and audits of licensed cannabis businesses to ensure compliance with state laws and regulations. These inspections may be scheduled or random and cover areas such as security, inventory tracking, and financial reporting (RI Cannabis Act, § 21-28.11-8) .

### **11. Taxation and Fees**

#### **State Marijuana Tax:**

* Rhode Island imposes a **10% state excise tax** on the retail sale of cannabis products. In addition, a **3% local tax** is levied by municipalities where cannabis is sold. This tax structure applies to all adult-use cannabis sales (RI Cannabis Act, § 21-28.11-28) .

#### **Tax Collection and Reporting:**

* Cannabis retailers are responsible for collecting state and local taxes at the point of sale. These taxes must be reported and remitted to the Rhode Island Department of Revenue on a monthly basis. Failure to comply with tax reporting requirements can result in penalties and interest charges (RI Cannabis Act, § 21-28.11-28) .

#### **Penalties for Non-Payment:**

* Businesses that fail to remit taxes on time may face significant penalties, including fines, interest on unpaid taxes, and potential suspension of their license (RI Cannabis Act, § 21-28.11-28) .

#### **Distribution of Tax Revenue:**

* Cannabis tax revenue is allocated as follows:
  + 25% to the **Social Equity Assistance Fund**.
  + 15% to the **Cannabis Regulation Fund** to support regulatory efforts.
  + The remaining funds are directed to general state and municipal budgets to support public health, safety, and education initiatives (RI Cannabis Act, § 21-28.11-29) .

#### **Fee Structure for Licenses:**

* **Application Fees**: Cannabis businesses are required to pay a nonrefundable application fee. The amount varies by license type and is determined by the RICC (RI Cannabis Act, § 21-28.11-5) .
* **License Fees**: Annual licensing fees are required for all cannabis establishments, with fees varying based on the size and type of business. These fees are set to cover the costs of regulatory oversight (RI Cannabis Act, § 21-28.11-5) .
* **Renewal Fees**: Licensees must pay a fee each year to renew their license, in addition to submitting updated compliance documents (RI Cannabis Act, § 21-28.11-5) .

### **12. Enforcement and Penalties**

#### **Regulatory Oversight:**

* The Cannabis Control Commission (RICC) is the primary regulatory body responsible for enforcing cannabis laws in Rhode Island. The RICC has the authority to inspect, investigate, and take enforcement actions against businesses that fail to comply with the law (RI Cannabis Act, § 21-28.11-8) .

#### **Types of Violations:**

* **Minor Violations**: Include infractions like incomplete recordkeeping or minor security breaches. These violations typically result in warnings or corrective action plans (RI Cannabis Act, § 21-28.11-9) .
* **Major Violations**: Include serious infractions such as selling cannabis to minors, security failures, or non-compliance with seed-to-sale tracking. Major violations may result in suspension or revocation of the license (RI Cannabis Act, § 21-28.11-9) .

#### **Penalties for Non-Compliance:**

* **Fines**: Businesses can be fined for violations of cannabis regulations, with the amount varying depending on the severity of the offense (RI Cannabis Act, § 21-28.11-9) .
* **License Suspension or Revocation**: For serious or repeated violations, the RICC may suspend or revoke a cannabis business’s license (RI Cannabis Act, § 21-28.11-9) .
* **Criminal Charges**: In extreme cases, such as operating an unlicensed cannabis business or engaging in illegal activities, violators may face criminal prosecution under state law (RI Cannabis Act, § 21-28.11-9) .

#### **Self-Reporting and Cooperation:**

* Cannabis businesses are encouraged to self-report non-compliance issues. Self-reporting may result in reduced penalties or the implementation of corrective action plans instead of harsher enforcement measures (RI Cannabis Act, § 21-28.11-9) .

#### **Appeals Process:**

* Licensees have the right to appeal any enforcement actions taken by the RICC. Appeals must be filed following Rhode Island’s administrative law procedures, and penalties may be suspended pending the outcome of the appeal (RI Cannabis Act, § 21-28.11-9) .

### **13. Social Equity and Inclusion Programs**

#### **Social Equity License:**

* Rhode Island’s cannabis law includes provisions to promote social equity within the cannabis industry. A percentage of licenses are reserved for **social equity applicants**, which include individuals from communities disproportionately affected by prior cannabis prohibition, as well as minority- and women-owned businesses (RI Cannabis Act, § 21-28.11-12) .

#### **Eligibility Criteria:**

* Social equity applicants must demonstrate that they come from communities with a high rate of cannabis-related arrests or economic disadvantage. The state offers technical assistance and financial support to help these applicants enter the cannabis industry (RI Cannabis Act, § 21-28.11-12) .

#### **Fee Reductions and Support:**

* Social equity applicants may be eligible for reduced application and licensing fees. Additionally, the state provides business development support and access to low-interest loans for qualified applicants (RI Cannabis Act, § 21-28.11-12) .

#### **Incentives for Compliance:**

* Cannabis businesses that meet or exceed social equity goals, such as employing individuals from disadvantaged communities or meeting diversity requirements, may be eligible for tax incentives and other financial benefits (RI Cannabis Act, § 21-28.11-12) .

#### **Penalties for Non-Compliance:**

* Businesses that fail to meet social equity requirements or commitments may lose eligibility for certain benefits, face fines, or risk suspension of their licenses (RI Cannabis Act, § 21-28.11-12) .

### **14. Public Health and Safety**

#### **Health and Safety Standards:**

* The RICC sets health and safety standards for cannabis products to protect consumers. These include limits on contaminants, pesticides, and THC potency. All cannabis products must meet these standards before they can be sold (RI Cannabis Act, § 21-28.11-8) .

#### **Testing Requirements:**

* All cannabis products must be tested by an independent, licensed laboratory for potency, contaminants, and compliance with safety standards before being sold to consumers (RI Cannabis Act, § 21-28.11-8) .
* Products that fail testing cannot be sold and must be either remediated or destroyed (RI Cannabis Act, § 21-28.11-8) .

#### **Packaging and Labeling:**

* Cannabis products must be sold in child-resistant, tamper-evident packaging. Labels must include THC content, ingredients, health warnings, and proper usage instructions. Packaging must also display Rhode Island’s universal cannabis symbol (RI Cannabis Act, § 21-28.11-8) .
* Labels must not make unverified health claims and must include warnings about potential risks, such as the delayed effects of edibles (RI Cannabis Act, § 21-28.11-8) .

#### **Consumer Safety Information:**

* Retailers must provide consumers with educational materials about the safe use of cannabis, including warnings about overconsumption, potential interactions with other substances, and the importance of keeping products away from children (RI Cannabis Act, § 21-28.11-8) .

Let me know if you'd like to proceed with the final section on **Hemp and Synthetic THC**, or if you need any adjustments!

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### **15. Hemp and Synthetic THC**

#### **Hemp Regulation:**

* Rhode Island regulates hemp under a separate legal framework from cannabis, in line with federal law. Hemp is defined as **Cannabis sativa L.** with a THC concentration of 0.3% or less on a dry weight basis (RI Hemp Growth Act, § 2-26-3) .
* The **Rhode Island Department of Business Regulation (DBR)** oversees the licensing and regulation of hemp cultivation, processing, and sales within the state (RI Hemp Growth Act, § 2-26-5) .

#### **Hemp Licensing:**

* Hemp growers, processors, and handlers must obtain a license from the DBR. This license includes compliance with testing and reporting requirements to ensure hemp remains within the legal THC limit (RI Hemp Growth Act, § 2-26-5) .
* Hemp that exceeds the 0.3% THC threshold is classified as marijuana and must be regulated under Rhode Island's cannabis laws (RI Hemp Growth Act, § 2-26-3) .

#### **Synthetic THC (e.g., Delta-8 THC):**

* Rhode Island has placed restrictions on **synthetic cannabinoids** like **Delta-8 THC** and **Delta-10 THC**. These cannabinoids, which are chemically derived from hemp, are regulated similarly to marijuana products because of their psychoactive effects (RI Cannabis Act, § 21-28.11-3) .
* The sale of synthetic THC products is permitted only through licensed cannabis establishments, and these products must meet the same testing and safety standards as other cannabis products (RI Cannabis Act, § 21-28.11-8) .

#### **Testing and Labeling Requirements for Hemp Products:**

* All hemp products intended for human consumption must be tested for potency and contaminants by a licensed laboratory. Testing ensures that products comply with state and federal safety standards and remain within the legal THC limit (RI Hemp Growth Act, § 2-26-7) .
* Hemp products must include clear labeling that differentiates them from cannabis products. Labels must list all ingredients, THC content, and any health warnings, and they must not make unsubstantiated health claims (RI Hemp Growth Act, § 2-26-7) .

**Important Note**: **Hemp intoxicant regulations are subject to review** in Rhode Island, as the state continues to assess the impact of synthetic cannabinoids on public health. Further legislative updates may clarify the regulatory framework for products like Delta-8 THC​.

### **1. License Types and Scope**

#### **Types of Licenses Available:**

Vermont offers several types of cannabis licenses for both cultivation and commercial activities:

* **Cultivation License**: Allows licensees to grow cannabis plants. Cultivators are classified by tiers, which dictate the size of their operations, ranging from small to large outdoor, indoor, or mixed cultivation (Vermont Cannabis Establishment Rule 2, § 2.3.3)​​.
* **Product Manufacturer License**: Permits licensees to process cannabis into various products, including edibles, extracts, and concentrates. The use of certain additives or chemicals is regulated, and testing is required to ensure product safety (Vermont Cannabis Establishment Rule 2, § 2.6.1)​​.
* **Retailer License**: Retailers are allowed to sell cannabis and cannabis products to consumers aged 21 and older for off-site consumption (Vermont Cannabis Establishment Rule 2, § 2.8.1)​​.
* **Wholesaler License**: Authorizes the purchase and distribution of cannabis products between licensees but not to consumers (Vermont Cannabis Establishment Rule 2, § 2.7.1)​​.
* **Testing Laboratory License**: Allows for the testing of cannabis and cannabis products for potency, contaminants, and safety standards (Vermont Cannabis Establishment Rule 2, § 2.9.1)​​.
* **Integrated License**: Allows licensees to operate as a cultivator, manufacturer, retailer, and testing laboratory under a single license (7 V.S.A. § 861)​.

### **2. Licensing Process**

#### **Application Requirements by License Type:**

* **General Requirements**: All applicants must submit detailed business plans, including financial disclosures and security plans. Background checks are required for all owners and key personnel (Vermont Cannabis Establishment Rule 2, § 2.1.4)​​.
* **Age Requirement**: Applicants must be at least 21 years old to apply for any license (Vermont Cannabis Establishment Rule 2, § 2.5.3)​​.

#### **Application Fee Structure:**

* Fees vary by license type and tier. For example, cultivators with larger operations are required to pay higher fees. Fees are set to cover the costs of regulation and enforcement (Vermont Cannabis Establishment Rule 2, § 2.1.2)​​.

#### **Eligibility and Limitations:**

* **Background Checks**: All applicants are subject to background checks, and certain criminal convictions may disqualify applicants from receiving a license (Vermont Cannabis Establishment Rule 2, § 2.2.3)​​.
* **Residency Requirements**: There are no explicit residency requirements for owners, although local control may influence eligibility in some areas (Vermont Cannabis Establishment Rule 2, § 2.1.2)​​.

#### **Timeline for Application Processing:**

* Applications are processed within 90 days of submission. The Cannabis Control Board has the discretion to extend the timeline in cases where further investigation is required (Vermont Cannabis Establishment Rule 2, § 2.1.5)​​.

Would you like me to proceed with the next sections on **License Caps and Availability**?

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### **3. License Caps and Availability**

#### **Statewide License Caps:**

* Vermont law does not currently impose statewide caps on the total number of licenses for most cannabis businesses. However, the Cannabis Control Board (CCB) has the authority to adjust the number of licenses issued based on public health and market demand (Vermont Cannabis Establishment Rule 2, § 2.1.5)​​.

#### **Local Caps or Zoning Restrictions:**

* Local municipalities have the authority to regulate or prohibit cannabis establishments within their jurisdictions. Towns can opt out of allowing cannabis retail stores through a local vote, but other license types, like cultivation, are less frequently restricted (Vermont Cannabis Act, 7 V.S.A. § 863)​.
* Municipalities can also impose additional zoning regulations, such as buffer zones around schools or residential areas (Vermont Cannabis Establishment Rule 2, § 2.1.4)​​.

### **4. License Renewal and Compliance**

#### **Renewal Process:**

* Licenses must be renewed annually, and renewal applications must demonstrate ongoing compliance with all state regulations. Licensees must also submit updated security plans, financial disclosures, and any changes to ownership or management (Vermont Cannabis Establishment Rule 2, § 2.1.6)​​.

#### **Ongoing Compliance Requirements:**

* **Recordkeeping**: Licensees must maintain detailed records of all business transactions, including sales, purchases, and inventory, for at least five years. These records must be available for inspection by the CCB (Vermont Cannabis Establishment Rule 2, § 2.1.7)​​.
* **Seed-to-Sale Tracking**: All cannabis products must be tracked through the state’s seed-to-sale tracking system from cultivation to retail sale, ensuring full traceability (Vermont Cannabis Establishment Rule 2, § 2.1.7)​​.
* **Security Requirements**: Cannabis establishments are required to implement comprehensive security measures, including video surveillance, alarm systems, and secure storage of cannabis products (Vermont Cannabis Establishment Rule 2, § 2.5.5)​​.

#### **Required Inspections or Audits:**

* The CCB has the authority to conduct inspections of cannabis establishments at any time to ensure compliance with state regulations. Inspections may be random or scheduled, and they include checks on security, recordkeeping, and product safety (Vermont Cannabis Establishment Rule 2, § 2.7.5)​​.

#### **Penalties for Non-Compliance:**

* Non-compliance with Vermont’s cannabis regulations can result in fines, license suspension, or revocation. The severity of the penalty depends on the nature and frequency of the violation (Vermont Cannabis Establishment Rule 2, § 2.7.8)​​.

### **5. Permitted Activities by License Type**

#### **Retailer License:**

* **Permitted Sales**: Retailers can sell cannabis products to consumers aged 21 and older for off-site consumption (Vermont Cannabis Establishment Rule 2, § 2.8.1)​​.
* **On-Site Consumption**: On-site consumption of cannabis at retail establishments is prohibited under Vermont law (7 V.S.A. § 861)​.
* **Delivery Services**: Retailers may offer delivery services to consumers, subject to state and local regulations (Vermont Cannabis Establishment Rule 2, § 2.8.4)​​.

#### **Cultivation License:**

* **Permitted Activities**: Cultivators are allowed to grow cannabis plants, process them, and sell the products to licensed manufacturers, retailers, or wholesalers (Vermont Cannabis Establishment Rule 2, § 2.3.4)​​.
* **Production Tiers**: Vermont has multiple tiers for cultivation licenses, with varying limits on the size and scope of the operation. Outdoor and indoor cultivators are subject to different restrictions based on square footage (Vermont Cannabis Establishment Rule 2, § 2.3.3)​​.

#### **Manufacturer License:**

* **Permitted Processing**: Product manufacturers are allowed to process cannabis into concentrates, edibles, and other infused products. Manufacturers must comply with state regulations on extraction methods and product safety (Vermont Cannabis Establishment Rule 2, § 2.6.1)​​.

#### **Testing License:**

* **Testing Requirements**: Licensed testing laboratories are required to test all cannabis products for potency, contaminants, and compliance with health and safety standards before they can be sold (Vermont Cannabis Establishment Rule 2, § 2.9.1)​​.

Let me know if you'd like to continue with the next sections!

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### **6. Ownership and Management Restrictions**

#### **Out-of-State Ownership:**

* Vermont does not prohibit out-of-state ownership of cannabis businesses. However, all owners and key personnel must pass background checks and meet eligibility requirements (Vermont Cannabis Establishment Rule 2, § 2.1.2)​​.

#### **Public Companies:**

* Publicly traded companies are allowed to own cannabis businesses in Vermont, provided they comply with the state’s regulations and disclosures (Vermont Cannabis Establishment Rule 2, § 2.1.2)​​.

#### **Ownership Limits:**

* Vermont limits ownership of multiple licenses across different categories to prevent vertical integration, except for integrated licenses (which allow operations across cultivation, manufacturing, retail, and testing). Licensees cannot hold both a retail and cultivation license, for example, unless specifically authorized (7 V.S.A. § 861)​​.

#### **Background Checks:**

* All owners, officers, and key personnel must undergo background checks before being approved for a license. Certain criminal convictions, such as those related to fraud or violent offenses, may disqualify an applicant (Vermont Cannabis Establishment Rule 2, § 2.2.3)​​.

#### **Management Residency Requirements:**

* Vermont does not impose specific residency requirements for owners or managers of cannabis businesses. However, local municipalities may have additional requirements or preferences (Vermont Cannabis Establishment Rule 2, § 2.1.2)​​.

#### **License Caps:**

* While there are no specific caps on most license categories, the Cannabis Control Board retains the authority to limit the number of licenses issued based on market needs and public safety considerations (Vermont Cannabis Establishment Rule 2, § 2.1.5)​​.

### **7. License Renewal and Transfer**

#### **License Transferability:**

* Licenses in Vermont are not automatically transferable between entities. Any transfer of ownership or control requires prior approval from the Cannabis Control Board (CCB). The new owners must meet the same eligibility requirements as the original license holders (Vermont Cannabis Establishment Rule 2, § 2.1.6)​​.

#### **License Expiration and Renewal:**

* Licenses are issued for one-year terms and must be renewed annually. Renewal applications require updated compliance documentation, including financial reports and any changes to the business structure. Renewal fees must also be paid as part of the process (Vermont Cannabis Establishment Rule 2, § 2.1.6)​​.

### **8. Operational Requirements**

#### **Zoning and Location Restrictions:**

* **Zoning Compatibility**: Cannabis businesses must comply with local zoning laws. Municipalities can regulate where cannabis establishments can be located, such as prohibiting them near schools or residential areas (Vermont Cannabis Establishment Rule 2, § 2.1.4)​​.
* **Buffer Zones**: Retail cannabis establishments are subject to state-imposed buffer zones, which prohibit them from operating within 500 feet of schools. Municipalities may impose stricter zoning or buffering requirements (7 V.S.A. § 863)​.
* **Local Authority**: Municipalities have the authority to regulate the time, place, and manner of cannabis operations. They may limit the hours of operation, set additional security requirements, or restrict the number of cannabis businesses in a given area (7 V.S.A. § 863)​.

#### **Security Requirements:**

* **Surveillance**: Cannabis establishments must install video surveillance systems that monitor key areas, including storage and points of sale. Surveillance footage must be stored for at least 30 days and be available for inspection by the CCB (Vermont Cannabis Establishment Rule 2, § 2.5.5)​​.
* **Physical Security**: Cannabis products must be stored securely, with access restricted to authorized personnel. Establishments must also have alarm systems and other physical security measures in place to prevent theft (Vermont Cannabis Establishment Rule 2, § 2.5.5)​​.

#### **Inventory Tracking and Seed-to-Sale Requirements:**

* **Seed-to-Sale Tracking**: All cannabis products must be tracked from cultivation to final sale using the state’s seed-to-sale tracking system. This ensures accountability and prevents diversion into the illegal market (Vermont Cannabis Establishment Rule 2, § 2.1.7)​​.
* **Inventory Reporting**: Licensees are required to submit regular inventory reports to the CCB. Any discrepancies or significant losses must be reported immediately (Vermont Cannabis Establishment Rule 2, § 2.1.7)​​.

#### **Operational Hours and Transaction Limits:**

* **Business Hours**: Local municipalities have the authority to regulate the operating hours of cannabis businesses. However, the state provides general guidelines for reasonable business hours (7 V.S.A. § 863)​.
* **Sales Limits**: Consumers may purchase up to one ounce of cannabis flower or its equivalent in concentrates and edibles in a single transaction (7 V.S.A. § 861)​.

#### **Waste Disposal:**

* Cannabis waste must be rendered unusable before disposal. Licensees must follow the state’s waste disposal regulations, which include documentation of the disposal process and adherence to environmental guidelines (Vermont Cannabis Establishment Rule 2, § 2.7.5)​​.

### **9. Employee and Labor Requirements**

#### **Background Checks for Employees:**

* All employees of licensed cannabis establishments must pass a criminal background check before they are hired. The Cannabis Control Board reviews these records, and certain criminal convictions may disqualify individuals from working in the cannabis industry (Vermont Cannabis Establishment Rule 2, § 2.2.3)​​.

#### **Age Restrictions for Employees:**

* Employees must be at least 21 years old to work in a cannabis establishment, regardless of their role (7 V.S.A. § 861)​.

#### **Training Requirements:**

* Cannabis businesses are responsible for ensuring that their employees receive appropriate training. This includes training on security protocols, product safety, and compliance with state regulations (Vermont Cannabis Establishment Rule 2, § 2.5.5)​​.

#### **On-Site Cannabis Consumption by Employees:**

* Employees are prohibited from consuming cannabis products on the premises of any licensed cannabis business, including during breaks or outside of regular business hours (7 V.S.A. § 861)​.

Let me know if you’d like to proceed with the remaining sections!

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### **10. Recordkeeping and Reporting**

#### **Record Retention Requirements:**

* Cannabis establishments must maintain detailed records of all operations, including sales, purchases, inventory, and employee data, for a minimum of **five years**. These records must be readily available for inspection by the Cannabis Control Board (Vermont Cannabis Establishment Rule 2, § 2.1.7)​​.

#### **Seed-to-Sale Reporting:**

* All cannabis products must be tracked using Vermont’s **seed-to-sale tracking system** to monitor the movement of products from cultivation through sale. This tracking system ensures accountability and helps prevent diversion into the illicit market (Vermont Cannabis Establishment Rule 2, § 2.1.7)​​.

#### **Financial Reporting:**

* Cannabis businesses must submit detailed financial reports to the Cannabis Control Board (CCB), including revenue, expenses, and taxes paid. Financial audits may be conducted periodically to ensure compliance with state regulations (Vermont Cannabis Establishment Rule 2, § 2.1.7)​​.

#### **Inspections and Audits:**

* The CCB has the authority to conduct regular inspections and audits of cannabis establishments to ensure compliance with state laws and regulations. Inspections can be scheduled or random, and they cover areas like security, inventory tracking, and product safety (Vermont Cannabis Establishment Rule 2, § 2.7.5)​​.

### **11. Taxation and Fees**

#### **State Marijuana Tax:**

* Vermont imposes a **14% state excise tax** on the retail sale of cannabis products, in addition to the state’s **6% sales tax**, making the total tax rate 20% on cannabis purchases (7 V.S.A. § 846)​.

#### **Tax Collection and Reporting:**

* Retailers are responsible for collecting the excise tax and remitting it to the Vermont Department of Taxes. Taxes must be reported and paid monthly, and businesses must file tax returns detailing their sales and taxes collected (7 V.S.A. § 846)​.

#### **Penalties for Non-Payment:**

* Cannabis businesses that fail to report or remit taxes on time face penalties, including fines, interest on unpaid taxes, and potential suspension of their license (7 V.S.A. § 846)​.

#### **Distribution of Tax Revenue:**

* Revenue from cannabis taxes is allocated as follows:
  + 30% to the **General Fund**.
  + 30% to substance use disorder treatment and prevention programs.
  + 30% to communities disproportionately impacted by cannabis prohibition, through the **Cannabis Social Equity Fund**.
  + 10% for the administration and enforcement of the cannabis industry (7 V.S.A. § 847)​.

#### **Fee Structure for Licenses:**

* **Application Fees**: Vary by license type and size of the business. The Cannabis Control Board sets these fees, which cover the cost of processing license applications and ongoing regulation (Vermont Cannabis Establishment Rule 2, § 2.1.2)​​.
* **License Fees**: Annual license fees must be paid by all cannabis businesses. The fees are scaled based on the type of license and the size of the operation (Vermont Cannabis Establishment Rule 2, § 2.1.2)​​.
* **Renewal Fees**: Renewal fees are required annually along with the submission of compliance documents and updated financial reports (Vermont Cannabis Establishment Rule 2, § 2.1.6)​​.

### **12. Enforcement and Penalties**

#### **Regulatory Oversight:**

* The Cannabis Control Board (CCB) is responsible for regulating and enforcing Vermont’s cannabis laws. The CCB has the authority to conduct inspections, investigate violations, and take enforcement actions as needed (Vermont Cannabis Establishment Rule 2, § 2.7.8)​​.

#### **Types of Violations:**

* **Minor Violations**: Include infractions like incomplete recordkeeping or minor security lapses. These typically result in warnings or small fines (Vermont Cannabis Establishment Rule 2, § 2.7.8)​​.
* **Major Violations**: Include serious infractions like selling cannabis to minors, non-compliance with seed-to-sale tracking, or operating without proper security. Major violations can result in significant penalties, including license suspension or revocation (Vermont Cannabis Establishment Rule 2, § 2.7.8)​​.

#### **Penalties for Non-Compliance:**

* **Fines**: Cannabis businesses can be fined for violating state regulations. The size of the fine depends on the severity of the violation and whether it is a repeat offense (Vermont Cannabis Establishment Rule 2, § 2.7.8)​​.
* **License Suspension or Revocation**: For serious or repeated violations, the CCB may suspend or revoke a cannabis business’s license (Vermont Cannabis Establishment Rule 2, § 2.7.8)​​.
* **Criminal Charges**: In cases of egregious violations, such as unlicensed operations or illegal activities, businesses and individuals may face criminal prosecution (Vermont Cannabis Establishment Rule 2, § 2.7.8)​​.

#### **Self-Reporting and Cooperation:**

* Cannabis businesses are encouraged to self-report instances of non-compliance. In some cases, self-reporting can result in reduced penalties or corrective action plans rather than harsher enforcement actions (Vermont Cannabis Establishment Rule 2, § 2.7.8)​​.

#### **Appeals Process:**

* Licensees have the right to appeal enforcement actions taken by the CCB. Appeals must follow Vermont’s administrative law procedures, and penalties may be stayed pending the outcome of the appeal (Vermont Cannabis Establishment Rule 2, § 2.7.9)​​.

### **13. Social Equity and Inclusion Programs**

#### **Social Equity License:**

* Vermont’s cannabis law includes provisions to promote social equity in the cannabis industry. Priority for licenses is given to **social equity applicants**, which include individuals from communities disproportionately impacted by cannabis prohibition (7 V.S.A. § 861)​.

#### **Eligibility Criteria:**

* To qualify as a social equity applicant, individuals must demonstrate that they come from economically disadvantaged communities or have been disproportionately affected by past cannabis-related arrests or convictions (Vermont Cannabis Establishment Rule 2, § 2.1.2)​​.

#### **Fee Reductions and Support:**

* Social equity applicants may qualify for reduced application and license fees. The state also provides technical support, business development training, and access to grants or low-interest loans for social equity applicants (Vermont Cannabis Establishment Rule 2, § 2.1.2)​​.

#### **Incentives for Compliance:**

* Cannabis businesses that exceed social equity and diversity goals, such as hiring from disadvantaged communities, may be eligible for tax incentives or other benefits from the state (Vermont Cannabis Establishment Rule 2, § 2.1.2)​​.

#### **Penalties for Non-Compliance:**

* Failure to meet social equity commitments can result in penalties, including the loss of benefits or financial incentives, fines, or suspension of the business’s license (Vermont Cannabis Establishment Rule 2, § 2.7.8)​​.

Let me know if you'd like to proceed with the final section on **Hemp and Synthetic THC**!

##### **You said:**

yes please

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### **15. Hemp and Synthetic THC**

#### **Hemp Regulation:**

* Vermont regulates hemp separately from cannabis, in line with federal law. Hemp is defined as **Cannabis sativa L.** with a THC concentration of 0.3% or less on a dry weight basis. The **Vermont Agency of Agriculture, Food, and Markets (VAAFM)** oversees hemp cultivation, processing, and sales (6 V.S.A. § 562)​.

#### **Hemp Licensing:**

* Hemp cultivators and processors must obtain a license from the VAAFM. These licenses are subject to compliance with state regulations, including regular testing to ensure that hemp products do not exceed the 0.3% THC limit (6 V.S.A. § 564)​.
* **Hemp products** that test above the 0.3% THC limit are classified as marijuana and must be regulated under Vermont’s cannabis laws (6 V.S.A. § 567)​.

#### **Synthetic THC (e.g., Delta-8 THC):**

* Vermont places restrictions on **synthetic cannabinoids** like **Delta-8 THC** and **Delta-10 THC**, which are chemically derived from hemp. These cannabinoids are regulated similarly to cannabis due to their psychoactive effects (Vermont Cannabis Establishment Rule 2, § 2.9.1)​​.
* **Synthetic THC products** must meet the same testing, labeling, and safety requirements as cannabis products. Only licensed cannabis manufacturers and retailers are permitted to produce and sell these products in Vermont (Vermont Cannabis Establishment Rule 2, § 2.6.1)​​.

#### **Testing and Labeling Requirements for Hemp Products:**

* All hemp-derived products must be tested by licensed laboratories for potency and contaminants, ensuring compliance with safety standards and legal THC limits. Products that fail to meet the required standards must be remediated or destroyed (6 V.S.A. § 567)​.
* **Labeling**: Hemp products must include clear labeling to distinguish them from cannabis products. Labels must list all ingredients, THC content, and proper health warnings, and they must not make unverified health claims (6 V.S.A. § 567)​.

**Important Note**: Vermont is reviewing regulations regarding hemp-derived intoxicants like Delta-8 THC, as these products have raised concerns about consumer safety and market regulation. Legislative updates may provide clearer guidelines on synthetic cannabinoids in the future​​.

**### VIRGINIA ###**

### **1. License Types and Scope**

#### **Types of Licenses Available:**

Virginia offers several types of licenses for marijuana-related activities, regulated by the Virginia Cannabis Control Authority (CCA):

* **Cultivation License**: Authorizes the cultivation of marijuana for retail use, including harvesting, labeling, and selling marijuana plants and seeds (VA Code § 4.1-600, § 4.1-603)​.
* **Manufacturing License**: Allows the production, blending, and preparation of marijuana products, including edibles, tinctures, and concentrates (VA Code § 4.1-600)​.
* **Retail License**: Permits the sale of marijuana products to consumers through licensed retail marijuana stores (VA Code § 4.1-600)​.
* **Testing License**: Authorizes independent labs to test marijuana products for safety and potency, ensuring consumer protection (VA Code § 4.1-600)​.
* **Wholesale License**: Allows the purchase and sale of marijuana products between licensed entities, but not directly to consumers (VA Code § 4.1-600)​.

Would you like to continue with the licensing process or explore specific topics, such as operational requirements or taxation next? Let me know how you would like to proceed!

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### **2. Licensing Process**

#### **Application Requirements by License Type:**

* **General Requirements**: All applicants for marijuana-related licenses must submit applications to the **Virginia Cannabis Control Authority (CCA)**. Applications require detailed information on ownership, business plans, security measures, and compliance with zoning laws (VA Code § 4.1-604)​.
* **Age Requirement**: Applicants must be at least 21 years old to apply for any cannabis-related license (VA Code § 4.1-604)​.
* **Background Checks**: All owners, officers, and key employees must undergo a criminal background check. Certain convictions, particularly related to violent crimes or drug trafficking, may disqualify applicants from obtaining a license (VA Code § 4.1-605)​.

#### **Application Fee Structure:**

* **Application Fees**: Virginia imposes nonrefundable application fees, which vary depending on the license type. These fees are designed to cover administrative costs (VA Code § 4.1-606)​.
* **Annual License Fees**: After initial approval, licensees must pay annual fees to maintain their licenses. These fees vary based on the size of the business and the type of license (VA Code § 4.1-606)​.

#### **Eligibility and Limitations:**

* **Ownership Restrictions**: Vertical integration is restricted in Virginia, meaning individuals or entities cannot hold multiple licenses that span across different categories, such as cultivation, retail, and manufacturing (VA Code § 4.1-605)​.
* **Local Zoning Approval**: Applicants must receive approval from local governments to ensure their operations comply with zoning ordinances and local regulations (VA Code § 4.1-604)​.

#### **Timeline for Application Processing:**

* The CCA is required to process applications within 90 days of submission. However, this timeline may be extended if additional information or inspections are needed (VA Code § 4.1-606)​.

### **3. License Caps and Availability**

#### **Statewide License Caps:**

* Virginia law sets caps on the number of licenses available for each category of marijuana-related activities. Initially, the state imposes limits on the number of retail, cultivation, and manufacturing licenses to prevent market oversaturation (VA Code § 4.1-606)​.

#### **Local Caps or Zoning Restrictions:**

* Local governments have the authority to limit or prohibit the number of cannabis businesses operating within their jurisdictions. They may also impose additional zoning regulations, such as buffer zones around schools or residential areas (VA Code § 4.1-609)​.

### **4. License Renewal and Compliance**

#### **Renewal Process:**

* Licenses in Virginia are valid for one year and must be renewed annually. Renewal applications must include updated business plans, compliance information, and payment of renewal fees (VA Code § 4.1-606)​.
* The CCA reviews renewal applications to ensure continued compliance with all state laws and regulations (VA Code § 4.1-606)​.

#### **Ongoing Compliance Requirements:**

* **Recordkeeping**: Licensees must maintain detailed records of their operations, including sales, purchases, and inventory, for at least five years. These records must be available for inspection by the CCA (VA Code § 4.1-606)​.
* **Seed-to-Sale Tracking**: All cannabis products must be tracked through Virginia’s seed-to-sale tracking system to ensure products are accounted for from cultivation through retail sale (VA Code § 4.1-607)​.
* **Security Requirements**: Licensees must implement security measures, such as video surveillance and restricted access, to prevent unauthorized access to cannabis products (VA Code § 4.1-606)​.

#### **Required Inspections or Audits:**

* The CCA has the authority to inspect cannabis businesses at any time to ensure compliance with state laws. Inspections may be scheduled or random and cover areas such as security, recordkeeping, and product safety (VA Code § 4.1-608)​.

#### **Penalties for Non-Compliance:**

* Non-compliance can result in penalties, including fines, license suspension, or revocation. Minor infractions may lead to warnings or corrective actions, while serious violations can result in license revocation (VA Code § 4.1-608)​.

Would you like to proceed with the next sections, such as **Permitted Activities by License Type**?

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### **5. Permitted Activities by License Type**

#### **Retail License:**

* **Permitted Sales**: Retail licensees are allowed to sell marijuana products, including flower, edibles, concentrates, and tinctures, to consumers aged 21 and older for off-site consumption (VA Code § 4.1-604)​.
* **On-Site Consumption**: On-site consumption of cannabis at retail locations is prohibited under Virginia law (VA Code § 4.1-604)​.
* **Delivery Services**: Retailers may offer delivery services to consumers, provided they comply with state and local regulations for transporting cannabis products (VA Code § 4.1-604)​.

#### **Cultivation License:**

* **Permitted Activities**: Cultivators are allowed to grow marijuana plants, process them, and sell the raw plant material to licensed manufacturers, wholesalers, or retailers. Cultivators are not allowed to sell directly to consumers (VA Code § 4.1-604)​.
* **Cultivation Limits**: Virginia sets specific limits on the size of cultivation operations. Licenses are issued based on the scale of cultivation, and larger operations may be subject to stricter regulations (VA Code § 4.1-604)​.

#### **Manufacturing License:**

* **Permitted Processing**: Manufacturers can process raw cannabis into various products, such as edibles, extracts, and concentrates. Manufacturers are responsible for ensuring their products comply with state health and safety standards (VA Code § 4.1-604)​.
* **Processing Restrictions**: The use of certain chemicals in the extraction and processing of cannabis is regulated to ensure consumer safety. Manufacturers must adhere to these safety standards (VA Code § 4.1-604)​.

#### **Testing License:**

* **Testing Requirements**: Testing laboratories are responsible for analyzing cannabis products for potency, contaminants, and overall safety before products are sold to consumers. Only licensed testing facilities are authorized to perform these tests (VA Code § 4.1-604)​.

#### **Wholesale License:**

* **Permitted Distribution**: Wholesalers are permitted to purchase cannabis products from cultivators and manufacturers and distribute them to licensed retailers. Wholesalers cannot sell products directly to consumers (VA Code § 4.1-604)​.

### **6. Ownership and Management Restrictions**

#### **Out-of-State Ownership:**

* Virginia law does not explicitly prohibit out-of-state ownership in cannabis businesses. However, all owners and key personnel must pass the same background checks and eligibility requirements as in-state applicants (VA Code § 4.1-605)​.

#### **Public Companies:**

* Publicly traded companies are allowed to own cannabis businesses in Virginia, provided they disclose all ownership interests and comply with the state’s financial transparency requirements (VA Code § 4.1-605)​.

#### **Ownership Limits:**

* Virginia restricts vertical integration in the cannabis industry, meaning that individuals or entities cannot hold multiple types of licenses across cultivation, manufacturing, and retail operations (VA Code § 4.1-605)​.
* **Cross-Ownership**: Cross-ownership between cannabis license types is generally prohibited, though there are exceptions for certain types of integrated licenses (VA Code § 4.1-605)​.

#### **Background Checks:**

* All owners, officers, and key employees of cannabis businesses must pass a criminal background check. Certain criminal convictions, such as those related to drug trafficking or violent crimes, may disqualify an individual from ownership or management positions (VA Code § 4.1-605)​.

#### **Management Residency Requirements:**

* While Virginia does not impose specific residency requirements for managers or owners, all key personnel must meet the same background check and disclosure requirements, regardless of their residency (VA Code § 4.1-605)​.

#### **License Caps:**

* Virginia imposes caps on the number of cannabis licenses issued statewide. The exact number of licenses available is determined based on market demand and regulatory considerations (VA Code § 4.1-606)​.

Would you like to continue with the next sections, such as **License Renewal and Transfer** and **Operational Requirements**?

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### **7. License Renewal and Transfer**

#### **License Transferability:**

* Licenses in Virginia are **not automatically transferable** between individuals or entities. Any transfer of ownership or control requires prior approval from the Cannabis Control Authority (CCA). The new owners must meet the same eligibility criteria as the original license holders, including background checks and financial disclosures (VA Code § 4.1-606)​.

#### **License Expiration and Renewal:**

* Cannabis licenses in Virginia are issued for a one-year term. Licensees must apply for renewal before the expiration date, submitting updated business and compliance documents, including any changes to ownership or key personnel (VA Code § 4.1-606)​.
* Failure to renew on time may result in penalties, fines, or license suspension (VA Code § 4.1-606)​.

### **8. Operational Requirements**

#### **Zoning and Location Restrictions:**

* **Zoning Compatibility**: Cannabis businesses must comply with local zoning regulations. Each municipality has the authority to impose additional restrictions, such as limiting the proximity of cannabis businesses to schools, residential areas, or religious institutions (VA Code § 4.1-609)​.
* **Buffer Zones**: Virginia requires cannabis establishments to maintain a buffer zone of at least 1,000 feet from schools, daycare centers, and other youth-oriented facilities, though local jurisdictions may impose stricter buffer requirements (VA Code § 4.1-609)​.
* **Local Authority**: Local governments have significant control over the time, place, and manner in which cannabis businesses operate. They may impose additional restrictions or opt to ban cannabis businesses within their jurisdictions (VA Code § 4.1-609)​.

#### **Security Requirements:**

* **Surveillance**: Cannabis businesses must implement security systems, including video surveillance covering all areas where cannabis is cultivated, processed, or stored. Footage must be retained for at least 30 days and be accessible to the CCA upon request (VA Code § 4.1-606)​.
* **Physical Security**: Cannabis establishments must secure their premises with alarms, locked storage areas, and restricted access for authorized personnel only. Security plans must be included in the license application and updated regularly (VA Code § 4.1-606)​.

#### **Inventory Tracking and Seed-to-Sale Requirements:**

* **Seed-to-Sale Tracking**: All cannabis products must be tracked from cultivation through final sale using Virginia’s state-mandated **seed-to-sale tracking system**. This ensures that products are accounted for at every stage and helps prevent diversion into the illicit market (VA Code § 4.1-607)​.
* **Inventory Reporting**: Licensees are required to submit regular inventory reports to the CCA. Significant discrepancies or losses must be reported immediately (VA Code § 4.1-606)​.

#### **Operational Hours and Transaction Limits:**

* **Business Hours**: The state provides general guidelines for operational hours, but local governments may impose additional restrictions on the hours of operation for cannabis businesses (VA Code § 4.1-609)​.
* **Sales Limits**: Virginia law limits the amount of cannabis products consumers can purchase in a single transaction. Consumers are restricted to purchasing up to 1 ounce of cannabis flower or its equivalent in concentrates or edibles per transaction (VA Code § 4.1-604)​.

#### **Waste Disposal:**

* Cannabis waste must be rendered unusable before disposal. Licensees must follow CCA regulations for properly documenting and disposing of cannabis waste, which often involves mixing it with non-consumable materials such as soil or plastic to prevent diversion (VA Code § 4.1-606)​.

### **9. Employee and Labor Requirements**

#### **Background Checks for Employees:**

* All employees working in licensed cannabis establishments must pass a criminal background check. The CCA conducts these checks, and certain criminal convictions, particularly related to drug trafficking or violent crimes, may disqualify individuals from working in the cannabis industry (VA Code § 4.1-605)​.

#### **Age Restrictions for Employees:**

* Employees must be at least 21 years old to work in any licensed cannabis business, including roles in retail, cultivation, processing, and security (VA Code § 4.1-604)​.

#### **Training Requirements:**

* Cannabis businesses are responsible for ensuring that employees receive appropriate training, including compliance with security protocols, product handling, and state regulations. Training requirements vary depending on the license type (VA Code § 4.1-606)​.

#### **On-Site Cannabis Consumption by Employees:**

* Employees are prohibited from consuming cannabis products while on the premises of a licensed cannabis establishment, including during breaks or outside of business hours. Violations of this policy can result in penalties for both the employee and the business (VA Code § 4.1-604)​.

Would you like to proceed with the final sections, such as **Recordkeeping and Reporting**, **Taxation and Fees**, or **Hemp and Synthetic THC**?

##### **You said:**

yes please

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### **10. Recordkeeping and Reporting**

#### **Record Retention Requirements:**

* Cannabis businesses in Virginia must retain detailed records of all transactions, including sales, purchases, inventory, and employee information, for a minimum of **five years**. These records must be readily available for inspection by the Cannabis Control Authority (CCA) upon request (VA Code § 4.1-606)​.

#### **Seed-to-Sale Reporting:**

* Virginia requires all cannabis products to be tracked from cultivation through processing and retail sale using a state-mandated **seed-to-sale tracking system**. Licensees must record each stage of production, from planting to the point of sale, ensuring full accountability (VA Code § 4.1-607)​.

#### **Financial Reporting:**

* Cannabis businesses are required to submit regular financial reports to the CCA, detailing income, expenses, and taxes paid. The CCA may conduct audits to ensure compliance with financial reporting and tax obligations (VA Code § 4.1-606)​.

#### **Inspections and Audits:**

* The CCA conducts regular inspections and audits of licensed cannabis businesses to ensure compliance with state laws and regulations. Inspections may be scheduled or random, covering areas such as security measures, inventory control, and financial compliance (VA Code § 4.1-608)​.

### **11. Taxation and Fees**

#### **State Marijuana Tax:**

* Virginia imposes a **21% state excise tax** on the retail sale of cannabis products. This tax applies to all adult-use cannabis sales, and it is in addition to the state's general sales tax, which can vary by locality (VA Code § 4.1-1003)​.

#### **Tax Collection and Reporting:**

* Retailers are responsible for collecting the excise tax at the point of sale and remitting it to the **Virginia Department of Taxation**. Taxes must be reported and remitted monthly, along with detailed tax returns documenting sales and tax payments (VA Code § 4.1-1003)​.

#### **Penalties for Non-Payment:**

* Cannabis businesses that fail to remit taxes on time may face penalties, including fines, interest on unpaid taxes, and potential suspension or revocation of their license (VA Code § 4.1-1003)​.

#### **Distribution of Tax Revenue:**

* Revenue generated from cannabis taxes is allocated as follows:
  + 30% to the **General Fund**.
  + 25% to the **Cannabis Equity Reinvestment Fund** for social equity and community programs.
  + Additional portions are directed to public health, substance use disorder treatment, and law enforcement training (VA Code § 4.1-1004)​.

#### **Fee Structure for Licenses:**

* **Application Fees**: Cannabis businesses are required to pay nonrefundable application fees, which vary by license type. The fees are determined by the CCA and cover administrative costs (VA Code § 4.1-606)​.
* **Annual License Fees**: Businesses must also pay annual license renewal fees, which vary depending on the size and scope of the operation (VA Code § 4.1-606)​.

### **12. Enforcement and Penalties**

#### **Regulatory Oversight:**

* The **Virginia Cannabis Control Authority (CCA)** is the primary regulatory body responsible for enforcing the state's cannabis laws. The CCA has broad authority to inspect, investigate, and take enforcement actions against licensees who fail to comply with state regulations (VA Code § 4.1-608)​.

#### **Types of Violations:**

* **Minor Violations**: Include infractions such as improper recordkeeping or minor security lapses. These typically result in warnings or small fines (VA Code § 4.1-608)​.
* **Major Violations**: Include serious infractions such as selling cannabis to minors, failing to track inventory, or significant security breaches. Major violations can result in license suspension, revocation, or substantial fines (VA Code § 4.1-608)​.

#### **Penalties for Non-Compliance:**

* **Fines**: Cannabis businesses that violate state regulations may face fines based on the severity of the infraction. Fines are determined by the CCA and can increase for repeat offenders (VA Code § 4.1-608)​.
* **License Suspension or Revocation**: For serious or repeated violations, the CCA may suspend or permanently revoke a business’s license (VA Code § 4.1-608)​.
* **Criminal Charges**: In extreme cases, such as operating an unlicensed cannabis business or engaging in illegal activities, licensees or individuals may face criminal prosecution under state law (VA Code § 4.1-608)​.

#### **Self-Reporting and Cooperation:**

* Cannabis businesses are encouraged to self-report compliance issues to the CCA. In some cases, self-reporting can result in reduced penalties or corrective action plans rather than harsher enforcement measures (VA Code § 4.1-608)​.

#### **Appeals Process:**

* Licensees have the right to appeal any enforcement actions taken by the CCA. Appeals must be filed through the state's administrative law process, and penalties may be suspended while the appeal is under review (VA Code § 4.1-608)​.

### **13. Social Equity and Inclusion Programs**

#### **Social Equity License:**

* Virginia’s cannabis law includes provisions to promote **social equity** within the cannabis industry. The **Cannabis Equity Reinvestment Board** oversees programs designed to help individuals from communities disproportionately impacted by cannabis prohibition enter the industry (VA Code § 4.1-1100)​.

#### **Eligibility Criteria:**

* To qualify as a social equity applicant, individuals must demonstrate that they come from communities that have been disproportionately affected by cannabis prohibition, such as areas with high rates of cannabis-related arrests (VA Code § 4.1-1100)​.

#### **Fee Reductions and Support:**

* Social equity applicants may receive reduced application and licensing fees. In addition, Virginia provides financial assistance, technical support, and access to low-interest loans to help social equity applicants establish and grow their cannabis businesses (VA Code § 4.1-1100)​.

#### **Incentives for Compliance:**

* Businesses that meet or exceed social equity goals, such as hiring from disadvantaged communities, may be eligible for additional benefits, such as tax incentives or financial grants (VA Code § 4.1-1100)​.

### **14. Hemp and Synthetic THC**

#### **Hemp Regulation:**

* Virginia regulates hemp separately from cannabis, in line with federal law. Hemp is defined as **Cannabis sativa L.** with a THC concentration of **0.3% or less** on a dry weight basis (VA Code § 3.2-4112)​.
* The **Virginia Department of Agriculture and Consumer Services (VDACS)** oversees the licensing and regulation of hemp cultivation, processing, and sales (VA Code § 3.2-4112)​.

#### **Hemp Licensing:**

* Hemp cultivators and processors must obtain a license from VDACS, which includes compliance with testing and reporting requirements to ensure that hemp remains within the legal THC limit (VA Code § 3.2-4112)​.
* **Hemp products** that exceed the 0.3% THC threshold are classified as marijuana and must be regulated under Virginia's cannabis laws (VA Code § 3.2-4112)​.

#### **Synthetic THC (e.g., Delta-8 THC):**

* Virginia regulates **synthetic cannabinoids**, such as **Delta-8 THC**, under the same legal framework as cannabis products. These synthetic cannabinoids, often derived from hemp, are treated as controlled substances due to their psychoactive effects and must comply with cannabis testing and safety standards (VA Code § 4.1-604)​.

#### **Testing and Labeling Requirements for Hemp Products:**

* Hemp products intended for human consumption must be tested for potency and contaminants by licensed laboratories. Products that fail to meet testing standards must be remediated or destroyed (VA Code § 3.2-4114)​.
* **Labeling**: Hemp-derived products must include clear labeling to distinguish them from marijuana products. Labels must list all ingredients, THC content, and health warnings, and they must not make unverified health claims (VA Code § 3.2-4114)​.

### **### WASHINGTON ###**

### **1. License Types and Scope**

#### **Types of Licenses Available:**

* **Producer License**: Allows the growing and harvesting of cannabis plants. Producers may sell cannabis to processors or other producers, but not directly to consumers (RCW 69.50.325; WAC 314-55-075)​​.
* **Processor License**: Permits the processing of cannabis into concentrates, infused products, and packaging for retail. Processors can only sell to retailers or other processors, not consumers (RCW 69.50.325; WAC 314-55-077)​​.
* **Retailer License**: Allows the sale of cannabis products directly to consumers at licensed retail locations (RCW 69.50.354; WAC 314-55-079)​​.
* **Medical Cannabis Endorsement**: A special endorsement available to retailers, allowing them to sell medical cannabis products to qualifying patients with a valid recognition card (RCW 69.50.375; WAC 314-55-080)​​.
* **Research License**: Authorizes the production, processing, and possession of cannabis for scientific research, with specific limits on the types of activities allowed (RCW 69.50.372; WAC 314-55-073)​​.

### **2. Licensing Process**

#### **Application Requirements by License Type:**

* **Age Requirement**: All applicants and employees must be at least 21 years old (RCW 69.50.357; WAC 314-55-015(2))​​.
* **Background Checks**: Applicants must pass a background check, which includes criminal history reviews. Certain convictions may disqualify applicants (WAC 314-55-040)​​.
* **Financial Disclosure**: Applicants must disclose financial information, including ownership interests and funding sources (WAC 314-55-035)​​.

#### **Application Fee Structure:**

* Fees vary by license type, and they include both initial application and annual renewal fees. These fees are set by the Washington State Liquor and Cannabis Board (WSLCB) (RCW 69.50.325; WAC 314-55-015)​​.

#### **Eligibility and Limitations:**

* Applicants cannot have any ownership interest in a retail license while holding a producer or processor license, as cross-ownership is prohibited (RCW 69.50.328)​.

#### **Timeline for Application Processing:**

* The WSLCB processes applications within a set period, typically taking several months due to background checks, inspections, and local zoning verifications (WAC 314-55-020)​.

Would you like to continue with **License Caps and Availability**?

##### **You said:**

please

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### **3. License Caps and Availability**

#### **Statewide License Caps:**

* Washington limits the number of **retailer licenses** statewide. The number of retail stores allowed is determined based on population and demand in each region. As of 2016, the cap was set at 556 retail licenses across the state (RCW 69.50.345; WAC 314-55-081)​​.
* There are no specific statewide caps for **producer** or **processor licenses**, though the Washington State Liquor and Cannabis Board (WSLCB) can adjust license availability based on market demand and regulatory considerations (RCW 69.50.325)​.

#### **Local Caps or Zoning Restrictions:**

* Local jurisdictions can set their own zoning restrictions and limit or prohibit cannabis businesses within their boundaries. Municipalities can also control the location of cannabis businesses through zoning ordinances that establish buffer zones around schools, parks, and other sensitive areas (RCW 69.50.331; WAC 314-55-020)​​.
* **Buffer Zones**: Washington requires a minimum of 1,000 feet between cannabis businesses and schools, playgrounds, and other youth-oriented facilities, although local governments can reduce this distance to 100 feet for certain categories, such as libraries or transit centers (RCW 69.50.331)​.

### **4. License Renewal and Compliance**

#### **Renewal Process:**

* Licenses are issued for one-year terms and must be renewed annually. Renewal applications require submission of updated compliance documentation, including financial disclosures and operational plans (RCW 69.50.325; WAC 314-55-020)​​.
* The renewal process includes inspections and reviews of the licensee’s recordkeeping, security measures, and adherence to state laws (WAC 314-55-030)​.

#### **Ongoing Compliance Requirements:**

* **Recordkeeping**: Licensees must maintain records of all transactions, including inventory, sales, and financial data, for a minimum of three years. These records must be readily available for inspection by the WSLCB (WAC 314-55-087)​.
* **Seed-to-Sale Tracking**: Washington uses a state-mandated **seed-to-sale tracking system** to monitor all cannabis products from cultivation through retail sale. Licensees must ensure that all product movements are recorded in this system (WAC 314-55-083)​.
* **Security Requirements**: Cannabis businesses must implement comprehensive security measures, including video surveillance, secure storage areas, and alarm systems (WAC 314-55-083)​.

#### **Required Inspections or Audits:**

* The WSLCB conducts regular inspections of cannabis establishments to ensure compliance with state regulations. Inspections may be scheduled or random, covering areas such as security, recordkeeping, and product safety (WAC 314-55-020)​.

#### **Penalties for Non-Compliance:**

* Violations of Washington's cannabis laws can result in penalties ranging from fines to license suspension or revocation, depending on the severity of the violation. Minor infractions typically result in warnings or fines, while major violations may lead to license revocation (WAC 314-55-520)​.

### **5. Permitted Activities by License Type**

#### **Retailer License:**

* **Permitted Sales**: Retailers are authorized to sell cannabis products, including flower, concentrates, and edibles, directly to consumers. Sales are limited to individuals aged 21 and older (RCW 69.50.354; WAC 314-55-079)​​.
* **On-Site Consumption**: On-site consumption of cannabis is prohibited at retail establishments in Washington (WAC 314-55-079)​.
* **Delivery Services**: Retailers are not permitted to offer delivery services under current Washington law (RCW 69.50.385)​.

#### **Producer License:**

* **Permitted Activities**: Producers can grow cannabis plants, process them for sale to licensed processors, and transfer raw product between licensed producers. They may not sell directly to consumers (RCW 69.50.325; WAC 314-55-075)​.
* **Production Limits**: Producers are classified into tiers based on the size of their operation. The WSLCB regulates the maximum plant canopy that each tier can maintain (WAC 314-55-075)​.

#### **Processor License:**

* **Permitted Processing**: Processors are allowed to manufacture cannabis concentrates, edibles, and other products. Processors may sell only to licensed retailers or other processors (RCW 69.50.325; WAC 314-55-077)​.
* **Extraction Methods**: Processors must comply with specific safety standards for extraction processes, including solvent-based extractions (WAC 314-55-077)​.

#### **Testing License:**

* **Testing Requirements**: All cannabis products must be tested by licensed laboratories for potency, contaminants, and compliance with safety standards before they can be sold to consumers (WAC 314-55-102)​.

Let me know if you'd like to continue with the next sections!

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### **6. Ownership and Management Restrictions**

#### **Out-of-State Ownership:**

* Washington allows out-of-state ownership in cannabis businesses, but there are strict regulations on ownership transparency and control. All owners, officers, and financiers must be disclosed to the WSLCB (RCW 69.50.331; WAC 314-55-035)​​.

#### **Public Companies:**

* Publicly traded companies are prohibited from owning cannabis licenses in Washington. All ownership interests must be private, and changes in ownership must be reported to the WSLCB for approval (WAC 314-55-035)​.

#### **Ownership Limits:**

* Individuals or entities may hold only one type of cannabis license (i.e., producer, processor, or retailer). Cross-ownership between these categories is prohibited to prevent vertical integration. However, a producer can hold multiple production licenses or processor licenses within the same category (RCW 69.50.328)​.

#### **Background Checks:**

* All owners, officers, and key personnel must pass a criminal background check. Certain convictions, particularly those involving controlled substances or financial crimes, may disqualify individuals from holding a license (WAC 314-55-040)​.

#### **Management Residency Requirements:**

* There are no specific residency requirements for owners or managers, but all personnel must comply with the background check and disclosure requirements (WAC 314-55-035)​.

#### **License Caps:**

* Washington enforces caps on **retail licenses**, limiting the number of stores based on local jurisdictional needs. Other license types, such as producer and processor licenses, are not subject to statewide caps, but WSLCB retains the authority to adjust availability based on market conditions (RCW 69.50.345)​​.

### **7. License Renewal and Transfer**

#### **License Transferability:**

* Licenses are not automatically transferable between individuals or entities. Any transfer of ownership, management, or financial control must be pre-approved by the WSLCB. Transfers require an application detailing the new ownership structure and must meet the same criteria as new license applications (WAC 314-55-035)​.

#### **License Expiration and Renewal:**

* Cannabis licenses in Washington are valid for one year. Licensees must apply for renewal before the expiration date, submitting updated information on ownership, finances, and compliance. Failure to renew can result in suspension or termination of the license (RCW 69.50.325; WAC 314-55-020)​​.

### **8. Operational Requirements**

#### **Zoning and Location Restrictions:**

* **Zoning Compatibility**: Cannabis businesses must comply with local zoning laws. Each municipality can establish specific zoning rules for cannabis operations, including restrictions on business locations (RCW 69.50.331)​.
* **Buffer Zones**: Washington requires a minimum of 1,000 feet between cannabis establishments and sensitive areas like schools, playgrounds, and parks. Municipalities can reduce this distance to 100 feet in some cases (RCW 69.50.331)​.
* **Local Authority**: Local governments retain significant authority over the time, place, and manner of cannabis operations. They can further restrict or prohibit cannabis businesses within their jurisdictions (RCW 69.50.331)​.

#### **Security Requirements:**

* **Surveillance**: Cannabis businesses must install and maintain video surveillance systems that cover all key areas of operation, including points of sale and storage. Footage must be stored for at least 45 days and made available for inspection by the WSLCB (WAC 314-55-083)​.
* **Physical Security**: Cannabis products must be stored in secure, locked areas with limited access. Security alarms and access controls are required to prevent theft and unauthorized entry (WAC 314-55-083)​.

#### **Inventory Tracking and Seed-to-Sale Requirements:**

* **Seed-to-Sale Tracking**: All cannabis products must be tracked from cultivation to retail sale using the state’s seed-to-sale tracking system. This tracking ensures accountability and prevents diversion into the illicit market (WAC 314-55-083)​.
* **Inventory Reporting**: Licensees must submit regular inventory reports to the WSLCB, detailing product movements and sales. Discrepancies or losses must be reported immediately (WAC 314-55-087)​.

#### **Operational Hours and Transaction Limits:**

* **Business Hours**: The state does not impose specific operating hours for cannabis businesses, but local municipalities may regulate business hours. Typically, retailers must follow local ordinances regarding operating times (RCW 69.50.354)​.
* **Sales Limits**: Consumers are limited to purchasing a

##### **You said:**

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### **8. Operational Requirements**

#### **Zoning and Location Restrictions:**

* **Zoning Compatibility**: Cannabis businesses must comply with local zoning regulations. Municipalities have the authority to establish specific zoning requirements and can choose to limit or prohibit cannabis establishments within their jurisdictions (RCW 69.50.331)​.
* **Buffer Zones**: State law requires cannabis businesses to maintain a minimum distance of 1,000 feet from schools, playgrounds, parks, child care centers, and other facilities frequently used by children. However, local governments may reduce this buffer to 100 feet for certain types of locations, such as libraries or public transportation hubs (RCW 69.50.331)​.
* **Local Authority**: Cities and counties in Washington have significant discretion over the regulation of cannabis businesses, including the ability to regulate the time, place, and manner in which cannabis operations are conducted (RCW 69.50.331)​.

#### **Security Requirements:**

* **Surveillance**: Cannabis establishments must have video surveillance systems in place to monitor all areas where cannabis is handled, processed, or stored. Surveillance footage must be retained for at least 45 days and made available to the Washington State Liquor and Cannabis Board (WSLCB) for inspection (WAC 314-55-083)​.
* **Physical Security**: Cannabis businesses must implement robust physical security measures, including alarm systems, secured entry points, and restricted access to areas where cannabis is stored or handled. Only authorized personnel may access these secured areas (WAC 314-55-083)​.

#### **Inventory Tracking and Seed-to-Sale Requirements:**

* **Seed-to-Sale Tracking**: All cannabis products in Washington must be tracked from the point of cultivation through processing and final sale to consumers using a state-mandated seed-to-sale tracking system. This system ensures that all products are accounted for and helps prevent diversion into the illicit market (WAC 314-55-083)​.
* **Inventory Reporting**: Licensees must submit regular inventory reports to the WSLCB, documenting all product movements, including sales, purchases, and losses. Significant discrepancies or product losses must be reported immediately to the WSLCB (WAC 314-55-087)​.

#### **Operational Hours and Transaction Limits:**

* **Business Hours**: Retailers are subject to local government ordinances regarding operating hours. The state does not impose a specific set of hours for cannabis businesses, allowing municipalities to regulate the opening and closing times of cannabis establishments (RCW 69.50.354)​.
* **Sales Limits**: Consumers are limited to purchasing a maximum of 1 ounce of usable cannabis, 16 ounces of cannabis-infused product in solid form, 72 ounces of cannabis-infused product in liquid form, or 7 grams of concentrate per day (RCW 69.50.360)​.

#### **Waste Disposal:**

* Cannabis waste, including plant material and unusable products, must be rendered unusable before disposal. Licensees must follow WSLCB regulations for documenting and properly disposing of cannabis waste, including mixing it with other materials like soil or compost to prevent diversion (WAC 314-55-097)​.

### **9. Employee and Labor Requirements**

#### **Background Checks for Employees:**

* All employees working at licensed cannabis businesses must pass a criminal background check. The WSLCB conducts these background checks, and certain criminal convictions, particularly those related to violent or drug-related crimes, may disqualify individuals from employment in the cannabis industry (WAC 314-55-040)​.

#### **Age Restrictions for Employees:**

* Employees must be at least 21 years of age to work in any licensed cannabis establishment, including retail, cultivation, processing, and laboratory roles (RCW 69.50.357; WAC 314-55-015)​​.

#### **Training Requirements:**

* Cannabis businesses are responsible for ensuring that employees receive proper training. This includes training in security procedures, product handling, safety protocols, and compliance with state regulations. The WSLCB may set additional training requirements depending on the type of license (WAC 314-55-083)​.

#### **On-Site Cannabis Consumption by Employees:**

* Employees are prohibited from consuming cannabis while on the premises of a licensed business, even outside of business hours. Violating this rule can result in penalties for both the employee and the business (RCW 69.50.357; WAC 314-55-085)​​.

Let me know if you'd like to proceed with the next sections!

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### **10. Recordkeeping and Reporting**

#### **Record Retention Requirements:**

* Cannabis businesses in Washington must maintain detailed records of all transactions, including sales, purchases, inventory, and employee information, for a minimum of **three years**. These records must be available for inspection by the WSLCB at any time (WAC 314-55-087)​.

#### **Seed-to-Sale Reporting:**

* Washington requires all cannabis products to be tracked using a **seed-to-sale tracking system**. Licensees must record each stage of production and sales, from cultivation to the final retail transaction. This system helps ensure product accountability and prevents diversion into the illicit market (WAC 314-55-083)​.

#### **Financial Reporting:**

* Cannabis businesses must submit regular financial reports to the WSLCB, including sales figures, revenue, and expenditures. The WSLCB may conduct audits to ensure compliance with tax and reporting requirements (WAC 314-55-087)​.

#### **Inspections and Audits:**

* The WSLCB conducts regular audits and inspections of cannabis businesses to ensure compliance with state laws and regulations. These inspections can be scheduled or conducted randomly, and they cover aspects such as security, recordkeeping, and product quality (WAC 314-55-020)​.

### **11. Taxation and Fees**

#### **State Marijuana Tax:**

* Washington imposes a **37% excise tax** on the retail sale of cannabis products. This tax applies to all recreational cannabis sales, with medical cannabis products exempted under certain conditions (RCW 69.50.535)​.
* In addition to the excise tax, consumers must also pay the state’s **sales tax**, which varies by locality, bringing the total effective tax rate higher in some areas (RCW 69.50.535)​.

#### **Tax Collection and Reporting:**

* Retailers are responsible for collecting the excise tax at the point of sale and remitting it to the Washington Department of Revenue. Taxes must be reported and paid monthly, with detailed tax returns filed by cannabis businesses (RCW 69.50.535)​.

#### **Penalties for Non-Payment:**

* Businesses that fail to remit taxes on time face significant penalties, including fines, interest on unpaid amounts, and potential suspension or revocation of their license (RCW 69.50.535)​.

#### **Distribution of Tax Revenue:**

* Revenue from cannabis taxes is distributed as follows:
  + 50% to the **State General Fund**.
  + 10% to local governments for public health and safety programs.
  + Additional funds are allocated to the **Basic Health Plan Trust Account**, drug education programs, and cannabis research initiatives (RCW 69.50.535)​.

#### **Fee Structure for Licenses:**

* **Application Fees**: License applicants must pay nonrefundable application fees, which vary by license type and are set by the WSLCB (WAC 314-55-020)​.
* **Annual License Fees**: Businesses must pay annual renewal fees to maintain their cannabis licenses. The fees differ based on the type of license and the size of the business (WAC 314-55-020)​.

### **12. Enforcement and Penalties**

#### **Regulatory Oversight:**

* The **Washington State Liquor and Cannabis Board (WSLCB)** is the primary regulatory agency responsible for enforcing cannabis laws in the state. The WSLCB conducts inspections, investigates violations, and takes enforcement actions when necessary (WAC 314-55-020)​.

#### **Types of Violations:**

* **Minor Violations**: Include infractions like improper recordkeeping or minor security breaches. These violations typically result in warnings or small fines (WAC 314-55-520)​.
* **Major Violations**: Include serious offenses such as selling to minors, failing to track inventory, or operating without proper security measures. These violations can result in license suspension, revocation, or significant fines (WAC 314-55-520)​.

#### **Penalties for Non-Compliance:**

* **Fines**: Cannabis businesses can be fined for violations of Washington's cannabis regulations. Fines vary based on the severity and frequency of the violation (WAC 314-55-520)​.
* **License Suspension or Revocation**: For major or repeated violations, the WSLCB may suspend or revoke a business’s license, effectively preventing them from operating (WAC 314-55-520)​.
* **Criminal Charges**: In severe cases, such as operating an unlicensed cannabis business or engaging in illegal activities, individuals or businesses may face criminal prosecution (RCW 69.50.562)​.

#### **Self-Reporting and Cooperation:**

* Cannabis businesses are encouraged to self-report non-compliance or issues as part of a cooperative effort with regulators. Self-reporting may result in reduced penalties or the opportunity to correct violations without facing harsher consequences (WAC 314-55-520)​.

#### **Appeals Process:**

* Licensees have the right to appeal any enforcement actions taken by the WSLCB. Appeals must follow Washington’s administrative procedures, and penalties may be stayed pending the outcome of the appeal (WAC 314-55-120)​.

### **13. Social Equity and Inclusion Programs**

#### **Social Equity License:**

* Washington has established a **social equity program** to increase cannabis licensing opportunities for individuals from communities disproportionately affected by cannabis prohibition. Social equity applicants are given priority in the issuance of licenses (RCW 69.50.335)​.

#### **Eligibility Criteria:**

* To qualify as a social equity applicant, individuals must demonstrate that they come from a community disproportionately impacted by the war on drugs, particularly communities with high rates of cannabis-related arrests (RCW 69.50.335)​.

#### **Fee Reductions and Support:**

* The state provides financial assistance, technical support, and reduced fees for social equity applicants to help them establish and operate cannabis businesses (RCW 69.50.335)​.

#### **Incentives for Compliance:**

* Cannabis businesses that exceed social equity and diversity hiring goals may be eligible for tax incentives or other benefits provided by the state (RCW 69.50.335)​.

#### **Penalties for Non-Compliance:**

* Businesses that fail to meet social equity goals or commitments may face penalties, including the loss of social equity benefits or financial incentives, fines, or even license suspension (RCW 69.50.335)​.

Let me know if you'd like to proceed with the final section on **Hemp and Synthetic THC**!

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### **14. Hemp and Synthetic THC**

#### **Hemp Regulation:**

* Washington regulates hemp separately from cannabis. Hemp is defined as **Cannabis sativa L.** with a THC concentration of **0.3% or less** on a dry weight basis, aligning with federal standards (RCW 15.140.020)​.
* The **Washington State Department of Agriculture (WSDA)** oversees the licensing and regulation of hemp cultivation, processing, and sales. The WSDA is responsible for ensuring compliance with state and federal hemp laws (RCW 15.140.040)​.

#### **Hemp Licensing:**

* Hemp cultivators and processors must obtain a license from the WSDA. This license includes compliance with testing and reporting requirements to ensure hemp remains within the legal THC limit (RCW 15.140.050)​.
* Hemp products that exceed the 0.3% THC threshold are classified as marijuana and must be regulated under Washington’s cannabis laws (RCW 15.140.020)​.

#### **Synthetic THC (e.g., Delta-8 THC):**

* Washington places restrictions on **synthetic cannabinoids**, such as **Delta-8 THC** and **Delta-10 THC**, which are chemically derived from hemp. The **Washington State Liquor and Cannabis Board (WSLCB)** has regulated these cannabinoids in the same manner as cannabis products due to their psychoactive effects (WAC 314-55-105)​.
* Synthetic THC products must meet the same testing, labeling, and safety requirements as cannabis products, and their sale is only permitted through licensed cannabis businesses (WAC 314-55-105)​.

#### **Testing and Labeling Requirements for Hemp Products:**

* All hemp products intended for human consumption must be tested by licensed laboratories to ensure they meet potency and contaminant standards. Products that do not comply with testing requirements must be remediated or destroyed (RCW 15.140.060)​.
* **Labeling**: Hemp-derived products must include clear labeling that distinguishes them from marijuana products. Labels must list all ingredients, THC content, and appropriate health warnings, and they cannot make unverified health claims (RCW 15.140.080)​.