

The Chronicle: American Adult-Use Marijuana Laws - Other Licenses

May 15, 2020

Intro: [The Chronicle: American Adult-Use Marijuana Laws](#)

Part 1: [Regulator](#)

Part 2: [Licensing](#)

Part 3: [Cultivation Licenses](#)

Part 4: [Health and Safety](#)

Part 5: [Retail Licenses](#)

Part 6: Other Licenses

This category includes statutory provisions related to other types of licenses not covered in the other articles, including the following types of licenses:

- Processor/product manufacturer licenses
- Transporter/distributor licenses
- Testing facility licenses
- Microbusiness licenses
- Wholesaler licenses
- Research licenses

Common Provisions

Processor licenses

All the licensing states provide for a processor license. Alaska, California, Colorado, Maine, and Massachusetts refer to them as "manufacturers." Michigan, Oregon, and Washington refer to them as "processors." Illinois refers to "infusing organizations." And Nevada refers to "cannabis production facilities."

Processor licenses (by any name) expire and must be renewed annually.

Transporter/distributor licenses

California, Colorado, Illinois, Michigan, and Nevada provide for transporter or distributor licenses. Washington permits common carriers to obtain a license to transport adult-use marijuana. Washington is the only state to explicitly permit via statute a common carrier to be licensed as a transporter.

Each of these states requires transporter licenses to be renewed annually, except Colorado, where transporter licenses are valid for two years. Alaska and Maine, on the other hand, explicitly refer to the ability of marijuana licensees to transport marijuana, subject to regulations to be issued by the regulator, without the need for an additional transporter license. Oregon also statutorily requires the regulator to issue rules governing the transportation of marijuana.

Most of the licensing states restrict transporters to deliveries to licensed premises.

Licensees may sell marijuana directly to other licensees without contracting with a distributor

California, Colorado, Maine, Massachusetts, Michigan, and Washington permit licensees to sell adult-use marijuana directly to other licensees without requiring them to contract with a licensed distributor to facilitate the transaction. Oregon's statutory scheme also appears to permit licensees to sell to each other without going through a distributor.

Alaska permits retail licensees to purchase marijuana from a cultivation facility licensee or a marijuana product manufacturing facility licensee. It also explicitly permits a cultivation licensee to sell marijuana to another cultivation licensee, product manufacturing licensee, or retail marijuana store. Marijuana product manufacturing licensees may sell marijuana products to a retail licensee or another product manufacturing licensee.

Illinois permits cultivation licensees and craft growers to sell marijuana to dispensing organization licensees, craft grower licensees, infusing organization licensees, and as otherwise authorized by rule. Cultivation licensees may also sell to transporter organization licensees. Infuser organization licensees may only sell their products to dispensing organization licensees or as otherwise authorized by rule. However, beginning July 1, 2020, licensees must either obtain a transporting

organization license or use the services of a transporting organization licensee to transport marijuana pursuant to such a sale.

Nevada, on the other hand, explicitly prohibits licensees from transporting adult-use marijuana to another establishment unless it is licensed as a distributor.

Restrictions on ownership of testing facility licenses

California, Colorado, Illinois, Maine, Massachusetts, and Michigan prohibit marijuana business licensees from also holding a testing facility license.

Oregon explicitly permits a person to hold multiple types of marijuana business licenses but stops short of authorizing a person to hold a testing facility license in addition to other licenses. Since cross-ownership of other types of licenses is explicitly authorized, this silence may be intended to be an implicit prohibition on cross-ownership of a testing license. Washington requires the regulator to adopt rules for establishing accreditation requirements for testing labs but does not statutorily require those regulations to include a prohibition on testing facility licensees sharing common financial interests with other licensees.

Regulator must establish accreditation requirements for testing labs

All the licensing states except Michigan require the regulator to establish accreditation requirements for testing laboratories. California and Nevada statutorily require all testing labs to obtain and maintain ISO/IEC 17025 accreditation, in addition to any other standards imposed by the regulator. Illinois requires testing labs to be accredited by a private laboratory accrediting organization and employ at least one person to oversee and be responsible for the lab who has earned a degree from a college or university accredited by a national or regional certifying authority.

Uncommon or Unique Provisions

Research licenses

Washington provides for a marijuana research license that permits a licensee to produce, process, and possess marijuana for the following research purposes: (1) testing chemical potency and composition levels; (2) conducting clinical investigations of marijuana-derived drug products; (3) conducting research on the efficacy and safety of administering marijuana as part of medical treatment; and (4) conducting genomic or agricultural research.

Oregon does not provide for a research license per se, but it does provide for a research certification. The regulator is required to adopt rules providing the qualifications for such certification, the term of

the certification, and the processes for applying for the certification.

Massachusetts does not specifically provide for a research license, but it does authorize the regulator to establish additional types of licenses and specifically mentions a license intended to facilitate scientific research or education.

Michigan authorizes the regulator to issue a license "intended to facilitate scientific research or education" but does not require that it do so.

California does not provide for a research license, but it does statutorily establish the California Cannabis Research Program.

Colorado provides for marijuana to be transferred to a pesticide manufacturer that performs research regarding the use of pesticides on marijuana. Colorado also authorizes marijuana testing facilities to perform research on both marijuana and hemp.

Maine authorizes product manufacturing licensees to conduct testing on their premises for research and development purposes. Testing facilities also may conduct research on marijuana, although Maine requires the regulator to adopt rules regarding acceptable testing and research practices for testing facilities.

Wholesaler licenses

Oregon is the only state that provides for a wholesaler license. The license must be renewed annually.

Storage of marijuana by a transporter

California requires distributors to store adult-use marijuana on the premises of the distributor until it is tested and approved for distribution or required to undergo remediation or destruction. Colorado permits transporters to maintain a licensed premises to temporarily store marijuana and use it as a centralized distribution point, so long as the premises is in a jurisdiction that permits retail marijuana stores.

Illinois and Michigan's statutes seem to imply that a transporter may store marijuana on its own premises without explicitly stating as much. Illinois permits a transporter to designate on its application its physical address, "if one is proposed," and requires transporters to conduct "a physical inventory ... of all cannabis on a weekly basis." Michigan is a bit more explicit, stating that "possessing or storing" marijuana is not illegal if performed by a secure transporter or its agent.

Neither Nevada nor Washington statutorily addresses the storage of marijuana by a transporter.

Maximum amount of marijuana that may be transported in a single shipment

Michigan limits shipments of marijuana to no more than 15 ounces of marijuana flower or 60 grams of concentrate. Washington explicitly authorizes the regulator to adopt rules providing the maximum amount of marijuana that may be shipped at one time but does not require that it do so, nor does it establish a statutory maximum.

Transporters may not hold title to marijuana

Michigan prohibits secure transporters from holding title to marijuana. Illinois and Nevada also prohibit transporters from owning marijuana unless the transporter also holds a license permitting it to purchase and sell marijuana.

Shipping manifests

California requires a distributor to transmit an electronic shipping manifest to the regulator and the recipient licensee before the transport of marijuana. A copy of the manifest must be maintained with the transporter during the course of shipment. Illinois also requires the transporter to carry a copy of the manifest for the delivery and further requires the recipient licensee to confirm the product's name, strain name, weight, and the identification number of the manifest matches the information on the cannabis product label and package.

Colorado requires the transporter to use the state's authorized seed-to-sale tracking system to create shipping manifests documenting the transport of retail marijuana.

Maine does not require licensees to complete a "shipping manifest," but it does require all transportation of marijuana products to be documented in accordance with rules adopted by the regulator.

Washington simply requires the regulator to adopt rules that provide a system of electronically tracking all products at both the point of pickup and the point of delivery.

Microbusiness licenses

California defines a "microbusiness" license as one allowing for the cultivation of marijuana on an area of less than 10,000 square feet and that acts as a distributor, manufacturer, and retailer. Michigan defines a microbusiness as one growing no more than 150 plants, and permits them to process, store, test, and sell marijuana.

Illinois provides for a "craft grower" license, which permits the licensee to "cultivate, dry, cure, and package cannabis and perform other necessary activities to make cannabis available for sale at a dispensing organization or use at a processing organization." Illinois limits craft growers to no more than 5,000 square feet of growing space for "plants in the flowering state."

Testing facilities may test samples provided by individuals

California permits testing labs to test samples provided by a qualified patient or caregiver or a sample that is homegrown by a person who is over 21 years of age. Maine implicitly permits such testing, as it explicitly provides that a testing facility need not notify the regulator of the results of testing conducted on marijuana at the direction of a person who is not a licensee.

[Click here](#) to open this table in a new tab/window.

	A	B
1		Alaska
2	Provides a marijuana research license	
3	Processors must be licensed	17.83.070
4	Processor licenses must be renewed annually	17.38.200(d)
5	Wholesaler license	
6	Transporter license	17.38.190(a)(4)
7	Duration of transporter license	
8	Storage of marijuana by a transporter	
9	Transporters only deliver to licensed premises	
10	Max amount of	

- Illinois – All citations are to Chapter 410, Act 705 (Cannabis Regulation and Tax Act)

- Maine – All citations are to Title 28-B (Adult Use Marijuana)
- Massachusetts – All citations are to Title XV, Chapter 94G (Regulation of the Use and Distribution of Marijuana Not Medically Prescribed)
- Nevada – All citations are to laws set to take effect on July 1, 2020, per 2019 Nevada Laws Chapter 595 (A.B. 533)
- Vermont – All citations are to Title 18 (Health), except the citation to section 17 of Act 86 (2018)

Authored By



Benjamin E. Stearns

Related Practices

[Cannabis Law](#)

©2024 Carlton Fields, P.A. Carlton Fields practices law in California through Carlton Fields, LLP. Carlton Fields publications should not be construed as legal advice on any specific facts or circumstances. The contents are intended for general information and educational purposes only, and should not be relied on as if it were advice about a particular fact situation. The distribution of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship with Carlton Fields. This publication may not be quoted or referred to in any other publication or proceeding without the prior written consent of the firm, to be given or withheld at our discretion. To request reprint permission for any of our publications, please use our Contact Us form via the link below. The views set forth herein are the personal views of the author and do not necessarily reflect those of the firm. This site may contain hypertext links to information created and maintained by other entities. Carlton Fields does not control or guarantee the accuracy or completeness of this outside information, nor is the inclusion of a link to be intended as an endorsement of those outside sites.