**§803-A. Administrative holds**

In accordance with the provisions of this section, the department may impose an administrative hold on a licensee if, as a result of an inspection or investigation of the licensee by the department or a criminal justice agency, the department determines there are reasonable grounds to believe the licensee or an agent or employee of the licensee has committed or is committing a violation of the provisions of this chapter, the rules adopted pursuant to this chapter or the terms, conditions or provisions of the licensee's license. [PL 2019, c. 491, §6 (NEW).]

**1. Notice.**  The department shall provide to a licensee subject to an administrative hold notice of the imposition of that hold, which must:

A. Include a concise statement of the basis for the administrative hold; [PL 2019, c. 491, §6 (NEW).]

B. Detail the cannabis, cannabis products or cannabis plants subject to the administrative hold; [PL 2019, c. 491, §6 (NEW); PL 2021, c. 669, §5 (REV).]

C. Describe any operational restrictions to be placed on the licensee's license during the duration of the administrative hold; and [PL 2019, c. 491, §6 (NEW).]

D. Indicate actions that must be taken by the licensee as a result of the administrative hold. [PL 2019, c. 491, §6 (NEW).]

An administrative hold takes effect at the time that the notice under this subsection is provided by the department to the licensee.

[PL 2019, c. 491, §6 (NEW); PL 2021, c. 669, §5 (REV).]

**2. Licensee actions.**  A licensee subject to an administrative hold must physically segregate in a limited access area any cannabis, cannabis products or cannabis plants subject to the hold, as detailed in the notice under subsection 1, from any other cannabis, cannabis products or cannabis plants not subject to the hold. For the duration of the administrative hold, the licensee may not sell, give away, transfer, transport, dispose of or destroy any cannabis, cannabis products or cannabis plants subject to the hold, but may, as applicable, cultivate, harvest, manufacture or otherwise maintain the cannabis, cannabis products or cannabis plants subject to the hold unless specifically restricted by the department from engaging in such activities pursuant to subsection 1, paragraph C.

[PL 2019, c. 491, §6 (NEW); PL 2021, c. 669, §5 (REV).]

**3. Operational responsibilities and restrictions.**  A licensee subject to an administrative hold shall, for the duration of the hold, maintain the licensee's licensed premises and otherwise continue to operate the licensee's licensed cannabis establishment in accordance with the provisions of this chapter, the rules adopted pursuant to this chapter and the terms, conditions or provisions of the licensee's license and the provisions of the administrative hold. Except as specifically restricted by the department pursuant to a notice under subsection 1, the licensee may, for the duration of the administrative hold and as applicable to the licensee's license type, cultivate, manufacture, test or sell any cannabis, cannabis products or cannabis plants not subject to the administrative hold.

[PL 2019, c. 491, §6 (NEW); PL 2021, c. 669, §5 (REV).]

**4. Termination; duration.**  The department may terminate an administrative hold at any time following the imposition of the hold, except that a hold under this section may not be imposed for a period exceeding 30 consecutive days from the date notice is provided to the licensee in accordance with subsection 1. Notice of termination of an administrative hold must be provided by the department to the licensee subject to the hold.

[PL 2019, c. 491, §6 (NEW).]

**5. Department action; administrative hold not required prior to imposition of penalty.**  Subsequent to the termination of an administrative hold under subsection 4, the department, in accordance with the applicable provisions of this subchapter and the rules adopted pursuant to this subchapter, may impose a monetary penalty on the licensee that was subject to the hold or suspend or revoke the licensee's license for a violation of the provisions of this chapter, the rules adopted pursuant to this chapter or the terms, conditions or provisions of the licensee's license.

The department is not required to impose an administrative hold on a licensee prior to imposing a monetary penalty on a licensee or suspending or revoking the licensee's license in accordance with the applicable provisions of this subchapter and the rules adopted pursuant to this subchapter for a violation of the provisions of this chapter, the rules adopted pursuant to this chapter or the terms, conditions or provisions of the licensee's license.

[PL 2019, c. 491, §6 (NEW).]

SECTION HISTORY

PL 2019, c. 491, §6 (NEW). PL 2021, c. 669, §5 (REV).

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