Department of Legislative Services

Maryland General Assembly
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FISCAL AND POLICY NOTE

House Bill 1321 (Delegate Glenn, *et al.*)
Health and Government Operations

Natalie M. LaPrade Medical Marijuana Commission - Treatment, Certification, Licensing, and Registration

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This bill significantly expands the purpose of the Natalie M. LaPrade Medical Marijuana Commission to include specified provisions related to medical marijuana treatment centers and independent testing laboratories; the bill establishes provisions for the registration and certification, respectively, of these types of facilities. The bill also establishes a cardholder registration system to authorize a qualifying patient to obtain and use medical marijuana. The bill limits the amount of marijuana that a qualifying patient may be in possession of to at most a 60-day supply. Additionally, the bill allows the commission to set reasonable fees to cover its operating costs; fee revenues collected by the commission are distributed to the commission's special fund. The bill limits the number of medical marijuana growers that may be licensed to five and allows medical marijuana treatment centers to also be registered as cultivation centers. The commission must adopt specified regulations to implement the bill.

The bill takes effect June 1, 2014.

Fiscal Summary

State Effect: General fund expenditures increase beginning in FY 2014 for the commission to implement the bill; future years reflect the addition of staff for the commission as well as the Department of Health and Mental Hygiene (DHMH), software development and equipment purchases, and ongoing costs. Under the assumptions discussed below, general fund expenditures likely increase by about $41,400 in FY 2014 and about $1.4 million in FY 2015. Minimal special fund revenues may be realized beginning in FY 2016, with some general fund revenues accruing as well. Special fund expenditures may increase correspondingly.

(in dollars)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
GF Revenue	$0	$0	-	-	-
SF Revenue	$0	$0	-	-	-
GF Expenditure	$41,400	$1,364,500	$826,900	$852,800	$888,100
SF Expenditure	$0	$0	-	-	-
Net Effect	($41,400)	($1,364,500)	($826,900)	($852,800)	($888,100)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Any impact on local government finances is likely minimal and may be offset by fewer violations of current law.

Small Business Effect: Potential meaningful. Medical marijuana treatment centers may also be registered as cultivation centers; independent testing laboratories must be private entities.

Analysis

Bill Summary:

Definitions

The bill defines "qualifying patient" as a resident of the state who is at least age 21, unless exempted by the commission, and who (1) has been provided with written certification by a certifying physician in accordance with a *bona fide* physician-patient relationship or (2) as under current law, is enrolled in a research program with a registered academic medical center. The bill defines "certifying physician" as an individual licensed by the State Board of Physicians to practice medicine who is in good standing to write prescriptions. "Personal caregiver" means a person who has agreed to assist with a qualifying patient's medical use of marijuana or an employee of a hospice provider, nursing facility, or medical facility providing care to a qualifying patient. "Cardholder" means a qualifying patient, a personal caregiver, a medical marijuana treatment center, a medical marijuana treatment center agent, or a laboratory agent who has been issued and possesses a valid registration card.

Expanded Purpose of the Commission

The bill expands the purpose of the Natalie M. LaPrade Medical Marijuana Commission to include the (1) issuing of rules relating to medical marijuana treatment centers; (2) approving or denying applications for medical marijuana treatment centers; (3) developing a confidential means to document outcomes of qualifying patients who utilize medical marijuana treatment centers; (4) issuing rules relating to independent

testing laboratories; (5) approving or denying applications for independent testing laboratories; and (6) approving or denying new debilitating medical conditions that qualify for medical use of marijuana.

Medical Conditions that Qualify for the Medical Use of Marijuana

The commission is encouraged to approve satisfactory applications for registration that include specified chronic or debilitating diseases or medical conditions (or the treatment of those diseases or conditions, if they produce specified symptoms). In addition, the commission may approve applications for registration that include any other condition that is severe and resistant to conventional medicine if (1) recognized drugs or treatments would not be effective; (2) other treatment options have more serious side effects or a greater risk of addiction; or (3) the potential benefits of the medical use of marijuana would likely outweigh the health risks for the patient.

A person may petition the commission to add specific medical conditions or treatments to the list of debilitating medical conditions. The petition must be considered in the same manner required by DHMH regulation, including public notice and hearing, and the commission must approve or deny the petition within 180 days of submission. The approval or denial is subject to judicial review.

Licensed Growers

Licensed growers are authorized to provide medical marijuana to medical marijuana treatment centers (in addition to academic medical center medical marijuana compassion use programs), the commission may license no more than a total of five growers.

Medical Marijuana Treatment Centers and Their Agents

Medical marijuana treatment centers (*i.e.*, registered entities that acquire, cultivate, possess, process, transfer, transport, sell, distribute, dispense, or administer marijuana or marijuana supplies) must register with *DHMH*. DHMH may, within 90 days of a treatment center's application, register the center for operation in the State. DHMH may also issue a cultivation registration to a center that submits specified application materials, including a fee, as well as operating procedures that the center will use consistent with DHMH regulations for oversight. In the first year, the *commission* may issue at most 20 registrations for medical marijuana treatment centers, and only 5 centers may be located in any one county or Baltimore City. On or after October 1, 2016, the commission may determine if the number of centers is sufficient to meet patient needs and increase the number accordingly. The commission is encouraged to favor vertically integrated centers that have cultivation registrations.

A medical marijuana treatment center agent (employee, volunteer, officer, or board member of a medical marijuana treatment center) must be at least age 21 and registered with the *commission* before the agent may volunteer or work at the center. The medical marijuana treatment center has to apply to the commission for a registration card for each affiliated agent by submitting the name, address, and date of birth of the agent. If an agent ceases to be associated with a treatment center, the center must notify the commission within one business day; the commission must then immediately revoke the agent's registration card. The commission may not register a person who has been convicted of a felony drug offense, and the commission may conduct criminal history records checks to enforce this provision.

Independent Testing Laboratories to Test Marijuana and Their Agents

The commission must establish standards for and certify one or more private and independent testing laboratories to test marijuana and marijuana products that are to be sold in the State. The laboratory must be able to accurately determine, with respect to marijuana and marijuana products to be sold in the State, (1) the concentration of THC and cannabidiol in a product; (2) whether the tested material in a product is organic or inorganic; (3) the presence and identification of molds and fungus; and (4) the presence and concentration of fertilizers and other nutrients in a product. To obtain certification from the commission on behalf of an independent testing laboratory, an applicant must follow commission regulations and pay the required fees established by the commission.

A laboratory agent (employee, volunteer, officer, or board member of an independent testing laboratory) must be at least age 21 and registered with the commission before the agent may volunteer or work at the laboratory. The independent testing laboratory has to apply to the commission for a registration card for each affiliated agent by submitting the name, address, and date of birth of the agent. If an agent ceases to be associated with a laboratory, the laboratory must notify the commission within one business day; the commission must then immediately revoke the agent's registration card. The commission may not register a laboratory agent who has been convicted of a felony drug offense, and the commission may conduct criminal history records checks to enforce this provision.

Registration Cards

A qualifying patient may apply to *DHMH* for a medical marijuana registration card by submitting a written certification from a physician and an application with the applicant's name, address, and date of birth and the applicant's personal caregiver's name, address, and date of birth, if any. A personal caregiver must be at least age 21 and is prohibited from consuming marijuana obtained for the personal, medical use of the qualifying patient. A person's registration card verifies:

- for a qualifying patient, that a physician has provided a written certification to the cardholder;
- for a personal caregiver, that a qualifying patient has designated the cardholder as a personal caregiver; and
- for a medical marijuana treatment center agent or laboratory agent, that the cardholder has met the terms of the law.

Any registration card documents for the commission and law enforcement that the cardholder is exempt from State criminal and civil penalties for conduct related to the medical use of marijuana. The commission may, after a hearing, revoke a registration card for a willful violation of the law related to medical marijuana. The standard of proof for revocation is a preponderance of the evidence.

The commission must maintain a confidential list of all persons issued medical marijuana registration cards. Individual names and other identifying information on the list are not subject to disclosure except to employees of the commission in the course of official duties and *State* law enforcement officials when verifying a cardholder's registration.

A registration card may not be issued to a qualifying patient who is younger than age 21 unless:

- the qualifying patient's physician has explained the potential risks and benefits of the medical use of marijuana to the custodial parent or legal guardian responsible for health care decisions for the patient;
- a custodial parent or legal guardian submits a written certification from a physician and;
- the custodial parent or legal guardian of the qualifying patient consents in writing to (1) allow the qualifying patient's medical use of marijuana and (2) either serve as the qualifying patients personal caregiver or grant written consent that another designated person older than 21 will serve as the patient's personal caregiver.

Protections, Penalties, and Other Legal Considerations

Entities that are protected from arrest, prosecution, or any civil or administrative penalty – or be denied any right or privilege – for actions taken within the authorization of the bill include (1) a qualifying patient who is a cardholder in possession of no more than a 60-day supply of useable marijuana; (2) a certifying physician; (3) a personal caregiver who is a cardholder; (4) a medical marijuana treatment center agent who is a cardholder; and (5) a laboratory agent who is a cardholder.

A physician or any other health care professional under a physician's supervision may not be penalized under State law or denied any right or privilege for advising a qualifying patient about the risks and benefits of medical use of marijuana or providing a qualifying patient with written certification that he or she may benefit from the medical use of marijuana.

A medical marijuana treatment center, independent testing laboratory, and their agents may not be arrested or penalized under State law for acquiring, possessing, cultivating, processing, transferring, transporting, selling, distributing, and dispensing marijuana, marijuana products, and related supplies and educational materials for use by a qualifying patient or a personal caregiver.

The lawful possession, cultivation, transfer, transport, distribution, or manufacture of medical marijuana may not result in the forfeiture or seizure of property. A person may not be arrested or prosecuted for a criminal offense solely for being in the presence of medical marijuana or for the medical use of marijuana as authorized under the bill.

The bill repeals the felony offense of distributing, possessing, manufacturing, or using marijuana that has been diverted from an approved program or from a patient enrolled in an approved program. Instead, a person who violates such provisions is not entitled to the legal protections described above.

Cardholder Rights

A school may not refuse to enroll or otherwise penalize a person solely for status as a cardholder unless complying would cause the school to lose a monetary or licensing-related benefit under federal law or regulations. A landlord may not refuse to lease or otherwise penalize a person solely for status as a cardholder unless complying would cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations.

Unless complying would cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, the employer may not discriminate against a person in hiring, termination, or imposition of a term or condition of employment or otherwise penalize a person based on the person's status as a cardholder or a registered qualifying patient's positive drug test for marijuana (unless the patient used, possessed, or was impaired by marijuana while at work).

For the purposes of medical care, including organ transplants, a registered qualifying patient's authorized use of marijuana must be considered equivalent to the use of another medication prescribed by a physician and does not constitute the use of an illicit substance or disqualify a patient from medical care.

A cardholder may not be denied custody of or visitation or parenting time with a minor, and there is no presumption of neglect or child endangerment for the authorized use of medical marijuana unless the cardholder's behavior creates an unreasonable danger to the safety of the minor.

Provider and Insurer Rights

The laws related to the medical use of marijuana do not require (1) a health insurance provider or a government agency or other authority to reimburse a person for the expenses of medical marijuana use or (2) a health care professional to authorize the medical use of marijuana for a patient.

Required Regulations

Within 120 days after October 1, 2014, the commission must issue regulations:

- defining the quantity of marijuana that could reasonably be presumed to be a 60-day supply for qualifying patients, based on the best evidence available;
- to set application fees for medical marijuana treatment centers so as to defray the administrative costs of the medical marijuana program; and
- to implement the bill.

The commission must also develop regulations to facilitate confidential data collection on the medical progress and outcomes of a qualifying patient who obtains medical marijuana from a medical marijuana treatment center. The commission may not collect information that identifies an individual qualifying patient or personal caregiver of the patient.

Until final regulations are approved, (1) a written certification by a physician constitutes a registration card for a qualifying patient and (2) a certified mail return receipt showing compliance with the law by a qualifying patient and a photocopy of the application for registration constitutes a registration card for that patient's personal caregiver.

Current Law:

Natalie M. LaPrade Medical Marijuana Commission and Fund

Chapter 403 of 2013 established the Natalie M. LaPrade Medical Marijuana Commission and Fund. A member of the commission may not receive compensation as a member of the commission but is entitled to reimbursement for expenses. In addition, the commission is authorized to employ staff (including contractual staff) in accordance with the State budget.

The commission is required to administer the fund, which consists of any money appropriated in the State budget to the fund and any other money from any other source accepted for the benefit of the fund (in accordance with any conditions adopted by the commission). Expenditures from the fund may be made only in accordance with the State budget. The fund is subject to legislative audit and must be invested in the same manner as other State funds, with investment earnings retained to the credit of the fund. No part of the fund may revert or be credited to the general fund or any other special fund of the State.

The commission must, during fiscal 2014, develop specified policies, procedures, regulations, and guidelines for the bill's implementation. By December 1, 2013, the commission was required to report to the Governor and the General Assembly on sources of funding for, and suggested fees to support, the implementation of Chapter 403 beginning July 1, 2014.

Application Process for Academic Medical Centers

The commission must annually issue a request for applications for academic medical centers to operate medical marijuana compassionate use programs. An "academic medical center" is a hospital that operates a medical residency program for physicians and conducts research that is overseen by the U.S. Department of Health and Human Services and involves human subjects. An application submitted by an academic medical center must:

- specify the medical conditions to be treated, the criteria by which patients will be included in or excluded from participation, how patients will be assessed for addiction before and during treatment, and the length of treatment and dosage permitted;
- describe the source and type of the marijuana to be used, how health care providers will be eligible to participate and what training they will receive, and the plan for defining and monitoring the success or failure of treatment;
- demonstrate approval of the program by the center's institutional review board;
- include a description of whether and how caregivers will interact with participating patients, a plan for monitoring aggregate data and outcomes and publishing results, and a description of the sources of funding; and
- describe any required training for providers and patients on diversion-related issues, steps the center will take to prevent and monitor diversion, how the program will dispose of any unused marijuana, and how the center and the program will meet any other established criteria.

The commission is required to establish an application review process that includes reviewers with expertise in scientific research and analysis, medical training, and law enforcement. The commission may grant a one-year renewable license to a program and must set application and renewal fees that cover its expenses in reviewing and approving applications and providing program oversight.

The commission may approve no more than five programs to operate at one time. The commission must report annually to the Governor and the General Assembly on approved programs that are operating.

Program Limitations and Requirements

An academic medical center that is approved to operate a program must provide to the commission, on a daily basis, updated data on patients and caregivers; the commission must then make the data available in real time to law enforcement. If an academic medical center utilizes caregivers as part of a program, the center is required to limit the number of patients a caregiver is allowed to serve to no more than five and limit the number of caregivers that serve a particular patient to no more than two.

An academic medical center must report annually to the commission. In addition, a center that wishes to continue the program has to apply annually to the commission for renewal of approval. A center is also subject to inspection by the commission (which is authorized to rescind approval of a program if the program is found to not be in compliance with established conditions of approval).

Licensed Growers

The commission is required to license medical marijuana growers to operate in the State to provide marijuana to (and only to) approved programs. However, the commission may license no more than five medical marijuana growers *for each approved program*. In addition, the commission must establish requirements for security (including a product-tracking system) and for the manufacturing process; a grower must meet these requirements to obtain a license. The commission is authorized to inspect licensed growers to ensure compliance and may impose penalties upon, or rescind the license of, a grower that does not meet the commission’s standards for licensure.

An academic medical center may use marijuana obtained only from the federal government or from a licensed medical marijuana grower.

Protections, Penalties, and Other Legal Considerations

The following persons may not be subject to arrest, prosecution, or any civil or administrative penalty – or be denied any right or privilege – for the medical use of marijuana: (1) a patient enrolled in an approved program who is in possession of an amount of marijuana that is authorized under the program; (2) a licensed grower (or the grower's employee) who is acting in accordance with the terms of the license; or (3) an academic medical center or employee of the center (or any other person associated with the operation of an approved program), for activities conducted in accordance with the program.

A person is prohibited from distributing, possessing, manufacturing, or using marijuana that has been diverted from an approved program or from a patient who is enrolled in an approved program. A violator is guilty of a felony and on conviction is subject to (in addition to any existing applicable penalties) imprisonment for up to five years and/or a fine of up to $10,000.

Chapter 403 does not authorize any individual to engage in (and does not prevent the imposition of any civil, criminal, or other penalties for) any of the following: (1) undertaking any task under the influence of marijuana when doing so would constitute negligence or professional malpractice; (2) operating, navigating, or being in actual physical control of any motor vehicle, aircraft, or boat while under the influence of marijuana; or (3) smoking marijuana in any public place, in a motor vehicle, or on a private property that is subject to specified policies prohibiting the smoking of marijuana on the property.

Background:

Natalie M. LaPrade Medical Marijuana Commission Status

The commission is developing policies, procedures, guidelines, and regulations to implement programs for the medical use of marijuana beginning in July 2014. On November 25, 2013, the commission issued its first report to the Governor and members of the General Assembly. According to the report, the commission began to meet in September 2013 and has formed three subcommittees: Governance; Education, Outreach, and Financing; and Policy. Since that time, the commission reports that it has developed draft regulations related to fees and that it is discussing future-year funding with various philanthropic organizations. The regulations have not yet been promulgated.

Additionally, in a recent report to the General Assembly, the chairman of the commission estimated that the initiative is at least 18 months away from providing medical marijuana

to patients. The chairman reported that, in a best-case scenario, it could take up to two years for a medical center to set up a program and to make arrangements for a grower to provide the marijuana. The chairman further reported that the State's academic medical centers have been wary about participating in the program because they receive federal grants and their participation could jeopardize this source of funding.

Federal Marijuana Regulations and Requirements

During the November 2012 elections, voters in Colorado and Washington approved ballot measures to decriminalize marijuana use and possession and create a state-regulated marijuana market. Marijuana remains a controlled dangerous substance under federal law, and residents of Colorado and Washington are not immune from federal prosecution. Though states are not obligated to enforce federal marijuana laws, and the federal government cannot force Colorado and Washington to recriminalize conduct that has been decriminalized in these states, the federal government can try to block the implementation of these laws. In a memorandum released in August 2013, the U.S. Department of Justice (DOJ) announced an update to its federal marijuana enforcement policy in response to the many state initiatives related to marijuana. DOJ makes clear that marijuana remains an illegal drug under the Controlled Dangerous Substances Act and federal prosecutors will continue to aggressively enforce statute. DOJ identified eight enforcement areas for federal prosecutors to focus on that include:

- preventing the distribution of marijuana to minors;
- preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;
- preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
- preventing state-authorized marijuana activity from being used as a cover or pretext for other illegal drugs or activity;
- preventing violence and the use of firearms in the cultivation and distribution of marijuana;
- preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
- preventing the growing of marijuana on public lands; and
- preventing marijuana possession or use on federal property.

Recently, the Obama administration has also issued guidelines intended to give banks confidence that they will not be punished if they provide services to legitimate marijuana businesses in states that have legalized the medical or recreational use of the drug. The guidance requires banks to vigorously monitor marijuana-industry customers in a variety of ways. While the guidelines do not grant immunity to banks, they do direct prosecutors

and regulators to focus only on financial institutions that have failed to adhere to the guidance.

State Fiscal Effect: General fund expenditures increase – potentially significantly – as the commission and DHMH implement the bill. Under the assumptions below, general fund expenditures for the commission increase by about $41,400 in fiscal 2014 to begin developing specified regulations as required. In fiscal 2015, general fund expenditures increase by a total of almost $1.4 million – approximately $771,700 for the commission and $592,800 for DHMH. Special fund fee revenues could be realized beginning in fiscal 2016 and begin to be used to defray a small portion of commission costs being covered by general funds at that time. However, because it is unlikely that the fees (which, under the bill, are intended to accrue to the commission's special fund and be used to cover its costs) would be set at a sufficiently high level to cover all such costs, general funds are expected to continue to be needed for commission expenditures for several years. All DHMH expenditures, which are ongoing, are covered by the general fund. Moreover, as certain fees under the bill are paid to DHMH rather than the commission, general fund revenues also increase, likely beginning in fiscal 2016.

Due to the lack of specificity for many provisions in the bill, several assumptions must be made, as discussed below.

- The commission has advised that, even within the parameters of its existing program, medical marijuana could not be available for distribution to patients for at least 18 months and more likely two years. Under the current program, before any license is issued to a grower, an academic medical center should express interest and pursue a program. With this bill, a medical marijuana program can be in place much more quickly – even so, certain actions have to be taken, both under the bill and current law, before any patients can receive medical marijuana. Because growers must still be licensed (or the new medical marijuana treatment centers must also be registered as cultivation centers), the earliest timeframe for cultivation and distribution is fiscal 2016.

- While most provisions appear to be authorizing in nature, the Department of Legislative Services assumes that all are to be implemented. The bill sets out requirements in the following areas: (1) the commission must develop specified regulations – most of them within 120 days of the bill's June 1, 2014 effective date; (2) it has to establish standards for and certify independent testing laboratories (with additional oversight provisions related to these laboratories); (3) it has to approve or deny petitions for additional qualifying medical conditions; (4) it has to maintain a confidential list of the persons issued medical marijuana registration cards; (5) it has to revoke the registration card of a medical marijuana treatment center agent or an independent testing laboratory agent when the agent

ceases to be associated with the entity; (6) a registration card must specify certain information intended to protect the card holder from any legal repercussions; and (7) a medical marijuana treatment center has to register with DHMH (but must apply to the commission for registration cards for its agents).

- The bill authorizes the commission to set reasonable fees to cover its operating costs and directs fees *collected* by the commission to the existing special fund (which is not otherwise capitalized). Even so, fee revenues for the commission are expected to be minimal as the bill does not mention a fee in connection with qualifying patients or their personal caregivers – it only does so in connection with the medical marijuana treatment centers (and only in connection with issuance of a cultivation registration for such a center) and the independent testing laboratories. The fee requirement for these facilities does not appear to extend to their affiliated agents as provisions associated with those agents are in different sections, and the bill does not mention a fee in connection with the agents. Moreover, even though the bill charges the *commission* with setting application fees for medical marijuana treatment centers so as to defray the administrative costs of the medical marijuana program and authorizes the commission to register up to 20 of them in the first year, the bill specifies that the medical treatment centers *must submit their applications and (if applying to also be a cultivation center) associated fees to DHMH*, rather than the commission. Thus, the only fee collected by the commission is an application fee to certify one or more independent testing laboratories.

- Accordingly, all expenditures attributed to the commission are assumed to be general funds in fiscal 2014 and 2015. In subsequent years, the general fund must still be the primary source of funding for the commission, although it is possible that some special funds may be available to help defray costs. Even when fees begin to be collected (likely in fiscal 2016), most revenue is likely collected by DHMH (and thus credited to the general fund) rather than the commission (as noted above).

- The estimate assumes that the registration card system is housed within DHMH instead of the commission because DHMH is the issuing entity under the bill for registration cards to qualifying patients (and, presumably, their personal caregivers). The vast majority of registration cards are expected to be issued to qualifying patients. Thus, the commission (which is responsible for issuing cards to agents) is assumed to refer any agent registrants to DHMH for their cards, and all costs associated with issuance of registration cards are borne by DHMH and are covered with general funds.

- Because the bill is silent on the format, type, and any security measures to be taken related to issuance of registration cards, it is not clear whether the cards must incorporate a photograph or other identifying information. If such a requirement were envisioned, it would necessitate central issuance and likely require applicants to present in person. The bill simply specifies the submission of minimal information by applicants to be qualifying patients (a written certification from a physician, name, address, and date of birth). Medical marijuana treatment centers and independent testing laboratories submit similar information in the applications for their affiliated agents' registration cards – name, address, and date of birth. Nevertheless, this estimate assumes a base level of identification and security for the registration cards. DHMH is, therefore, assumed to procure the necessary equipment and supplies to do so – at a likely cost of at least $500,000 (with ongoing maintenance costs), as a less secure method would be susceptible to counterfeiting or theft.

- The bill is also silent on the requirements associated with the confidential list of registrants with a medical marijuana card, except to note that it is the responsibility of the commission (and include some disclosure provisions). Thus, it is assumed that the commission develops a secure database to store and maintain the information – at a cost of at least $250,000, with ongoing maintenance costs.

- The commission currently has only one staff – an acting executive director – and does not have sufficient resources to handle the many additional duties associated with the expansion of the current medical marijuana program. Additional resources are necessary for both the commission and DHMH.

- Chapter 403 of 2013 assumed the commission would receive three staff in fiscal 2014; the commission has one staff. To implement the provisions of this bill, the commission needs at least four additional full-time staff: a physician; a pharmacist; a systems administrator; and a program administrator. While secretarial and legal support is also needed, these positions were to have been added under Chapter 403. As they have not been, this estimate also includes a secretary and an attorney. DHMH also needs staff to implement the registration card requirements – with a systems administrator in fiscal 2015 to develop/oversee the system. A program administrator and office secretary are not needed until fiscal 2016 when issuance of registration cards likely begins. The estimate assumes certain staff must be in place on June 1, 2014, to be able to meet the bill's requirement for development of regulations. Others are brought in throughout fiscal 2015, when they are needed, and still others are added in fiscal 2016. Thus, general fund expenditures associated with personnel increase by about $41,400 in

fiscal 2014 and about $614,500 in fiscal 2015. When additional staff is brought on in fiscal 2016, personnel costs escalate to $776,900.

- Additional staff may be needed in future years as the program expands, but the estimate does not account for them.

- The bill does not include any inspection duties or enforcement authority associated with the expanded program; thus, inspectors and other such personnel are not needed. The need for an agronomist or biologist is obviated by the certification of at least one independent testing facility.

- Any impact associated with assessing patient outcomes would not be realized until fiscal 2017 at the earliest and is not accounted for in this analysis.

- The bill repeals the felony offense of distributing, possessing, manufacturing, or using marijuana that has been diverted from an approved program; however, the repeal has no fiscal impact as there are currently no approved programs.

- The demand for medical marijuana in Maryland and the interest in participating as a medical marijuana treatment center (and registered cultivation center) is unclear. Nevertheless, this estimate assumes sufficient interest results in implementation of the program outlined in the bill. However, the estimate is driven more by duties of the commission and DHMH than by the take-up rates for qualifying patients (or treatment centers), as many of the costs outlined must be incurred regardless of the number of participants. Moreover, revenues are not dependent on the take-up rate related to patients.

Additional Comments: The academic medical centers in the State (The Johns Hopkins University and University of Maryland Medical System) continue to advise that they have no plans to participate in the compassionate medical marijuana program. Thus, expanding the program to include medical marijuana treatment centers (some of which may also be cultivation centers), independent testing laboratories, and a separate process for patients to be qualified for the medical use of marijuana through a *bona fide* physician-patient relationship (rather than through an academic medical center) makes the program more likely to come to fruition.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene; Judiciary (Administrative Office of the Courts); University System of Maryland; Department of Housing and Community Development; Department of Public Safety and Correctional Services; Maryland Insurance Administration; Charles, Frederick, and Montgomery counties; The Johns Hopkins University; National Conference of State Legislatures; U.S. Department of Justice; *New York Times*; Department of Legislative Services

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Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510