

# HOUSE BILL 487

J1

EMERGENCY BILL

7lr1024  
CF SB 267

---

By: Delegates Glenn, Anderson, Angel, Atterbeary, Barkley, B. Barnes, D. Barnes, Barron, Branch, Bromwell, Brooks, Carr, Chang, Clippinger, Conaway, Davis, Fennell, Frick, Frush, Gaines, Glass, Gutierrez, Hayes, Haynes, Healey, Hill, Holmes, C. Howard, Jackson, Jalisi, Jones, Knotts, Korman, Kramer, Lafferty, Lewis, Lierman, McCray, A. Miller, Moon, Morales, Oaks, Patterson, Pena-Melnyk, Platt, Proctor, Queen, Sanchez, Stein, Sydnor, Tarlau, Turner, Waldstreicher, Walker, A. Washington, M. Washington, C. Wilson, and K. Young

Introduced and read first time: January 27, 2017

Assigned to: Health and Government Operations

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Natalie M. LaPrade Medical Cannabis Commission – Composition and Licenses**

3 FOR the purpose of altering the membership of the Natalie M. LaPrade Medical Cannabis  
4 Commission; providing that an appointment made to the Commission is subject to  
5 confirmation by the Senate of Maryland; requiring the membership of the  
6 Commission to reflect the racial diversity of the State; prohibiting a member of the  
7 Commission from being employed or otherwise affiliated with a grower, processor, or  
8 dispensary for a certain time period; increasing the number of growers that may be  
9 licensed by the Commission; requiring that the number of grower licenses authorized  
10 by the Commission be reduced by a certain number of licenses under certain  
11 circumstances; requiring the Commission to hire a certain consultant to assist in  
12 scoring and grading applications for grower and processor licenses; requiring the  
13 Commission, in consultation with the consultant, to conduct a certain rescoring of  
14 certain applications using certain weighted averages; providing that the Commission  
15 may license no more than a certain number of processors; authorizing the  
16 Commission, beginning on a certain date, to issue the number of processor licenses  
17 necessary to meet a demand for medical cannabis by certain individuals; requiring  
18 the terms of certain members of the Commission to terminate on a certain date;  
19 requiring certain positions to be filled in accordance with certain provisions of this  
20 Act; making this Act an emergency measure; and generally relating to the Natalie  
21 M. LaPrade Medical Cannabis Commission.

22 BY repealing and reenacting, with amendments,  
23 Article – Health – General

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 13–3303, 13–3306(a), and 13–3309  
2 Annotated Code of Maryland  
3 (2015 Replacement Volume and 2016 Supplement)

4 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
5 That the Laws of Maryland read as follows:

6 **Article – Health – General**

7 13–3303.

8 (a) **(1)** The Commission consists of the following [16] members:

9 [(1) The Secretary of Health and Mental Hygiene, or the Secretary’s  
10 designee; and

11 (2) The following 15] **(1) THREE** members, appointed by the  
12 Governor[:

13 (i) Two members of the public who support the use of cannabis for  
14 medical purposes and who are or were patients who found relief from the use of medical  
15 cannabis;

16 (ii) One member of the public designated by the Maryland Chapter  
17 of the National Council on Alcoholism and Drug Dependence;

18 (iii) Three physicians licensed in the State;

19 (iv) One nurse licensed in the State who has experience in hospice  
20 care, nominated by a State research institution or trade association;

21 (v) One pharmacist licensed in the State, nominated by a State  
22 research institution or trade association;

23 (vi) One scientist who has experience in the science of cannabis,  
24 nominated by a State research institution;

25 (vii) One representative of the Maryland State’s Attorneys’  
26 Association;

27 (viii) One representative of law enforcement;

28 (ix) An attorney who is knowledgeable about medical cannabis laws  
29 in the United States;

30 (x) An individual with experience in horticulture, recommended by  
31 the Department of Agriculture;

1 (xi) One representative of the University of Maryland Extension; and

2 (xii) One representative of the Office of the Comptroller];

3 (II) ONE MEMBER OF THE SENATE OF MARYLAND, APPOINTED  
4 BY THE PRESIDENT OF THE SENATE; AND

5 (III) ONE MEMBER OF THE HOUSE OF DELEGATES, APPOINTED  
6 BY THE SPEAKER OF THE HOUSE.

7 (2) AN APPOINTMENT MADE TO THE COMMISSION UNDER  
8 PARAGRAPH (1) OF THIS SUBSECTION SHALL BE SUBJECT TO CONFIRMATION BY THE  
9 SENATE OF MARYLAND.

10 (3) THE MEMBERSHIP OF THE COMMISSION SHALL REFLECT THE  
11 RACIAL DIVERSITY OF THE STATE.

12 (b) (1) The term of a member is 4 years.

13 (2) [The terms of the members are staggered as required by the terms  
14 provided for members on October 1, 2013.

15 (3)] At the end of a term, a member continues to serve until a successor is  
16 appointed and qualifies.

17 [(4)] (3) A member may not serve more than three consecutive full terms.

18 [(5)] (4) A member who is appointed after a term has begun serves only  
19 for the rest of the term and until a successor is appointed and qualifies.

20 (5) A MEMBER MAY NOT BE EMPLOYED OR OTHERWISE AFFILIATED  
21 WITH A GROWER, PROCESSOR, OR DISPENSARY FOR 2 YEARS FROM THE DATE ON  
22 WHICH THE TERM OF THE MEMBER ENDED.

23 (c) The Governor shall designate the chair from among the members of the  
24 Commission.

25 (d) A majority of the full authorized membership of the Commission is a quorum.

26 (e) A member of the Commission:

27 (1) May not receive compensation as a member of the Commission; but

1 (2) Is entitled to reimbursement for expenses under the Standard State  
2 Travel Regulations, as provided in the State budget.

3 (f) The Commission may employ a staff, including contractual staff, in accordance  
4 with the State budget.

5 (g) The Commission may set reasonable fees to cover the costs of operating the  
6 Commission.

7 (h) (1) There is a Natalie M. LaPrade Medical Cannabis Commission Fund.

8 (2) The Commission shall administer the Fund.

9 (3) The Fund is a special continuing, nonlapsing fund that is not subject to  
10 § 7–302 of the State Finance and Procurement Article.

11 (4) The State Treasurer shall hold the Fund separately, and the  
12 Comptroller shall account for the Fund.

13 (5) The Fund shall be invested and reinvested in the same manner as other  
14 State funds, and any investment earnings shall be retained to the credit of the Fund.

15 (6) The Fund shall be subject to an audit by the Office of Legislative Audits  
16 as provided for in § 2–1220 of the State Government Article.

17 (7) The Comptroller shall pay out money from the Fund as directed by the  
18 Commission.

19 (8) The Fund consists of:

20 (i) Any money appropriated in the State budget to the Fund;

21 (ii) Any other money from any other source accepted for the benefit  
22 of the Fund, in accordance with any conditions adopted by the Commission for the  
23 acceptance of donations or gifts to the Fund; and

24 (iii) Any fees collected by the Commission under this subtitle.

25 (9) No part of the Fund may revert or be credited to:

26 (i) The General Fund of the State; or

27 (ii) Any other special fund of the State.

28 (10) Expenditures from the Fund may be made only in accordance with the  
29 State budget.

1 13-3306.

2 (a) (1) The Commission shall license medical cannabis growers that meet all  
3 requirements established by the Commission to operate in the State to provide cannabis to:

4 (i) Processors licensed by the Commission under this subtitle;

5 (ii) Dispensaries licensed by the Commission under this subtitle;

6 (iii) Qualifying patients and caregivers; and

7 (iv) Independent testing laboratories registered with the  
8 Commission under this subtitle.

9 (2) (i) Except as provided in subparagraph (ii) of this paragraph, **AND**  
10 **SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH**, the Commission may license  
11 no more than **[15] 20** medical cannabis growers.

12 (ii) Beginning June 1, 2018, the Commission may issue the number  
13 of **GROWER** licenses necessary to meet the demand for medical cannabis by qualifying  
14 patients and caregivers issued identification cards under this subtitle in an affordable,  
15 accessible, secure, and efficient manner.

16 **(III) IF THE RESCORING USED UNDER SUBPARAGRAPH (V) OF**  
17 **THIS PARAGRAPH RESULTS IN ANY APPLICANT THAT WAS AWARDED A LICENSE IN**  
18 **AUGUST 2016 BEING REMOVED FROM THE TOP 15 LICENSES AWARDED, THE**  
19 **MAXIMUM NUMBER OF MEDICAL CANNABIS GROWER LICENSES AUTHORIZED UNDER**  
20 **SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE REDUCED BY THE SAME NUMBER**  
21 **OF LICENSES REMOVED FROM THE TOP 15 LICENSES AWARDED IN AUGUST 2016 AS**  
22 **A RESULT OF THE RESCORING.**

23 **[(iii)] (IV) 1.** The Commission shall **[establish an application**  
24 **review process for granting medical cannabis]** **HIRE A MEDICAL CANNABIS CONSULTANT**  
25 **TO ASSIST IN SCORING AND GRADING APPLICATIONS FOR** grower **AND PROCESSOR**  
26 licenses in which applications are reviewed, evaluated, and ranked based on criteria  
27 established by the Commission.

28 **2. THE MEDICAL CANNABIS CONSULTANT HIRED BY THE**  
29 **COMMISSION:**

30 **A. SHALL HAVE AT LEAST 5 YEARS OF EXPERIENCE IN**  
31 **GROWING, PROCESSING, AND DISPENSING CANNABIS OR AS A CONSULTANT TO**  
32 **GROWERS, PROCESSORS, OR DISPENSARIES; AND**

1                   **B.   MAY NOT HAVE A CONFLICT OF INTEREST WITH AN**  
2 **APPLICANT FOR A GROWER LICENSE.**

3                   **(V)   THE COMMISSION, IN CONSULTATION WITH THE MEDICAL**  
4 **CANNABIS CONSULTANT HIRED UNDER SUBPARAGRAPH (IV) OF THIS PARAGRAPH,**  
5 **SHALL RESCORE THE TOP 75 APPLICATIONS AS RANKED BY THE REGIONAL**  
6 **ECONOMIC STUDIES INSTITUTE WITH A TOTAL SCORE OF 100 USING THE**  
7 **FOLLOWING WEIGHTED AVERAGES:**

8                   **1.   OPERATIONAL FACTORS SHALL ACCOUNT FOR 18%**  
9 **OF THE SCORE AND SHALL INCLUDE:**

10                   **A.   A DETAILED OPERATIONAL PLAN FOR THE**  
11 **CULTIVATION OF MEDICAL CANNABIS; AND**

12                   **B.   SUMMARIES OF POLICIES AND PROCEDURES FOR**  
13 **CULTIVATION, GROWTH, PROCESSING, AND PACKAGING;**

14                   **2.   SAFETY AND SECURITY FACTORS SHALL ACCOUNT**  
15 **FOR 15% OF THE SCORE AND SHALL INCLUDE:**

16                   **A.   A DETAILED PLAN OR INFORMATION DESCRIBING**  
17 **THE SECURITY FEATURES AND PROCEDURES;**

18                   **B.   A DETAILED PLAN DESCRIBING HOW THE APPLICANT**  
19 **WILL PREVENT DIVERSION; AND**

20                   **C.   A DETAILED PLAN DESCRIBING SAFETY**  
21 **PROCEDURES;**

22                   **3.   COMMERCIAL HORTICULTURAL OR AGRICULTURAL**  
23 **FACTORS SHALL ACCOUNT FOR 10% OF THE SCORE AND SHALL INCLUDE**  
24 **EXPERIENCE, KNOWLEDGE, AND TRAINING IN HORTICULTURE PRODUCTION OR**  
25 **AGRICULTURAL PRODUCTION;**

26                   **4.   PRODUCTION CONTROL FACTORS SHALL ACCOUNT**  
27 **FOR 10% OF THE SCORE AND SHALL INCLUDE:**

28                   **A.   A DETAILED QUALITY CONTROL PLAN;**

29                   **B.   A DETAILED INVENTORY CONTROL PLAN; AND**

1 C. A DETAILED MEDICAL CANNABIS WASTE DISPOSAL  
2 PLAN;

3 5. BUSINESS AND ECONOMIC FACTORS SHALL ACCOUNT  
4 FOR 15% OF THE SCORE AND SHALL INCLUDE:

5 A. A BUSINESS PLAN DEMONSTRATING A LIKELIHOOD  
6 OF SUCCESS, SUFFICIENT BUSINESS ABILITY, AND EXPERIENCE ON THE PART OF  
7 THE APPLICANT, AND PROVIDING FOR APPROPRIATE EMPLOYEE WORKING  
8 CONDITIONS, BENEFITS, AND TRAINING; AND

9 B. A DETAILED PLAN EVIDENCING HOW THE APPLICANT  
10 WILL ENFORCE AN ALCOHOL AND DRUG FREE WORKPLACE POLICY;

11 6. ADEQUATE CAPITALIZATION SHALL ACCOUNT FOR  
12 10% OF THE SCORE, IN WHICH THE APPLICANT SHALL:

13 A. DEMONSTRATE CAPITAL FOR LIGHTING THAT  
14 REPLICATES SUNLIGHT FOR DIFFERENT STAGES OF GROWTH, AN AIR FILTRATION  
15 AND CIRCULATION SYSTEM, PROPER IRRIGATION, AND AN ADVANCED COMPUTER  
16 SYSTEM THAT CONTROLS THE ENVIRONMENT DURING SEPARATE STAGES OF  
17 GROWTH;

18 B. DEMONSTRATE A MINIMUM OF \$3,000,000 IN  
19 CAPITALIZATION BY LETTER OF CREDIT, BANK STATEMENT, BOND, OR SIMILAR  
20 INSTRUMENT; AND

21 C. SUPPORT BY AFFIDAVIT THE AVAILABILITY OF THE  
22 CAPITAL REQUIRED BY ITEMS A AND B OF THIS ITEM SIGNED BY A MANAGING  
23 MEMBER IF THE APPLICANT IS A PARTNERSHIP OR LIMITED LIABILITY COMPANY OR  
24 THE PRESIDENT OR OTHER OFFICER IF THE APPLICANT IS A CORPORATION;

25 7. MAJORITY EQUITY AFRICAN AMERICAN OWNERSHIP  
26 THAT DOES NOT INCLUDE ANY CONVERSION OR OPTION RIGHTS OR OWNERSHIP  
27 THAT IS CONDITIONED ON ANY CONVERSIONS, OPTIONS, OR SIMILAR RIGHTS SHALL  
28 ACCOUNT FOR 7% OF THE SCORE AND SHALL BE SUPPORTED BY:

29 A. AN AFFIDAVIT SIGNED BY THE APPLICANT THAT  
30 INCLUDES THE PERCENTAGE OF AFRICAN AMERICAN OWNERS; AND

31 B. AN AFFIDAVIT SIGNED BY EACH INDIVIDUAL OWNER  
32 THAT INCLUDES THE PERCENTAGE OF THAT INDIVIDUAL'S OWNERSHIP; AND

1                   **8. ADDITIONAL FACTORS SHALL ACCOUNT FOR 15% OF**  
2 **THE SCORE AND SHALL INCLUDE:**

3                   **A. DEMONSTRATED STATE RESIDENCY AMONG THE**  
4 **OWNERS AND INVESTORS;**

5                   **B. EVIDENCE THAT THE APPLICANT IS NOT IN ARREARS**  
6 **REGARDING ANY TAX OBLIGATION IN THE STATE OR ANY OTHER JURISDICTION;**

7                   **C. A DETAILED PLAN EVIDENCING HOW THE APPLICANT**  
8 **WILL DISTRIBUTE TO DISPENSARIES AND PROCESSORS; AND**

9                   **D. A LIST OF MEDICAL CANNABIS VARIETIES PROPOSED**  
10 **TO BE GROWN WITH PROPOSED CANNABINOID PROFILES, INCLUDING VARIETIES**  
11 **WITH HIGH CANNABIDIOL CONTENT AND WHETHER THE STRAIN HAS ANY**  
12 **DEMONSTRATED SUCCESS IN ALLEVIATING SYMPTOMS OF SPECIFIC DISEASES OR**  
13 **CONDITIONS.**

14                   **(VI) THE COMMISSION SHALL RESCORE THE APPLICATIONS**  
15 **CONSIDERED UNDER SUBPARAGRAPH (V) OF THIS PARAGRAPH WITHOUT ANY**  
16 **CHANGE IN THE INVESTORS, EXCEPT THAT AN APPLICANT MAY ADD UP TO TWO**  
17 **ADDITIONAL AFRICAN AMERICAN INVESTORS.**

18                   ~~[(iv)]~~ **(VII)** The Commission may not issue more than one medical  
19 cannabis grower license to each applicant.

20                   ~~[(v)]~~ **(VIII)** A grower shall pay an application fee in an amount to be  
21 determined by the Commission consistent with this subtitle.

22                   (3) The Commission shall set standards for licensure as a medical cannabis  
23 grower to ensure public safety and safe access to medical cannabis, which may include a  
24 requirement for the posting of security.

25                   (4) Each medical cannabis grower agent shall:

26                   (i) Be registered with the Commission before the agent may  
27 volunteer or work for a licensed grower; and

28                   (ii) Obtain a State and national criminal history records check in  
29 accordance with § 13–3312 of this subtitle.

30                   (5) (i) A licensed grower shall apply to the Commission for a  
31 registration card for each grower agent by submitting the name, address, and date of birth  
32 of the agent.



1 (ii) 1. Within 1 business day after a grower agent ceases to be  
2 associated with a grower, the grower shall:

3 A. Notify the Commission; and

4 B. Return the grower agent's registration card to the  
5 Commission.

6 2. On receipt of a notice described in subsubparagraph 1A of  
7 this subparagraph, the Commission shall:

8 A. Immediately revoke the registration card of the grower  
9 agent; and

10 B. If the registration card was not returned to the  
11 Commission, notify the Department of State Police.

12 (iii) The Commission may not register a person who has been  
13 convicted of a felony drug offense as a grower agent.

14 (6) (i) A medical cannabis grower license is valid for 4 years on initial  
15 licensure.

16 (ii) A medical cannabis grower license is valid for 2 years on renewal.

17 (7) An application to operate as a medical cannabis grower may be  
18 submitted in paper or electronic form.

19 (8) (i) The Commission shall encourage licensing medical cannabis  
20 growers that grow strains of cannabis, including strains with high cannabidiol content,  
21 with demonstrated success in alleviating symptoms of specific diseases or conditions.

22 (ii) The Commission shall encourage licensing medical cannabis  
23 growers that prepare medical cannabis in a range of routes of administration.

24 (9) (i) The Commission shall:

25 1. Actively seek to achieve racial, ethnic, and geographic  
26 diversity when licensing medical cannabis growers; and

27 2. Encourage applicants who qualify as a minority business  
28 enterprise, as defined in § 14-301 of the State Finance and Procurement Article.

29 (ii) Beginning June 1, 2016, a grower licensed under this subtitle to  
30 operate as a medical cannabis grower shall report annually to the Commission on the  
31 minority owners and employees of the grower.

1 (10) An entity seeking licensure as a medical cannabis grower shall meet  
2 local zoning and planning requirements.

3 13-3309.

4 (a) A processor shall be licensed by the Commission.

5 (b) To be licensed as a processor, an applicant shall submit to the Commission:

6 (1) An application fee in an amount to be determined by the Commission  
7 in accordance with this subtitle; and

8 (2) An application that includes:

9 (i) The legal name and physical address of the proposed processor;

10 (ii) The name, address, and date of birth of each principal officer and  
11 director, none of whom may have served as a principal officer or director for a licensee under  
12 this subtitle that has had its license revoked; and

13 (iii) Operating procedures that the processor will use, consistent with  
14 Commission regulations for oversight, including storage of cannabis, extracts, and products  
15 containing cannabis only in enclosed and locked facilities.

16 (c) **(1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**  
17 **THE COMMISSION MAY LICENSE NO MORE THAN 25 PROCESSORS.**

18 **(2) BEGINNING JUNE 1, 2018, THE COMMISSION MAY ISSUE THE**  
19 **NUMBER OF PROCESSOR LICENSES NECESSARY TO MEET THE DEMAND FOR**  
20 **MEDICAL CANNABIS BY QUALIFYING PATIENTS AND CAREGIVERS ISSUED**  
21 **IDENTIFICATION CARDS UNDER THIS SUBTITLE IN AN AFFORDABLE, ACCESSIBLE,**  
22 **SECURE, AND EFFICIENT MANNER.**

23 **(3) The Commission shall establish an application review process for**  
24 **granting processor licenses in which applications are reviewed, evaluated, and ranked**  
25 **based on criteria established by the Commission.**

26 **(D) THE COMMISSION, IN CONSULTATION WITH THE MEDICAL CANNABIS**  
27 **CONSULTANT HIRED UNDER § 13-3306(A)(2)(IV) OF THIS SUBTITLE, SHALL**  
28 **RESCORE THE TOP 20 PROCESSOR APPLICATIONS AS RANKED BY THE REGIONAL**  
29 **ECONOMIC STUDIES INSTITUTE WITH A TOTAL SCORE OF 100 USING THE**  
30 **FOLLOWING WEIGHTED AVERAGES:**

31 **(1) OPERATIONAL FACTORS SHALL ACCOUNT FOR 18% OF THE SCORE**  
32 **AND SHALL INCLUDE:**

1 (I) A DETAILED OPERATIONAL PLAN FOR THE PRODUCTION OF  
2 MEDICAL CANNABIS EXTRACTS AND MEDICAL CANNABIS-INFUSED PRODUCTS; AND

3 (II) SUMMARIES OF POLICIES AND PROCEDURES FOR  
4 LABORATORY OPERATIONS, PROCESSING, AND PACKAGING;

5 (2) SAFETY AND SECURITY FACTORS SHALL ACCOUNT FOR 15% OF  
6 THE SCORE AND SHALL INCLUDE:

7 (I) A DETAILED PLAN OR INFORMATION DESCRIBING THE  
8 SECURITY FEATURES AND PROCEDURES;

9 (II) A DETAILED PLAN DESCRIBING HOW THE APPLICANT WILL  
10 PREVENT DIVERSION; AND

11 (III) A DETAILED PLAN DESCRIBING SAFETY PROCEDURES;

12 (3) COMMERCIAL LABORATORY, PHARMACEUTICAL  
13 MANUFACTURING, AND CONSUMER PRODUCTS PRODUCTION FACTORS SHALL  
14 ACCOUNT FOR 10% OF THE SCORE AND SHALL INCLUDE EXPERIENCE, KNOWLEDGE,  
15 AND TRAINING IN:

16 (I) CHEMICAL PLAN MANAGEMENT;

17 (II) PHARMACEUTICAL MANUFACTURING; AND

18 (III) CONSUMER PRODUCT PRODUCTION;

19 (4) PRODUCTION CONTROL FACTORS SHALL ACCOUNT FOR 10% OF  
20 THE SCORE AND SHALL INCLUDE:

21 (I) A DETAILED QUALITY CONTROL PLAN;

22 (II) A DETAILED INVENTORY CONTROL PLAN; AND

23 (III) A DETAILED MEDICAL CANNABIS WASTE DISPOSAL PLAN;

24 (5) BUSINESS AND ECONOMIC FACTORS SHALL ACCOUNT FOR 15% OF  
25 THE SCORE AND SHALL INCLUDE:

26 (I) A BUSINESS PLAN DEMONSTRATING A LIKELIHOOD OF  
27 SUCCESS, SUFFICIENT BUSINESS ABILITY, AND EXPERIENCE ON THE PART OF THE

1 APPLICANT, AND PROVIDING FOR APPROPRIATE EMPLOYEE WORKING CONDITIONS,  
2 BENEFITS, AND TRAINING; AND

3 (II) A DETAILED PLAN EVIDENCING HOW THE APPLICANT WILL  
4 ENFORCE AN ALCOHOL AND DRUG FREE WORKPLACE POLICY;

5 (6) ADEQUATE CAPITALIZATION SHALL ACCOUNT FOR 10% OF THE  
6 SCORE, IN WHICH THE APPLICANT SHALL:

7 (I) IF APPLYING FOR A PROCESSOR LICENSE ONLY,  
8 DEMONSTRATE A MINIMUM OF \$500,000 IN CAPITALIZATION BY LETTER OF CREDIT,  
9 BANK STATEMENT, BOND, OR SIMILAR INSTRUMENT;

10 (II) IF APPLYING FOR A GROWER AND PROCESSOR LICENSE,  
11 DEMONSTRATE A MINIMUM OF \$3,000,000 IN CAPITALIZATION BY LETTER OF  
12 CREDIT, BANK STATEMENT, BOND, OR SIMILAR INSTRUMENT; AND

13 (III) SUPPORT BY AFFIDAVIT THE AVAILABILITY OF THE  
14 CAPITAL REQUIRED BY ITEMS (I) AND (II) OF THIS ITEM BY A MANAGING MEMBER IF  
15 THE APPLICANT IS A PARTNERSHIP OR LIMITED LIABILITY COMPANY OR THE  
16 PRESIDENT OR OTHER OFFICER IF THE APPLICANT IS A CORPORATION;

17 (7) MAJORITY EQUITY AFRICAN AMERICAN OWNERSHIP THAT DOES  
18 NOT INCLUDE ANY CONVERSION OR OPTION RIGHTS OR OWNERSHIP THAT IS  
19 CONDITIONED ON ANY CONVERSIONS, OPTIONS, OR SIMILAR RIGHTS SHALL  
20 ACCOUNT FOR 7% OF THE SCORE AND SHALL BE SUPPORTED BY:

21 (I) AN AFFIDAVIT SIGNED BY THE APPLICANT THAT INCLUDES  
22 THE PERCENTAGE OF AFRICAN AMERICAN OWNERS; AND

23 (II) AN AFFIDAVIT FROM EACH INDIVIDUAL OWNER THAT  
24 INCLUDES THE PERCENTAGE OF THAT INDIVIDUAL'S OWNERSHIP; AND

25 (8) ADDITIONAL FACTORS SHALL ACCOUNT FOR 15% OF THE SCORE  
26 AND SHALL INCLUDE:

27 (I) DEMONSTRATED STATE RESIDENCY AMONG THE OWNERS  
28 AND INVESTORS;

29 (II) EVIDENCE THAT THE APPLICANT IS NOT IN ARREARS  
30 REGARDING ANY TAX OBLIGATION IN THE STATE OR ANY OTHER JURISDICTION;

1                   **(III) A DETAILED PLAN EVIDENCING HOW THE APPLICANT WILL**  
2 **DISTRIBUTE TO DISPENSARIES; AND**

3                   **(IV) A LIST OF MEDICAL CANNABIS EXTRACTS AND MEDICAL**  
4 **CANNABIS-INFUSED PRODUCTS PROPOSED TO BE PRODUCED WITH PROPOSED**  
5 **CANNABINOID PROFILES, INCLUDING:**

6                   **1. VARIETIES OF EXTRACTS AND PRODUCTS WITH HIGH**  
7 **CANNABIDIOL CONTENT; AND**

8                   **2. WHETHER THE EXTRACT OR PRODUCT HAS ANY**  
9 **DEMONSTRATED SUCCESS IN ALLEVIATING SYMPTOMS OF SPECIFIC DISEASES OR**  
10 **CONDITIONS.**

11           **(E) THE COMMISSION SHALL RESCORE THE APPLICATIONS CONSIDERED**  
12 **UNDER SUBSECTION (D) OF THIS SECTION WITHOUT ANY CHANGE IN THE**  
13 **INVESTORS, EXCEPT THAT AN APPLICANT MAY ADD UP TO TWO ADDITIONAL**  
14 **AFRICAN AMERICAN INVESTORS.**

15           **[(d)] (F)**       (1) A processor license is valid for 4 years on initial licensure.

16                       (2) A processor license is valid for 2 years on renewal.

17           **[(e)] (G)**       A processor licensed under this section or a processor agent registered  
18 under § 13–3310 of this subtitle may not be penalized or arrested under State law for  
19 acquiring, possessing, processing, transferring, transporting, selling, distributing, or  
20 dispensing cannabis, products containing cannabis, related supplies, or educational  
21 materials for use by a licensee under this subtitle or a qualifying patient or a caregiver.

22           **[(f)] (H)**       The Commission shall establish requirements for security and product  
23 handling procedures that a processor must meet to obtain a license under this section,  
24 including a requirement for a product-tracking system.

25           **[(g)] (I)**       The Commission may inspect a processor licensed under this section to  
26 ensure compliance with this subtitle.

27           **[(h)] (J)**       The Commission may impose penalties or rescind the license of a  
28 processor that does not meet the standards for licensure set by the Commission.

29           **SECTION 2. AND BE IT FURTHER ENACTED,** That, to implement the change in  
30 the composition of the Natalie M. LaPrade Medical Cannabis Commission under § 13–3303  
31 of the Health – General Article, as enacted by Section 1 of this Act, the terms of all members  
32 serving on the Commission shall terminate on the effective date of this Act and the five  
33 positions provided for in § 13–3303 shall be filled in accordance with § 13–3303.

1           SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency  
2 measure, is necessary for the immediate preservation of the public health or safety, has  
3 been passed by a yea and nay vote supported by three-fifths of all the members elected to  
4 each of the two Houses of the General Assembly, and shall take effect from the date it is  
5 enacted.