

# HOUSE BILL 2

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EMERGENCY BILL  
(PRE-FILED)

8lr0679  
CF SB 1

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By: **Delegate Glenn**

Requested: September 25, 2017

Introduced and read first time: January 10, 2018

Assigned to: Health and Government Operations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 6, 2018

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Natalie M. LaPrade Medical Cannabis Commission Reform Act**

3 FOR the purpose of altering the definition of “grower” for purposes of certain provisions of  
4 law governing medical cannabis; declaring the intent of the General Assembly with  
5 regard to the State’s medical cannabis programs; ~~requiring~~ altering the information  
6 that the Natalie M. LaPrade Medical Cannabis Commission is required to maintain  
7 on the Commission’s website; requiring the Commission to conduct certain outreach  
8 to certain small, minority, and women business owners and entrepreneurs for certain  
9 purposes; authorizing the Commission to make grants to certain educational and  
10 business development organizations for certain purposes; requiring the Commission  
11 to partner with the Department of Labor, Licensing, and Regulation to identify  
12 certain employment opportunities; ~~altering the membership of the Commission;~~  
13 ~~providing that the certain appointments made to the Commission are subject to the~~  
14 ~~advice and consent of the Senate of Maryland;~~ requiring the Commission, the  
15 Department of Labor, Licensing, and Regulation, and certain entities to comply with  
16 federal and State laws in performing certain actions; prohibiting the Commission  
17 from retaining the services of certain persons for certain purposes; establishing  
18 certain qualifications for appointed members of the Commission; prohibiting a  
19 member of the Commission from having certain interests in certain licensees, having  
20 a certain relationship to a person who holds a certain license, being a certain official,  
21 receiving or sharing in certain receipts or proceeds, or having a certain interest in  
22 certain contracts; requiring the membership of the Commission, to the extent  
23 practicable and consistent with federal and State law, to reflect the racial, ethnic,  
24 and gender diversity of the State; requiring a member of the Commission to file a

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



## HOUSE BILL 2

1 certain disclosure statement; ~~providing that the terms of the appointed members of~~  
2 ~~the Commission are staggered as required by the terms provided for members on a~~  
3 ~~certain date~~; providing that appointed members of the Commission are entitled to a  
4 certain salary and reimbursement for certain expenses; requiring that an appointed  
5 member of the Commission be paid at certain intervals; providing that the Secretary  
6 of Health, or the Secretary's designee, is entitled to certain reimbursement;  
7 authorizing the Governor to remove a member of the Commission for just cause;  
8 requiring the Governor to appoint, in a certain manner, an executive director of the  
9 Commission with the advice and consent of the Senate of Maryland; requiring the  
10 executive director to serve at the pleasure of the Commission; establishing the  
11 Natalie M. LaPrade Medical Cannabis Compassionate Use Fund; requiring the  
12 Maryland Department of Health to administer the Fund and set certain fees;  
13 prohibiting the Commission from imposing certain fees on certain licensed medical  
14 cannabis growers, processors, and dispensaries under certain circumstances;  
15 providing that the Fund is a special, nonlapsing fund that is not subject to a certain  
16 provision of law; providing for the purpose of the Fund; requiring the State Treasurer  
17 to hold the Fund separately and the Comptroller to account for the Fund; requiring  
18 the Fund to be invested and reinvested in a certain manner; providing that interest  
19 earnings of the Fund shall be retained to the credit of the Fund; exempting the Fund  
20 from a certain provision of law requiring interest earnings on State money to accrue  
21 to the General Fund of the State; providing that the Fund is subject to a certain  
22 audit; requiring the Comptroller to pay out money from the Fund as directed by the  
23 Department; requiring the Commission, in consultation with the Maryland  
24 Department of Health, to report to the General Assembly, on or before a certain date,  
25 on certain anticipated revenues, the amount of certain fees and on which licensees  
26 the fees should be assessed in order to generate certain revenues, the use of any other  
27 funding mechanisms to implement a certain program, and certain anticipated  
28 savings; authorizing the Commission to hire a certain actuary for a certain purpose;  
29 prohibiting any part of the Fund from reverting or being credited to certain funds;  
30 providing that expenditures from the Fund may be made only in accordance with the  
31 State budget; requiring the Maryland Department of Health, in consultation with  
32 the Commission, to establish a certain program to allow certain individuals to obtain  
33 medical cannabis from certain dispensaries at no cost or a reduced cost and to  
34 reimburse certain dispensaries from a certain Fund; requiring the Maryland  
35 Department of Health to adopt certain regulations; prohibiting a constitutional  
36 officer or a secretary of a principal department of the Executive Branch of State  
37 government, except under certain circumstances, from being an owner or an  
38 employee of a certain business entity that holds a certain license or from having an  
39 official relationship to a certain business entity; requiring the Commission, in  
40 consultation with certain entities, to evaluate a certain study of the medical cannabis  
41 industry, make a certain determination relating to certain business participation in  
42 the medical cannabis industry, evaluate certain race-neutral programs and other  
43 methods, and submit certain emergency regulations; authorizing the Commission to  
44 report to the General Assembly certain information that the Commission determines  
45 to be necessary to the consideration, development, or implementation of certain  
46 remedial measures; requiring a person that applies for a certain medical cannabis  
47 grower, processor, or dispensary license to submit, with a certain application, a

1 ~~certain affidavit~~; altering the number of medical cannabis growers that may be  
2 licensed by the Commission; authorizing the Commission to license a certain number  
3 of processors; ~~requiring~~ authorizing the Commission to report to the General  
4 Assembly, ~~on or before~~ beginning on a certain date, on the number of grower and  
5 processor licenses necessary to meet a demand for medical cannabis by certain  
6 individuals; ~~prohibiting the Commission from submitting a certain report before a~~  
7 ~~certain date; authorizing the Commission to submit a certain report during a certain~~  
8 ~~time period only under certain circumstances~~; requiring the Commission, before  
9 determining to submit a certain report, to provide the Legislative Policy Committee  
10 at least a certain period of time to submit comments to the Commission; requiring  
11 the Commission, to the extent permitted by federal and State law, to seek to achieve  
12 certain diversity when licensing certain growers, processors, and dispensaries;  
13 requiring the Commission to encourage applicants who are small, minority, or  
14 women-owned business entities to apply for licensure; authorizing the Commission,  
15 except under certain circumstances, to register as an agent of certain licensed  
16 entities an individual who has been convicted of a certain offense; altering the period  
17 of time for which certain medical cannabis grower, dispensary, and processor licenses  
18 are valid; altering certain reporting requirements for certain medical cannabis  
19 growers; prohibiting certain medical cannabis growers and medical cannabis grower  
20 agents from being penalized or arrested under State law for certain actions;  
21 requiring certain dispensaries and processors, beginning on a certain date, to  
22 annually report certain information to the Commission; altering the information that  
23 the Commission must report to the Governor and the General Assembly; altering the  
24 actions for which certain processors and processor agents may not be penalized or  
25 arrested under State law; authorizing the holder of a medical cannabis grower,  
26 processor, or dispensary license to sell or transfer ownership of the license under  
27 certain circumstances; authorizing the Commission to rescind the Stage One  
28 preapproval of certain applicants under certain circumstances; authorizing the  
29 Commission to extend the time frame for certain applicants to become operational  
30 under certain circumstances; altering the membership of the Commission; providing  
31 that certain appointments made to the Commission are subject to the advice and  
32 consent of the Senate; providing that the terms of the appointed members of the  
33 Commission are staggered as required by the terms provided for members on a  
34 certain date; requiring the terms of certain members of the Commission to terminate  
35 on a certain date; declaring the intent of the General Assembly relating to continuity  
36 within the membership of the Commission; specifying the terms of certain initial  
37 members of the Commission; prohibiting the Commission, except under certain  
38 circumstances, from reviewing, evaluating, or ranking an application for certain  
39 licenses or ~~awarding~~ granting Stage One preapproval for certain additional licenses  
40 until certain regulations are adopted; declaring the intent of the General Assembly  
41 as to the date by which the Commission should submit certain regulations; requiring  
42 the Commission to report, under certain circumstances, to certain committees of the  
43 General Assembly on certain matters; requiring the Commission, under certain  
44 circumstances, to accept certain applications for licensure, allow certain persons who  
45 previously applied for licensure to amend, if necessary, and resubmit or withdraw  
46 certain applications, and resume reviewing, evaluating, and ranking applications for  
47 certain licenses and awarding certain additional licenses; providing that the

## HOUSE BILL 2

1 Commission, under certain circumstances, may waive a certain initial application  
 2 fee for a certain person, but may charge a certain fee for the ~~submission~~ resubmission  
 3 of ~~an amended~~ a certain application; prohibiting the Commission from being  
 4 required to consider for licensure under certain provisions of law a certain person  
 5 except under certain circumstances; authorizing the Commission, notwithstanding  
 6 certain provisions of this Act, to award Stage One preapproval to certain applicants  
 7 in a certain manner under certain circumstances; requiring an applicant who is  
 8 granted Stage One preapproval for licensure under certain provisions of this Act to  
 9 meet certain requirements; requiring the Governor to appropriate certain funds in  
 10 the aggregate in certain fiscal years to the Natalie M. LaPrade Medical Cannabis  
 11 Commission Fund for a certain purpose; requiring the Department of Agriculture,  
 12 on or before a certain date, to submit emergency regulations that authorize the use  
 13 of certain crop protection agents; requiring the Commission, in consultation with the  
 14 Maryland Department of Health, to report to the General Assembly on or before a  
 15 certain date; defining certain terms; making certain conforming and stylistic  
 16 changes; repealing certain provisions of law made obsolete by this Act; providing for  
 17 the construction of certain provisions of this Act; applying certain provisions of this  
 18 Act prospectively; making the provisions of this Act severable; providing for a  
 19 delayed effective date for certain provisions of this Act; making this Act an  
 20 emergency measure; and generally relating to the Natalie M. LaPrade Medical  
 21 Cannabis Commission.

22 BY repealing and reenacting, without amendments,

23 Article – Health – General

24 Section 13–3301(a), 13–3307(a), and 13–3309(a)

25 Annotated Code of Maryland

26 (2015 Replacement Volume and 2017 Supplement)

27 BY repealing and reenacting, with amendments,

28 Article – Health – General

29 Section 13–3301(h), 13–3302, 13–3303, 13–3305, 13–3306(a), 13–3307(c) and (d),

30 13–3308(d), 13–3309(c), (d), and (e), 13–3310(d), and 13–3316

31 Annotated Code of Maryland

32 (2015 Replacement Volume and 2017 Supplement)

33 BY adding to

34 Article – Health – General

35 Section 13–3301.1, 13–3303.1, 13–3305.1, ~~and 13–3305.2~~ 13–3305.2, 13–3305.3,

36 13–3306(h), and 13–3311.1

37 Annotated Code of Maryland

38 (2015 Replacement Volume and 2017 Supplement)

39 ~~BY repealing and reenacting, with amendments,~~

40 ~~Article – Health – General~~

41 ~~Section 13–3302, 13–3303, 13–3305, 13–3306(a), 13–3307(e), 13–3308(d), 13–3309(e)~~

42 ~~and (d), 13–3310(d), and 13–3316~~

43 ~~Annotated Code of Maryland~~

1 ~~(2015 Replacement Volume and 2017 Supplement)~~

2 ~~BY repealing and reenacting, without amendments,~~  
 3 ~~Article – Health – General~~  
 4 ~~Section 13–3307(a) and 13–3309(a)~~  
 5 ~~Annotated Code of Maryland~~  
 6 ~~(2015 Replacement Volume and 2017 Supplement)~~

7 BY repealing and reenacting, without amendments,  
 8 Article – State Finance and Procurement  
 9 Section 6–226(a)(2)(i)  
 10 Annotated Code of Maryland  
 11 (2015 Replacement Volume and 2017 Supplement)

12 BY repealing and reenacting, with amendments,  
 13 Article – State Finance and Procurement  
 14 Section 6–226(a)(2)(ii)101. and 102.  
 15 Annotated Code of Maryland  
 16 (2015 Replacement Volume and 2017 Supplement)

17 BY adding to  
 18 Article – State Finance and Procurement  
 19 Section 6–226(a)(2)(ii)103.  
 20 Annotated Code of Maryland  
 21 (2015 Replacement Volume and 2017 Supplement)

22 BY repealing and reenacting, with amendments,  
 23 Article – Health – General  
 24 Section 13–3303(a) through (c)  
 25 Annotated Code of Maryland  
 26 (2015 Replacement Volume and 2017 Supplement)  
 27 (As enacted by Section 1 of this Act)

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

30 **Article – Health – General**

31 13–3301.

32 (a) In this subtitle the following words have the meanings indicated.

33 (h) “Grower” means an entity licensed under this subtitle that:

34 (1) [(i)] Cultivates[, manufactures, processes,] OR packages[, or  
 35 dispenses] medical cannabis; [or

(ii) Processes medical cannabis products; and

(2) Is authorized by the Commission to provide cannabis to a [qualifying patient, caregiver,] processor, dispensary, or independent testing laboratory.

**13-3301.1.**

**THE GENERAL ASSEMBLY INTENDS THAT THE PROGRAMS IMPLEMENTED IN ACCORDANCE WITH THIS SUBTITLE YIELD A SUCCESSFUL BUT CONSUMER-FRIENDLY MEDICAL CANNABIS INDUSTRY IN THE STATE TO PROVIDE PATIENTS AFFORDABLE ACCESS TO MEDICAL CANNABIS.**

13-3302.

(a) There is a Natalie M. LaPrade Medical Cannabis Commission.

(b) The Commission is an independent commission that functions within the Department.

(c) The purpose of the Commission is to develop policies, procedures, guidelines, and regulations to implement programs to make medical cannabis available to qualifying patients in a safe and effective manner.

(d) (1) The Commission shall develop identification cards for qualifying patients and caregivers.

(2) (i) The Department shall adopt regulations that establish the requirements for identification cards provided by the Commission.

(ii) The regulations adopted under subparagraph (i) of this paragraph shall include:

1. The information to be included on an identification card;
2. The method through which the Commission will distribute identification cards; and
3. The method through which the Commission will track identification cards.

(e) The Commission shall develop and maintain a ~~Web site~~ **WEBSITE** that:

(1) Provides information on how an individual can obtain medical cannabis in the State; ~~and~~

(2) Provides contact information for licensed dispensaries;

1           **(3) PROVIDES INFORMATION CONCERNING THE COLLATERAL**  
2 **CONSEQUENCES, WITH RESPECT TO FEDERAL LAW, OF REGISTERING AS A**  
3 **QUALIFYING PATIENT OR CAREGIVER; AND**

4           **(4) DISCLOSES, WITH THE EXCEPTION OF ANY CONFIDENTIAL OR**  
5 **PROPRIETARY INFORMATION:**

6                   **(I) THE METHODOLOGY FOR THE RANKING OF APPLICANTS**  
7 **FOR LICENSURE UNDER THIS SUBTITLE; AND**

8                   **(II) THE RESULTS OF ANY RANKINGS OF APPLICANTS FOR**  
9 **LICENSURE UNDER THIS SUBTITLE.**

10           **(F) (1) THE COMMISSION:**

11                   **(I) SHALL CONDUCT ONGOING, THOROUGH, AND**  
12 **COMPREHENSIVE OUTREACH TO SMALL, MINORITY, AND WOMEN BUSINESS OWNERS**  
13 **AND ENTREPRENEURS WHO MAY HAVE AN INTEREST IN APPLYING FOR MEDICAL**  
14 **CANNABIS GROWER, PROCESSOR, OR DISPENSARY LICENSES; AND**

15                   **(II) MAY MAKE GRANTS TO APPROPRIATE EDUCATIONAL AND**  
16 **BUSINESS DEVELOPMENT ORGANIZATIONS TO TRAIN AND ASSIST SMALL, MINORITY,**  
17 **AND WOMEN BUSINESS OWNERS AND ENTREPRENEURS SEEKING TO BECOME**  
18 **LICENSED AS MEDICAL CANNABIS GROWERS, PROCESSORS, OR DISPENSARIES.**

19           **(2) THE OUTREACH REQUIRED UNDER PARAGRAPH (1)(I) OF THIS**  
20 **SUBSECTION SHALL INCLUDE:**

21                   **(I) DEVELOPING PARTNERSHIPS WITH:**

22                           **1. TRADITIONAL MINORITY-SERVING INSTITUTIONS IN**  
23 **THE STATE AND SURROUNDING JURISDICTIONS, INCLUDING HISTORICALLY BLACK**  
24 **COLLEGES AND UNIVERSITIES;**

25                           **2. TRADE ASSOCIATIONS REPRESENTING MINORITY**  
26 **AND WOMEN-OWNED BUSINESSES; AND**

27                           **3. THE GOVERNOR'S OFFICE OF SMALL, MINORITY,**  
28 **AND WOMEN BUSINESS AFFAIRS;**

29                   **(II) ESTABLISHING AND CONDUCTING TRAINING PROGRAMS**  
30 **FOR EMPLOYMENT IN THE MEDICAL CANNABIS INDUSTRY;**

1 (III) DISSEMINATING INFORMATION ABOUT THE LICENSING  
 2 PROCESS FOR MEDICAL CANNABIS GROWERS, PROCESSORS, AND DISPENSARIES  
 3 THROUGH MEDIA DEMONSTRATED TO REACH LARGE NUMBERS OF MINORITY AND  
 4 WOMEN BUSINESS OWNERS AND ENTREPRENEURS; AND

5 (IV) COLLABORATING WITH THE PARTNERS DESCRIBED IN ITEM  
 6 (I) OF THIS PARAGRAPH TO ENSURE THAT OUTREACH IS APPROPRIATELY  
 7 TARGETED.

8 (3) THE COMMISSION AND THE ENTITIES WITH WHICH THE  
 9 COMMISSION DEVELOPS PARTNERSHIPS UNDER PARAGRAPH (2)(I) OF THIS  
 10 SUBSECTION SHALL COMPLY WITH FEDERAL AND STATE LAWS IN PERFORMING THE  
 11 ACTIONS REQUIRED UNDER PARAGRAPH (2)(II) THROUGH (IV) OF THIS SUBSECTION.

12 (G) (1) THE COMMISSION SHALL PARTNER WITH THE DEPARTMENT OF  
 13 LABOR, LICENSING, AND REGULATION TO IDENTIFY EMPLOYMENT OPPORTUNITIES  
 14 WITHIN THE MEDICAL CANNABIS INDUSTRY FOR JOB SEEKERS, DISLOCATED  
 15 WORKERS, AND EX-OFFENDERS.

16 (2) IN PERFORMING THE DUTIES REQUIRED UNDER PARAGRAPH (1)  
 17 OF THIS SUBSECTION, THE COMMISSION AND THE DEPARTMENT OF LABOR,  
 18 LICENSING, AND REGULATION SHALL COMPLY WITH FEDERAL AND STATE LAWS.

19 (H) IF THE COMMISSION RETAINS A THIRD PARTY TO ASSIST THE  
 20 COMMISSION IN THE EVALUATION OR RANKING OF APPLICATIONS FOR LICENSURE  
 21 UNDER THIS SUBTITLE, THE COMMISSION MAY NOT RETAIN THE SERVICES OF A  
 22 PERSON THAT:

23 (1) HAS A DIRECT OR INDIRECT FINANCIAL, OWNERSHIP, OR  
 24 MANAGEMENT INTEREST, INCLUDING OWNERSHIP OF ANY STOCKS, BONDS, OR  
 25 OTHER SIMILAR FINANCIAL INSTRUMENTS, IN:

26 (I) ANY STATE-LICENSED MEDICAL CANNABIS GROWER,  
 27 PROCESSOR, OR DISPENSARY; OR

28 (II) AN APPLICANT FOR LICENSURE UNDER THIS SUBTITLE; OR

29 (2) HAS AN OFFICIAL RELATIONSHIP WITH A PERSON WHO HOLDS A  
 30 LICENSE UNDER THIS SUBTITLE OR AN APPLICANT FOR LICENSURE UNDER THIS  
 31 SUBTITLE.

32 13-3303.

33 (a) The Commission consists of the following ~~16~~ ~~NINE~~ members:



- 1           (1)    The Secretary of Health, or the Secretary’s designee; ~~and~~
- 2           (2)    The following 15 members, appointed by the Governor:
- 3                   (i)    Two members of the public who support the use of cannabis for  
4 medical purposes and who are or were patients who found relief from the use of medical  
5 cannabis;
- 6                   (ii)   One member of the public designated by the Maryland Chapter  
7 of the National Council on Alcoholism and Drug Dependence;
- 8                   (iii)   Three physicians licensed in the State;
- 9                   (iv)   One nurse licensed in the State who has experience in hospice  
10 care, nominated by a State research institution or trade association;
- 11                   (v)    One pharmacist licensed in the State, nominated by a State  
12 research institution or trade association;
- 13                   (vi)   One scientist who has experience in the science of cannabis,  
14 nominated by a State research institution;
- 15                   (vii)   One representative of the Maryland State’s Attorneys’  
16 Association;
- 17                   (viii)   One representative of law enforcement;
- 18                   (ix)   An attorney who is knowledgeable about medical cannabis laws  
19 in the United States;
- 20                   (x)    An individual with experience in horticulture, recommended by  
21 the Department of Agriculture;
- 22                   (xi)   One representative of the University of Maryland Extension; and
- 23                   (xii)   One representative of the Office of the Comptroller~~†~~

24           ~~(2)    FIVE MEMBERS, APPOINTED BY THE GOVERNOR WITH THE~~  
25 ~~ADVICE AND CONSENT OF THE SENATE;~~

26           ~~(3)    ONE MEMBER APPOINTED BY THE GOVERNOR FROM A LIST OF~~  
27 ~~THREE INDIVIDUALS RECOMMENDED BY THE PRESIDENT OF THE SENATE;~~

~~(4) ONE MEMBER APPOINTED BY THE GOVERNOR FROM A LIST OF THREE INDIVIDUALS RECOMMENDED BY THE SPEAKER OF THE HOUSE OF DELEGATES; AND~~

~~(5) ONE MEMBER APPOINTED BY THE GOVERNOR FROM EITHER OF THE TWO LISTS DESCRIBED IN ITEMS (3) AND (4) OF THIS SUBSECTION.~~

(B) (1) AN APPOINTED MEMBER OF THE COMMISSION SHALL:

(I) BE AT LEAST 25 YEARS OLD;

(II) BE A RESIDENT OF THE STATE WHO HAS RESIDED IN THE STATE FOR AT LEAST THE IMMEDIATELY PRECEDING 5 YEARS; AND

(III) BE A QUALIFIED VOTER OF THE STATE; AND

~~(IV) HAVE SUBSTANTIAL EXPERIENCE:~~

~~1. AS AN EXECUTIVE WITH FIDUCIARY RESPONSIBILITIES FOR A LARGE ORGANIZATION OR FOUNDATION;~~

~~2. IN AN ACADEMIC FIELD RELATING TO HEALTH, AGRICULTURE, OR FINANCE; OR~~

~~3. AS A PROFESSIONAL IN A PROFESSION RELATING TO HEALTH, AGRICULTURE, OR FINANCE.~~

(2) A MEMBER OF THE COMMISSION MAY NOT:

(I) HAVE A DIRECT OR INDIRECT FINANCIAL, OWNERSHIP, OR MANAGEMENT INTEREST, INCLUDING OWNERSHIP OF ANY STOCKS, BONDS, OR OTHER SIMILAR FINANCIAL INSTRUMENTS, IN ANY STATE LICENSED MEDICAL CANNABIS GROWER, PROCESSOR, OR DISPENSARY;

(II) HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO HOLDS A LICENSE UNDER THIS SUBTITLE;

(III) BE AN ELECTED OFFICIAL OF STATE OR LOCAL GOVERNMENT;

(IV) RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE RECEIPTS OR PROCEEDS OF ANY STATE LICENSED MEDICAL CANNABIS GROWER, PROCESSOR, OR DISPENSARY; OR

1           **(V) HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR THE**  
 2 **MANUFACTURE OR SALE OF MEDICAL CANNABIS OR THE PROVISION OF ANY**  
 3 **INDEPENDENT CONSULTING SERVICES IN CONNECTION WITH ANY MEDICAL**  
 4 **CANNABIS LICENSE.**

5           **(3) TO THE EXTENT PRACTICABLE AND CONSISTENT WITH FEDERAL**  
 6 **AND STATE LAW, THE MEMBERSHIP OF THE COMMISSION SHALL REFLECT THE**  
 7 **RACIAL, ETHNIC, AND GENDER DIVERSITY OF THE STATE.**

8           **(4) A MEMBER OF THE COMMISSION SHALL FILE A FINANCIAL**  
 9 **DISCLOSURE STATEMENT WITH THE STATE ETHICS COMMISSION IN ACCORDANCE**  
 10 **WITH TITLE 5, SUBTITLE 6 OF THE GENERAL PROVISIONS ARTICLE.**

11           **[(b)] (C) (1) The term of a member is 4 years.**

12           (2) The terms of the **APPOINTED** members are staggered as required by  
 13 the terms provided for members on ~~October 1, 2013~~ **JUNE 1, 2018.**

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

16           (4) A member may not serve more than three consecutive full terms.

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

19           **[(c)] (D) The Governor shall designate the chair from among the members of the**  
 20 **Commission.**

21           **[(d)] (E) A majority of the full authorized membership of the Commission is a**  
 22 **quorum.**

23           **[(e)] (F) (1) [A] AN APPOINTED member of the Commission IS ENTITLED**  
 24 **TO:**

25           **[(1) May not receive compensation as a member of the Commission; but]**

26           **(I) THE SALARY PROVIDED IN THE BUDGET OF THE**  
 27 **COMMISSION; AND**

28           **(II) REIMBURSEMENT FOR REASONABLE EXPENSES:**

29           **1. INCURRED IN THE PERFORMANCE OF THE**  
 30 **COMMISSION MEMBER'S DUTIES; AND**



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

3           (8)    The Fund consists of:

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

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

8                   (iii) [Any] **EXCEPT AS PROVIDED IN § 13-3303.1 OF THIS**  
9 **SUBTITLE, ANY** fees collected by the Commission under this subtitle.

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

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

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

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

15 **13-3303.1.**

16          **(A) IN THIS SECTION, “COMPASSIONATE USE FUND” MEANS THE NATALIE**  
17 **M. LAPRADE MEDICAL CANNABIS COMPASSIONATE USE FUND.**

18          **(B) THERE IS A NATALIE M. LAPRADE MEDICAL CANNABIS**  
19 **COMPASSIONATE USE FUND.**

20          **(C) (1) THE DEPARTMENT SHALL:**

21                   **(I) ADMINISTER THE COMPASSIONATE USE FUND; AND**

22                   **(II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, SET**  
23 **FEES IN AN AMOUNT NECESSARY TO PROVIDE REVENUES FOR THE PURPOSES OF**  
24 **THE COMPASSIONATE USE FUND.**

25                   **(2) THE COMMISSION MAY NOT IMPOSE THE FEES ESTABLISHED**  
26 **UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION ON A LICENSED MEDICAL**  
27 **CANNABIS GROWER, PROCESSOR, OR DISPENSARY DURING THE 2 YEARS**  
28 **IMMEDIATELY FOLLOWING THE PREAPPROVAL OF THE LICENSEE FOR A LICENSE**  
29 **UNDER THIS SUBTITLE.**

1 (D) THE PURPOSE OF THE COMPASSIONATE USE FUND IS TO PROVIDE  
2 ACCESS TO MEDICAL CANNABIS FOR INDIVIDUALS ENROLLED IN THE MARYLAND  
3 MEDICAL ASSISTANCE PROGRAM OR IN THE VETERANS ADMINISTRATION  
4 MARYLAND HEALTH CARE SYSTEM.

5 (E) (1) THE COMPASSIONATE USE FUND IS A SPECIAL, NONLAPSING  
6 FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND  
7 PROCUREMENT ARTICLE.

8 (2) THE STATE TREASURER SHALL HOLD THE COMPASSIONATE USE  
9 FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE  
10 COMPASSIONATE USE FUND.

11 (3) THE COMPASSIONATE USE FUND SHALL BE INVESTED AND  
12 REINVESTED IN THE SAME MANNER AS OTHER STATE FUNDS, AND ANY INVESTMENT  
13 EARNINGS SHALL BE RETAINED TO THE CREDIT OF THE COMPASSIONATE USE  
14 FUND.

15 (4) THE COMPASSIONATE USE FUND SHALL BE SUBJECT TO AN  
16 AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2-1220 OF  
17 THE STATE GOVERNMENT ARTICLE.

18 (5) THE COMPTROLLER SHALL PAY OUT MONEY FROM THE  
19 COMPASSIONATE USE FUND AS DIRECTED BY THE DEPARTMENT.

20 (F) (1) ON OR BEFORE DECEMBER 1, 2018, THE COMMISSION, IN  
21 CONSULTATION WITH THE DEPARTMENT, SHALL REPORT TO THE GENERAL  
22 ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE,  
23 ON:

24 ~~(1)~~ (I) THE REVENUES THE COMMISSION ANTICIPATES ARE  
25 NECESSARY TO IMPLEMENT THE PROGRAM DESCRIBED IN SUBSECTION (I) OF THIS  
26 SECTION;

27 ~~(2)~~ (II) THE AMOUNT OF FEES AND THE LICENSEES ON WHICH  
28 THOSE FEES SHALL BE ASSESSED IN ORDER TO GENERATE THE NECESSARY  
29 REVENUES;

30 ~~(3)~~ (III) THE USE OF ANY OTHER FUNDING MECHANISM TO  
31 IMPLEMENT THE PROGRAM; AND

32 ~~(4)~~ (IV) ANY ANTICIPATED SAVINGS IN PRESCRIPTION DRUG COSTS  
33 FOR THE MARYLAND MEDICAL ASSISTANCE PROGRAM THAT WOULD RESULT FROM  
34 THE PROVISION OF MEDICAL CANNABIS UNDER THIS SUBTITLE.

1           **(2) THE COMMISSION MAY HIRE AN INDEPENDENT ACTUARY TO**  
2 **ASSIST THE COMMISSION IN THE PREPARATION OF THE REPORT REQUIRED UNDER**  
3 **PARAGRAPH (1) OF THIS SUBSECTION.**

4           **(G) NO PART OF THE COMPASSIONATE USE FUND MAY REVERT OR BE**  
5 **CREDITED TO:**

6           **(1) THE GENERAL FUND OF THE STATE; OR**

7           **(2) ANY OTHER SPECIAL FUND OF THE STATE.**

8           **(H) EXPENDITURES FROM THE COMPASSIONATE USE FUND MAY BE MADE**  
9 **ONLY IN ACCORDANCE WITH THE STATE BUDGET.**

10           **(I) (1) THE DEPARTMENT, IN CONSULTATION WITH THE COMMISSION,**  
11 **SHALL ESTABLISH A PROGRAM TO ALLOW ELIGIBLE INDIVIDUALS ENROLLED IN THE**  
12 **MARYLAND MEDICAL ASSISTANCE PROGRAM OR IN THE VETERANS**  
13 **ADMINISTRATION MARYLAND HEALTH CARE SYSTEM TO:**

14                   **(I) OBTAIN MEDICAL CANNABIS FROM A LICENSED**  
15 **DISPENSARY AT NO COST OR A REDUCED COST; AND**

16                   **(II) REIMBURSE A LICENSED DISPENSARY FOR THE COST OF**  
17 **THE MEDICAL CANNABIS DISPENSED TO AN ELIGIBLE INDIVIDUAL UNDER THE**  
18 **PROGRAM FROM THE COMPASSIONATE USE FUND.**

19           **(2) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT**  
20 **THIS SUBSECTION.**

21 13-3305.

22           On or before January 1 each year, the Commission shall report to the Governor and,  
23 in accordance with § 2-1246 of the State Government Article, the General Assembly on  
24 [providers]:

25           **(1) PROVIDERS** certified under this subtitle; AND

26           **(2) THE ~~DEMAND~~ CONSUMPTION, BY CONDITION TREATED, AND**  
27 **AVERAGE CONSUMER PRICE FOR MEDICAL CANNABIS PRODUCTS PROVIDED IN**  
28 **ACCORDANCE WITH THIS SUBTITLE.**

29 13-3305.1.

1 (A) IN THIS SECTION, "OWNER" INCLUDES ANY TYPE OF OWNER OR  
2 BENEFICIARY OF A BUSINESS ENTITY, INCLUDING AN OFFICER, A DIRECTOR, A  
3 PRINCIPAL EMPLOYEE, A PARTNER, AN INVESTOR, A STOCKHOLDER, OR A  
4 BENEFICIAL OWNER OF THE BUSINESS ENTITY AND, NOTWITHSTANDING ANY OTHER  
5 PROVISION OF THIS SUBTITLE, A PERSON HAVING ANY OWNERSHIP INTEREST  
6 REGARDLESS OF THE PERCENTAGE OF OWNERSHIP INTEREST.

7 (B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A  
8 CONSTITUTIONAL OFFICER OR A SECRETARY OF A PRINCIPAL DEPARTMENT OF THE  
9 EXECUTIVE BRANCH OF THE STATE GOVERNMENT MAY NOT:

10 (1) BE AN OWNER OR AN EMPLOYEE OF ANY BUSINESS ENTITY THAT  
11 HOLDS A LICENSE UNDER THIS SUBTITLE; OR

12 (2) HAVE AN OFFICIAL RELATIONSHIP TO A BUSINESS ENTITY THAT  
13 HOLDS A LICENSE UNDER THIS SUBTITLE.

14 (C) A CONSTITUTIONAL OFFICER OR A SECRETARY OF A PRINCIPAL  
15 DEPARTMENT OF THE EXECUTIVE BRANCH OF THE STATE GOVERNMENT MAY  
16 REMAIN AN OWNER OR AN EMPLOYEE OF A BUSINESS ENTITY THAT HOLDS A LICENSE  
17 UNDER THIS SUBTITLE IF THE CONSTITUTIONAL OFFICER OR SECRETARY WAS AN  
18 OWNER OR EMPLOYEE OF THE BUSINESS ENTITY BEFORE THE CONSTITUTIONAL  
19 OFFICER'S ELECTION OR APPOINTMENT OR THE SECRETARY'S APPOINTMENT.

20 13-3305.2.

21 (A) THE COMMISSION, IN CONSULTATION WITH THE CERTIFICATION  
22 AGENCY AS DEFINED IN § 14-301 OF THE STATE FINANCE AND PROCUREMENT  
23 ARTICLE, THE GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS  
24 AFFAIRS, AND THE OFFICE OF THE ATTORNEY GENERAL, SHALL:

25 (1) EVALUATE A STUDY OF THE MEDICAL CANNABIS INDUSTRY AND  
26 MARKET TO DETERMINE WHETHER THERE IS A COMPELLING INTEREST TO  
27 IMPLEMENT REMEDIAL MEASURES, INCLUDING THE APPLICATION OF THE STATE  
28 MINORITY BUSINESS ENTERPRISE PROGRAM UNDER TITLE 14, SUBTITLE 3 OF THE  
29 STATE FINANCE AND PROCUREMENT ARTICLE OR A SIMILAR PROGRAM, TO ASSIST  
30 MINORITIES AND WOMEN IN THE MEDICAL CANNABIS INDUSTRY;

31 (2) EVALUATE RACE-NEUTRAL PROGRAMS OR OTHER METHODS  
32 THAT MAY BE USED TO ADDRESS THE NEEDS OF MINORITY AND WOMEN APPLICANTS  
33 AND MINORITY AND WOMEN-OWNED BUSINESSES SEEKING TO PARTICIPATE IN THE  
34 MEDICAL CANNABIS INDUSTRY; AND



1           **(3) SUBMIT EMERGENCY REGULATIONS, IN ACCORDANCE WITH**  
 2 **TITLE 10, SUBTITLE 1 OF THE STATE GOVERNMENT ARTICLE, TO IMPLEMENT**  
 3 **REMEDIAL MEASURES, IF NECESSARY AND TO THE EXTENT PERMITTED BY STATE**  
 4 **AND FEDERAL LAW, BASED ON THE FINDINGS OF THE STUDY EVALUATED UNDER**  
 5 **ITEM (1) OF THIS SECTION.**

6           **(B) THE COMMISSION MAY REPORT TO THE GENERAL ASSEMBLY, IN**  
 7 **ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ANY**  
 8 **INFORMATION THAT THE COMMISSION DETERMINES TO BE NECESSARY TO THE**  
 9 **CONSIDERATION, DEVELOPMENT, OR IMPLEMENTATION OF ANY REMEDIAL**  
 10 **MEASURES REQUIRED UNDER THIS SECTION.**

11 **13-3305.3.**

12           **A PERSON THAT APPLIES FOR LICENSURE UNDER THIS SUBTITLE SHALL**  
 13 **SUBMIT WITH THE APPLICATION FOR LICENSURE AN AFFIDAVIT ATTESTING TO:**

14           **(1) THE NUMBER OF MINORITY AND WOMEN OWNERS OF THE**  
 15 **APPLICANT;**

16           **(2) THE OWNERSHIP INTEREST OF ANY MINORITY AND WOMEN**  
 17 **OWNERS OF THE APPLICANT;**

18           **(3) THE NUMBER OF MINORITY AND WOMEN EMPLOYEES OF THE**  
 19 **APPLICANT; AND**

20           **(4) ANY OTHER INFORMATION CONSIDERED NECESSARY BY THE**  
 21 **COMMISSION.**

22 13-3306.

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

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

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

27                   (iii) Qualifying patients and caregivers; and

28                   (iv) Independent testing laboratories registered with the  
 29 Commission under this subtitle.

30           (2) (i) [Except as provided in subparagraph (ii) of this paragraph, the]  
 31 **THE Commission may license no more than [15] 20 medical cannabis growers.**

1 (ii) 1. [Beginning June 1, 2018, the] **SUBJECT TO**  
2 ~~SUBSUBPARAGRAPHS 2 AND 3~~ **SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, ON**  
3 ~~OR BEFORE BEGINNING DECEMBER 1, 2028~~ **2024, THE Commission [may issue] SHALL**  
4 **MAY REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE**  
5 **STATE GOVERNMENT ARTICLE, ON** the number of licenses necessary to meet the  
6 demand for medical cannabis by qualifying patients and caregivers issued identification  
7 cards under this subtitle in an affordable, accessible, secure, and efficient manner.

8 ~~2. THE COMMISSION MAY NOT SUBMIT THE REPORT~~  
9 ~~REQUIRED UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH BEFORE~~  
10 ~~DECEMBER 1, 2024.~~

11 ~~3. BEGINNING DECEMBER 1, 2024, BUT BEFORE~~  
12 ~~DECEMBER 1, 2028, THE COMMISSION MAY SUBMIT THE REPORT REQUIRED UNDER~~  
13 ~~SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH ONLY IF THE COMMISSION FIRST~~  
14 ~~OBTAINS THE APPROVAL OF THE LEGISLATIVE POLICY COMMITTEE.~~

15 **2. BEFORE THE COMMISSION DETERMINES TO SUBMIT**  
16 **THE REPORT DESCRIBED UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH,**  
17 **THE COMMISSION SHALL PROVIDE THE LEGISLATIVE POLICY COMMITTEE AT**  
18 **LEAST 30 DAYS TO SUBMIT COMMENTS TO THE COMMISSION.**

19 (iii) The Commission shall establish an application review process for  
20 granting medical cannabis grower licenses in which applications are reviewed, evaluated,  
21 and ranked based on criteria established by the Commission.

22 (iv) The Commission may not issue more than one medical cannabis  
23 grower license to each applicant.

24 (v) A grower shall pay an application fee in an amount to be  
25 determined by the Commission consistent with this subtitle.

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

29 (4) Each medical cannabis grower agent shall:

30 (i) Be registered with the Commission before the **MEDICAL**  
31 **CANNABIS GROWER** agent may volunteer or work for a licensed grower; and

32 (ii) Obtain a State and national criminal history records check in  
33 accordance with § 13-3312 of this subtitle.

1 (5) (i) A licensed grower shall apply to the Commission for a  
 2 registration card for each **MEDICAL CANNABIS** grower agent by submitting the name,  
 3 address, and date of birth of the agent.

4 (ii) 1. Within 1 business day after a **MEDICAL CANNABIS**  
 5 grower agent ceases to be associated with a grower, the grower shall:

6 A. Notify the Commission; and

7 B. Return the **MEDICAL CANNABIS** grower agent's  
 8 registration card to the Commission.

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

11 A. Immediately revoke the registration card of the **MEDICAL**  
 12 **CANNABIS** grower agent; and

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

15 (iii) The Commission may [not] register a person who has been  
 16 convicted of a felony drug offense as a **MEDICAL CANNABIS** grower agent **UNLESS:**

17 1. ~~WITHIN~~ **EXCEPT AS PROVIDED IN ITEM 2 OF THIS**  
 18 **SUBPARAGRAPH, WITHIN THE 7-YEAR PERIOD IMMEDIATELY PRECEDING THE DATE**  
 19 **ON WHICH THE INDIVIDUAL SUBMITTED AN APPLICATION UNDER SUBPARAGRAPH**  
 20 **(I) OF THIS PARAGRAPH, THE INDIVIDUAL WAS CONVICTED OF THE OFFENSE OR**  
 21 **SATISFACTORILY COMPLETED THE SENTENCE FOR THE OFFENSE, INCLUDING**  
 22 **PROBATION, THAT WAS IMPOSED FOR THE CONVICTION; OR**

23 2. **THE INDIVIDUAL HAS BEEN CONVICTED OF A**  
 24 **VIOLATION OF § 5-613 OF THE CRIMINAL LAW ARTICLE, REGARDLESS OF WHETHER**  
 25 **THE INDIVIDUAL HAS SATISFACTORILY COMPLETED THE SENTENCE FOR THE**  
 26 **OFFENSE; OR**

27 3. **THE COMMISSION FINDS A SUBSTANTIAL REASON TO**  
 28 **DENY THE REGISTRATION.**

29 (6) (i) A medical cannabis grower license is valid for [4] 6 years on  
 30 initial licensure.

31 (ii) A medical cannabis grower license is valid for [2] 4 years on  
 32 renewal.

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

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

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

8 (9) (i) The Commission shall:

9 1. [Actively] **TO THE EXTENT PERMITTED BY FEDERAL**  
10 **AND STATE LAW, ACTIVELY** seek to achieve racial, ethnic, **GENDER**, and geographic  
11 diversity when licensing medical cannabis growers; and

12 2. Encourage applicants who qualify as a minority business  
13 enterprise, as defined in § 14–301 of the State Finance and Procurement Article, **OR WHO**  
14 **ARE SMALL, MINORITY, OR WOMEN-OWNED BUSINESS ENTITIES TO APPLY FOR**  
15 **LICENSURE AS MEDICAL CANNABIS GROWERS.**

16 (ii) Beginning June 1, [2016] **2018**, a grower licensed under this  
17 subtitle to operate as a medical cannabis grower shall report annually to the Commission  
18 on [the minority owners and]:

19 1. **THE NUMBER OF MINORITY AND WOMEN OWNERS OF**  
20 **THE GROWER;**

21 2. **THE OWNERSHIP INTEREST OF ANY MINORITY AND**  
22 **WOMEN OWNERS OF THE GROWER; AND**

23 3. **THE NUMBER OF MINORITY AND WOMEN** employees of  
24 the grower.

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

27 **(H) A GROWER LICENSED UNDER THIS SECTION OR A MEDICAL CANNABIS**  
28 **GROWER AGENT REGISTERED UNDER THIS SECTION MAY NOT BE PENALIZED OR**  
29 **ARRESTED UNDER STATE LAW FOR:**

30 **(1) CULTIVATING, POSSESSING, PACKAGING, TRANSFERRING,**  
31 **TRANSPORTING, SELLING, OR DISTRIBUTING MEDICAL CANNABIS TO A PROCESSOR**  
32 **OR DISPENSARY; OR**

1                   **(2) TRANSPORTING THE MEDICAL CANNABIS TO AN INDEPENDENT**  
2 **TESTING LABORATORY.**

3 13-3307.

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

5           (c) **(1)** The Commission shall:

6                   **[(1)] (I)** Establish an application review process for granting dispensary  
7 licenses in which applications are reviewed, evaluated, and ranked based on criteria  
8 established by the Commission; **[and]**

9                   **[(2)] (II)** **[Actively] TO THE EXTENT PERMITTED BY FEDERAL AND**  
10 **STATE LAW, ACTIVELY** seek to achieve racial, ethnic, **GENDER**, and geographic diversity  
11 when licensing dispensaries; **AND**

12                   **(III) ENCOURAGE APPLICANTS WHO QUALIFY AS A MINORITY**  
13 **BUSINESS ENTERPRISE, AS DEFINED IN § 14-301 OF THE STATE FINANCE AND**  
14 **PROCUREMENT ARTICLE, OR WHO ARE SMALL, MINORITY, OR WOMEN-OWNED**  
15 **BUSINESS ENTITIES TO APPLY FOR LICENSURE AS DISPENSARIES.**

16           **(2) BEGINNING JUNE 1, 2018, A DISPENSARY LICENSED UNDER THIS**  
17 **SUBTITLE SHALL REPORT ANNUALLY TO THE COMMISSION ON:**

18                   **(I) THE NUMBER OF MINORITY AND WOMEN OWNERS OF THE**  
19 **DISPENSARY;**

20                   **(II) THE OWNERSHIP INTEREST OF ANY MINORITY AND WOMEN**  
21 **OWNERS OF THE DISPENSARY; AND**

22                   **(III) THE NUMBER OF MINORITY AND WOMEN EMPLOYEES OF**  
23 **THE DISPENSARY.**

24           (d) **(1)** A dispensary license is valid for [4] 6 years on initial licensure.

25           **(2)** A dispensary license is valid for [2] 4 years on renewal.

26 13-3308.

27           (d) The Commission may **[not]** register an individual who has been convicted of a  
28 felony drug offense as a dispensary agent **UNLESS:**

29                   **(1) ~~WITHIN~~ EXCEPT AS PROVIDED IN ITEM (2) OF THIS SUBSECTION,**  
30 **WITHIN THE 7-YEAR PERIOD IMMEDIATELY PRECEDING THE DATE ON WHICH THE**

1 INDIVIDUAL SUBMITTED AN APPLICATION UNDER SUBSECTION (B) OF THIS  
 2 SECTION, THE INDIVIDUAL WAS CONVICTED OF THE OFFENSE OR SATISFACTORILY  
 3 COMPLETED THE SENTENCE FOR THE OFFENSE, INCLUDING PROBATION, THAT WAS  
 4 IMPOSED FOR THE CONVICTION; ~~OR~~

5 (2) THE INDIVIDUAL HAS BEEN CONVICTED OF A VIOLATION OF §  
 6 5-613 OF THE CRIMINAL LAW ARTICLE, REGARDLESS OF WHETHER THE  
 7 INDIVIDUAL HAS SATISFACTORILY COMPLETED THE SENTENCE FOR THE OFFENSE;  
 8 OR

9 (3) THE COMMISSION FINDS A SUBSTANTIAL REASON TO DENY THE  
 10 REGISTRATION.

11 13-3309.

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

13 (c) (1) THE COMMISSION MAY LICENSE NO MORE THAN ~~20~~ 25  
 14 PROCESSORS.

15 (2) (I) SUBJECT TO ~~SUBPARAGRAPHS (II) AND (III)~~  
 16 SUBPARAGRAPH (II) OF THIS PARAGRAPH, ON OR BEFORE BEGINNING DECEMBER  
 17 1, 2028 2024, THE COMMISSION SHALL MAY REPORT TO THE GENERAL ASSEMBLY,  
 18 IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE  
 19 NUMBER OF LICENSES NECESSARY TO MEET THE DEMAND FOR MEDICAL CANNABIS  
 20 BY QUALIFYING PATIENTS AND CAREGIVERS ISSUED IDENTIFICATION CARDS UNDER  
 21 THIS SUBTITLE IN AN AFFORDABLE, ACCESSIBLE, SECURE, AND EFFICIENT MANNER.

22 ~~(II) THE COMMISSION MAY NOT SUBMIT THE REPORT~~  
 23 ~~REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BEFORE DECEMBER 1,~~  
 24 ~~2024.~~

25 ~~(III) BEGINNING DECEMBER 1, 2024, BUT BEFORE DECEMBER 1,~~  
 26 ~~2028, THE COMMISSION MAY SUBMIT THE REPORT REQUIRED UNDER~~  
 27 ~~SUBPARAGRAPH (I) OF THIS PARAGRAPH ONLY IF THE COMMISSION FIRST OBTAINS~~  
 28 ~~THE APPROVAL OF THE LEGISLATIVE POLICY COMMITTEE.~~

29 (II) BEFORE THE COMMISSION DETERMINES TO SUBMIT THE  
 30 REPORT DESCRIBED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE  
 31 COMMISSION SHALL PROVIDE THE LEGISLATIVE POLICY COMMITTEE AT LEAST 30  
 32 DAYS TO SUBMIT COMMENTS TO THE COMMISSION.

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

4           **(4) (I) THE COMMISSION SHALL:**

5                   **1. TO THE EXTENT PERMITTED BY FEDERAL AND STATE**  
 6 **LAW, ACTIVELY SEEK TO ACHIEVE RACIAL, ETHNIC, GENDER, AND GEOGRAPHIC**  
 7 **DIVERSITY WHEN LICENSING PROCESSORS; AND**

8                   **2. ENCOURAGE APPLICANTS WHO QUALIFY AS A**  
 9 **MINORITY BUSINESS ENTERPRISE, AS DEFINED IN § 14-301 OF THE STATE FINANCE**  
 10 **AND PROCUREMENT ARTICLE, OR WHO ARE SMALL, MINORITY, OR WOMEN-OWNED**  
 11 **BUSINESS ENTITIES TO APPLY FOR LICENSURE AS PROCESSORS.**

12                   **(II) BEGINNING JUNE 1, 2018, A PROCESSOR LICENSED UNDER**  
 13 **THIS SUBTITLE SHALL REPORT ANNUALLY TO THE COMMISSION ON:**

14                   **1. THE NUMBER OF MINORITY AND WOMEN OWNERS OF**  
 15 **THE PROCESSOR;**

16                   **2. THE OWNERSHIP INTEREST OF ANY MINORITY AND**  
 17 **WOMEN OWNERS OF THE PROCESSOR; AND**

18                   **3. THE NUMBER OF MINORITY AND WOMEN EMPLOYEES**  
 19 **OF THE PROCESSOR.**

20           (d) (1) A processor license is valid for [4] **6** years on initial licensure.

21                   (2) A processor license is valid for [2] **4** years on renewal.

22           (e) A processor licensed under this section or a processor agent registered under  
 23 § 13-3310 of this subtitle may not be penalized or arrested under State law for:

24                   **(1) [acquiring] ACQUIRING, possessing, processing, PACKAGING,**  
 25 **LABELING, transferring, transporting, selling, OR distributing[, or dispensing] MEDICAL**  
 26 **cannabis[,] OR products containing MEDICAL cannabis[, related supplies, or educational**  
 27 **materials] TO A DISPENSARY for use by [a licensee under this subtitle or] a qualifying**  
 28 **patient or a caregiver; OR**

29                   **(2) TRANSPORTING MEDICAL CANNABIS OR PRODUCTS CONTAINING**  
 30 **MEDICAL CANNABIS TO AN INDEPENDENT TESTING LABORATORY.**

31 13-3310.

1 (d) The Commission may [not] register an individual who has been convicted of a  
2 felony drug offense as a processor agent UNLESS:

3 (1) ~~WITHIN~~ EXCEPT AS PROVIDED IN ITEM (2) OF THIS SUBSECTION,  
4 WITHIN THE 7-YEAR PERIOD IMMEDIATELY PRECEDING THE DATE ON WHICH THE  
5 INDIVIDUAL SUBMITTED AN APPLICATION UNDER SUBSECTION (B) OF THIS  
6 SECTION, THE INDIVIDUAL WAS CONVICTED OF THE OFFENSE OR SATISFACTORILY  
7 COMPLETED THE SENTENCE FOR THE OFFENSE, INCLUDING PROBATION, THAT WAS  
8 IMPOSED FOR THE CONVICTION; ~~OR~~

9 (2) THE INDIVIDUAL HAS BEEN CONVICTED OF A VIOLATION OF §  
10 5-613 OF THE CRIMINAL LAW ARTICLE, REGARDLESS OF WHETHER THE  
11 INDIVIDUAL HAS SATISFACTORILY COMPLETED THE SENTENCE FOR THE OFFENSE;  
12 OR

13 (3) THE COMMISSION FINDS A SUBSTANTIAL REASON TO DENY THE  
14 REGISTRATION.

15 13-3311.1.

16 (A) THE HOLDER OF A MEDICAL CANNABIS GROWER, PROCESSOR, OR  
17 DISPENSARY LICENSE MAY SELL OR TRANSFER OWNERSHIP OF THE LICENSE IF THE  
18 LICENSEE WAS PHYSICALLY AND ACTIVELY ENGAGED IN THE CULTIVATION,  
19 PROCESSING, OR DISPENSING OF MEDICAL CANNABIS FOR AT LEAST 2 YEARS  
20 IMMEDIATELY PRECEDING THE SALE OR TRANSFER OF THE OWNERSHIP OF THE  
21 LICENSE.

22 (2) NOTHING IN PARAGRAPH (1) OF THIS SUBSECTION MAY BE  
23 CONSTRUED TO LIMIT THE ABILITY OF THE COMMISSION TO ENFORCE THIS  
24 SUBTITLE.

25 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE  
26 COMMISSION MAY RESCIND THE STAGE ONE PREAPPROVAL OF AN APPLICANT IF  
27 THE FACILITY OF THE APPLICANT IS NOT OPERATIONAL WITHIN 6 MONTHS AFTER  
28 ISSUANCE OF THE LICENSE DUE TO A LACK OF A GOOD FAITH EFFORT BY THE  
29 APPLICANT TO BECOME OPERATIONAL.

30 (2) IF THE APPLICANT CAN DEMONSTRATE TO THE COMMISSION  
31 THAT THE FAILURE TO BECOME OPERATIONAL UNDER PARAGRAPH (1) OF THIS  
32 SUBSECTION WAS DUE TO UNFORESEEN HARDSHIP BEYOND THE CONTROL OF THE  
33 APPLICANT, THE COMMISSION MAY EXTEND THE TIME FRAME TO BECOME  
34 OPERATIONAL FOR AN ADDITIONAL 6 MONTHS BEFORE RESCINDING THE STAGE  
35 ONE PREAPPROVAL.



1 13-3316.

2 [On or before September 15, 2014, the] **THE** Commission shall adopt regulations to  
3 implement the provisions of this subtitle.

4 **Article – State Finance and Procurement**

5 6-226.

6 (a) (2) (i) Notwithstanding any other provision of law, and unless  
7 inconsistent with a federal law, grant agreement, or other federal requirement or with the  
8 terms of a gift or settlement agreement, net interest on all State money allocated by the  
9 State Treasurer under this section to special funds or accounts, and otherwise entitled to  
10 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General  
11 Fund of the State.

12 (ii) The provisions of subparagraph (i) of this paragraph do not apply  
13 to the following funds:

14 101. the Advance Directive Program Fund; [and]

15 102. the Make Office Vacancies Extinct Matching Fund; AND

16 **103. THE NATALIE M. LAPRADE MEDICAL CANNABIS**  
17 **COMPASSIONATE USE FUND.**

18 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
19 as follows:

20 **Article – Health – General**

21 13-3303.

22 (a) The Commission consists of the following [16] 13 members:

23 (1) The Secretary of Health, or the Secretary’s designee; and

24 (2) The following [15] 5 members, appointed by the Governor **WITH THE**  
25 **ADVICE AND CONSENT OF THE SENATE:**

26 [(i) Two members of the public who support the use of cannabis for  
27 medical purposes and who are or were patients who found relief from the use of medical  
28 cannabis;

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



1                   (ii) Be a resident of the State who has resided in the State for at least  
2 the immediately preceding 5 years; [and]

3                   (iii) Be a qualified voter of the State; AND

4                   **(IV) WITH RESPECT TO A MEMBER APPOINTED UNDER**  
5 **SUBSECTION (A)(3), (4), (5), OR (6) OF THIS SECTION, HAVE SUBSTANTIAL**  
6 **EXPERIENCE:**

7                   **1. AS AN EXECUTIVE WITH FIDUCIARY**  
8 **RESPONSIBILITIES FOR A LARGE ORGANIZATION OR FOUNDATION;**

9                   **2. IN AN ACADEMIC FIELD RELATING TO HEALTH,**  
10 **AGRICULTURE, FINANCE, OR ADDICTION TREATMENT; OR**

11                   **3. AS A PROFESSIONAL IN A PROFESSION RELATING TO**  
12 **HEALTH, AGRICULTURE, FINANCE, OR ADDICTION TREATMENT.**

13                   (2) A member of the Commission may not:

14                   (i) Have a direct or indirect financial, ownership, or management  
15 interest, including ownership of any stocks, bonds, or other similar financial instruments,  
16 in any State licensed medical cannabis grower, processor, or dispensary;

17                   (ii) Have an official relationship to a person who holds a license  
18 under this subtitle;

19                   (iii) Be an elected official of State or local government;

20                   (iv) Receive or share in, directly or indirectly, the receipts or proceeds  
21 of any State licensed medical cannabis grower, processor, or dispensary; or

22                   (v) Have a beneficial interest in any contract for the manufacture or  
23 sale of medical cannabis or the provision of any independent consulting services in  
24 connection with any medical cannabis license.

25                   (3) To the extent practicable and consistent with federal and State law, the  
26 membership of the Commission shall reflect the racial, ethnic, and gender diversity of the  
27 State.

28                   (4) A member of the Commission shall file a financial disclosure statement  
29 with the State Ethics Commission in accordance with Title 5, Subtitle 6 of the General  
30 Provisions Article.

31                   (c) (1) The term of a member is 4 years.

## HOUSE BILL 2

1           (2) The terms of the appointed members are staggered as required by the  
2 terms provided for members on October 1, [2013] 2019.

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

5           (4) A member may not serve more than three consecutive full terms.

6           (5) A member who is appointed after a term has begun serves only for the  
7 rest of the term and until a successor is appointed and qualifies.

8           SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That, to implement the change  
9 in the composition of the Natalie M. LaPrade Medical Cannabis Commission under §  
10 13–3303 of the Health – General Article, as enacted by Section ~~1~~ 2 of this Act, the terms of  
11 all members serving on the Commission before the effective date of Section 2 of this Act  
12 shall terminate ~~June 1, 2018~~ October 1, 2019.

13           SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That it is the intent of the  
14 General Assembly that, in filling the five positions provided for in § 13–3303(a)(2) of the  
15 Health – General Article, as enacted by Section ~~1~~ 2 of this Act, the Governor may reappoint  
16 a member of the Commission who served before of the effective date of Section 2 of this Act  
17 in order to ensure a level of continuity within the membership of the Natalie M. LaPrade  
18 Medical Cannabis Commission.

19           SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That the terms of the ~~eight~~ 12  
20 initial members of the Natalie M. LaPrade Medical Cannabis Commission provided for in  
21 § 13–3303(a)(2) through ~~(5)~~ (6) of the Health – General Article, as enacted by Section ~~1~~ 2 of  
22 this Act, shall expire as follows:

23           (1) ~~two~~ three members in ~~2020~~ 2021;

24           (2) ~~two~~ three members in ~~2021~~ 2022;

25           (3) ~~two~~ three members in ~~2022~~ 2023; and

26           (4) ~~two~~ three members in ~~2023~~ 2024.

27           SECTION ~~5~~ 6. AND BE IT FURTHER ENACTED, That the Natalie M. LaPrade  
28 Medical Cannabis Commission may not review, evaluate, or rank an application for a  
29 license under Title 13, Subtitle 33 of the Health – General Article or ~~award any additional~~  
30 ~~licenses~~ grant Stage One preapproval for licensure under Title 13, Subtitle 33 of the Health  
31 – General Article until the regulations required under § 13–3305.2 of the Health – General  
32 Article, as enacted by Section 1 of this Act, have been adopted.

33           SECTION 7. AND BE IT FURTHER ENACTED, That:

1           (a) It is the intent of the General Assembly that the Natalie M. LaPrade Medical  
 2 Cannabis Commission submit the emergency regulations described under § 13–3305.2(a)(3)  
 3 of the Health – General Article, as enacted by Section 1 of this Act, on or before June 1,  
 4 2018.

5           (b) Until the submission of the emergency regulations described under §  
 6 13–3305.2(a)(3) of the Health – General Article, as enacted by Section 1 of this Act, the  
 7 Commission shall report, in accordance with § 2–1246 of the State Government Article, at  
 8 least once every 30 days to the following committees of the General Assembly on the  
 9 progress towards submitting the emergency regulations:

10           (1) the Joint Committee on Administrative, Executive, and Legislative  
 11 Review;

12           (2) the Senate Finance Committee; and

13           (3) the House Health and Government Operations Committee.

14           SECTION ~~6~~ 8. AND BE IT FURTHER ENACTED, That, ~~following:~~

15           (a) Following the adoption of any regulations in accordance with ~~§ 13–3305.2~~ §  
 16 13–3305.2(a)(3) of the Health – General Article, as enacted by Section 1 of this Act, the  
 17 Natalie M. LaPrade Medical Cannabis Commission:

18           (1) shall accept new applications for licensure under Title 13, Subtitle 33  
 19 of the Health – General Article in addition to the applications that the Commission  
 20 previously received;

21           (2) shall allow a person who previously applied for licensure under Title  
 22 13, Subtitle 33 of the Health – General Article to amend, if necessary, and resubmit the  
 23 person’s application or to withdraw the person’s application entirely;

24           (3) may waive the initial application fee for a person who previously  
 25 applied for licensure under Title 13, Subtitle 33 of the Health – General Article, but may  
 26 charge the person a reasonable fee for the ~~submission~~ resubmission of an unamended or  
 27 amended application; and

28           (4) shall resume reviewing, evaluating, and ranking applications for  
 29 licensure under Title 13, Subtitle 33 of the Health – General Article in accordance with the  
 30 evaluation system adopted in regulation and awarding licenses under Title 13, Subtitle 33  
 31 of the Health – General Article.

32           (b) The Natalie M. LaPrade Medical Cannabis Commission may not be required  
 33 to consider for a license under Title 13, Subtitle 33 of the Health – General Article a person  
 34 who previously applied for licensure and who was not awarded a license unless the person  
 35 resubmits the application as allowed under subsection (a)(2) of this section and pays any  
 36 fee charged under subsection (a)(3) of this section.

1        SECTION 9. AND BE IT FURTHER ENACTED, That:

2        (a)    Notwithstanding Section 6 of this Act, if the Natalie M. LaPrade Medical  
3 Cannabis Commission rescinds or revokes the Stage One preapproval of an applicant for  
4 licensure that received Stage One preapproval in calendar year 2016, the Commission may  
5 grant Stage One preapproval for licensure to an applicant in accordance with the numerical  
6 selection sequence for additional license preapprovals that the Commission unanimously  
7 adopted during the Commission's public meetings held in calendar year 2016.

8        (b)    Notwithstanding Section 6 of this Act, the Natalie M. LaPrade Medical  
9 Cannabis Commission may:

10        (1)    grant a person Stage One preapproval for licensure as a medical  
11 cannabis grower under § 13-3306 of the Health – General Article, as enacted by Section 1  
12 of this Act, if the person:

13            (i)    is licensed as a processor under § 13-3309 of the Health –  
14 General Article, as enacted by Section 1 of this Act; and

15            (ii)   applied for a medical cannabis grower license and was initially  
16 ranked among the top 30 grower applicants by the Regional Economic Studies Institute in  
17 July 2016; and

18        (2)    grant a person Stage One preapproval for licensure as a processor under  
19 § 13-3309 of the Health – General Article, as enacted by Section 1 of this Act, if the person:

20            (i)    is licensed as a medical cannabis grower under § 13-3306 of the  
21 Health – General Article, as enacted by Section 1 of this Act; and

22            (ii)   applied for a processor license and was ranked among the top 30  
23 processor applicants by the Commission in August 2016.

24        (c)    An applicant who is granted Stage One preapproval for a license under  
25 subsection (a) or (b) of this section shall meet the requirements established by the  
26 Commission for final approval of licensure, including any new date set by the Commission  
27 for the applicant to become operational.

28        SECTION 10. AND BE IT FURTHER ENACTED, That, in fiscal year 2019 and fiscal  
29 year 2020, the Governor shall appropriate at least \$1,800,000, in the aggregate, to the  
30 Natalie M. LaPrade Medical Cannabis Commission Fund for the purpose of reviewing,  
31 evaluating, and ranking applications for licensure under Title 13, Subtitle 33 of the Health  
32 – General Article in accordance with Section 6 of this Act.

33        SECTION 11. AND BE IT FURTHER ENACTED, That:

1           (a) Subject to subsection (b) of this section, on or before June 1, 2018, in order to  
2 ensure patient safety and the reliable supply of medical cannabis, the Department of  
3 Agriculture shall submit emergency regulations, in accordance with Title 10, Subtitle 1 of  
4 the State Government Article, that permit the use of crop protection agents in the growing  
5 of medical cannabis as part of an integrated pest management plan.

6           (b) The regulations submitted in accordance with subsection (a) of this section  
7 shall authorize the use of any crop protection agent that is labeled for use in a greenhouse  
8 environment and is:

9           (1) included in the list of products that the United States Environmental  
10 Protection Agency has exempted from registration under the Federal Insecticide,  
11 Fungicide, and Rodenticide Act;

12           (2) permitted for use on tobacco by the United States Environmental  
13 Protection Agency;

14           (3) permitted by the United States Environmental Protection Agency to be  
15 labeled as meeting the criteria for organic food production as defined in the United States  
16 Department of Agriculture's National Organic Program regulations; or

17           (4) specifically labeled by the United States Environmental Protection  
18 Agency as permitted for use on cannabis.

19           SECTION ~~7~~ 12. AND BE IT FURTHER ENACTED, That, on or before January 1,  
20 2019, the Natalie M. LaPrade Medical Cannabis Commission, in consultation with the  
21 Maryland Department of Health, shall report to the General Assembly, in accordance with  
22 § 2-1246 of the State Government Article, on the treatment of an opioid use disorder by  
23 using medical cannabis.

24           SECTION ~~8~~ 13. AND BE IT FURTHER ENACTED, That any remedial measures  
25 adopted in regulation in accordance with § 13-3305.2 of the Health – General Article, as  
26 enacted by Section 1 of this Act, shall be construed to apply only prospectively and may not  
27 be applied or interpreted to have any effect on or application to a medical cannabis grower,  
28 processor, or dispensary awarded Stage One pre-approval before the effective date of this  
29 Act.

30           SECTION ~~9~~ 14. AND BE IT FURTHER ENACTED, That, if any provision of this  
31 Act or the application thereof to any person or circumstance is held invalid for any reason  
32 in a court of competent jurisdiction, the invalidity does not affect other provisions or any  
33 other application of this Act that can be given effect without the invalid provision or  
34 application, and for this purpose the provisions of this Act are declared severable.

35           SECTION 15. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
36 take effect October 1, 2019.

## HOUSE BILL 2

1           SECTION ~~10~~ 16. AND BE IT FURTHER ENACTED, That, except as provided in  
2 Section 15 of this Act, this Act is an emergency measure, is necessary for the immediate  
3 preservation of the public health or safety, has been passed by a yea and nay vote supported  
4 by three-fifths of all the members elected to each of the two Houses of the General  
5 Assembly, and shall take effect from the date it is enacted.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.