HOUSE BILL 17

By: Delegate Glenn, Delegates Glenn, Pena-Melnyk, R. Lewis, Carr, Kipke, Kerr, K. Young, Bagnall, Cullison, Hill, and Pendergrass

Requested: November 20, 2018
Introduced and read first time: January 9, 2019
Assigned to: Health and Government Operations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 30, 2019

CHAPTER _____

1 AN ACT concerning

2 Natalie M. LaPrade Medical Cannabis Commission – Food Containing Medical
Cannabis Processing and Dispensing Medical Cannabis

3 FOR the purpose of authorizing an institution of higher education or a certain facility or
   firm to file with the Natalie M. LaPrade Medical Cannabis Commission a
   registration to purchase medical cannabis for the purpose of conducting a certain
   research project; requiring that a certain registration include certain information;
   providing that a certain registration is valid until there is a change in a certain
   project or there is a withdrawal of the registration; authorizing an academic research
   representative to purchase medical cannabis from a licensed dispensary for a certain
   purpose; providing that an academic research representative may not be penalized
   or arrested under State law for certain actions under certain circumstances;
   authorizing the Commission to adopt certain regulations; adding academic research
   representatives to the individuals toward whom a dispensary, dispensary agent,
   processor, or processor agent may take certain actions related to the use of cannabis
   and certain products, supplies, and materials by certain individuals and not be
   penalized or arrested under State law; adding academic research representatives to
   the list of persons that may not be subject to arrest, prosecution, or certain penalties
   or be denied any right or privilege for the medical use or possession of medical
   cannabis; adding academic research representatives to the persons from whom a
   person may not distribute, possess, manufacture, or use cannabis that has been
   diverted; requiring the Natalie M. LaPrade Medical Cannabis Commission to allow
   certain dispensaries and dispensary agents to acquire, possess, process, transfer,
transport, sell, distribute, or dispense food containing medical cannabis edible cannabis products for use by a qualifying patient or caregiver; requiring the Commission, in consultation with the Maryland Department of Health, to adopt certain regulations; requiring the Commission to allow certain processors and processor agents to acquire, possess, process, package, label, transfer, transport, sell, and distribute to a dispensary food containing medical cannabis edible cannabis products for use by a qualifying patient or caregiver; requiring the Commission to allow certain processors and processor agents to transport food containing medical cannabis edible cannabis products to an independent testing laboratory; altering the amount of time a holder of certain licenses must actively engage in certain activities before they may sell or transfer ownership of the license; prohibiting certain persons from being subject to revocation of mandatory supervision, parole, or probation for the medical use of or possession of medical cannabis; requiring that certain advertisements for medical cannabis, medical cannabis products, edible cannabis products, or medical cannabis–related services be supported by certain evidence or data and include certain information about side effects or risks associated with the use of cannabis; prohibiting certain advertisements from being false or misleading; prohibiting certain advertisements from containing certain designs, illustrations, pictures, and representations; requiring that all advertising for medical cannabis, medical cannabis products, or edible cannabis products include a certain statement; requiring a website owned, managed, or operated by certain entities to employ a certain neutral age–screening mechanism; requiring an advertisement placed on social media or a mobile application to include a certain notification; prohibiting advertisements for medical cannabis, medical cannabis products, edible cannabis products, or medical cannabis–related services from being placed within a certain distance of certain locations; requiring the Natalie M. LaPrade Medical Cannabis Commission to adopt certain regulations; providing for the application of certain provisions of this Act; defining a certain term; certain terms; making conforming changes; making technical corrections; making this Act an emergency measure; and generally relating to the processing and distribution of food containing medical cannabis.

BY repealing and reenacting, with amendments,

Article – Health – General
Section 13–3301, 13–3306(b) and (c), 13–3307(e) through (i), 13–3309(e) through (h), 13–3311.1(a), and 13–3313
Annotated Code of Maryland
(2015 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, without amendments,

Article – Health – General
Section 13–3301(a), (e), and (f), 13–3307(a)(1), and 13–3309(a), and 21–101(a) and (i)
Annotated Code of Maryland
(2015 Replacement Volume and 2018 Supplement)

BY adding to

Article – Health – General
Section 13–3304.1, 13–3307(e) and (i), and 13–3309(e) and (i), and 13–3313.1
Annotated Code of Maryland
(2015 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

Article – Health – General
Section 13–3301(g) through (n), 13–3307(e) through (i), and 13–3309(e) through (h)
Annotated Code of Maryland
(2015 Replacement Volume and 2018 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

That the Laws of Maryland read as follows:

Article – Health – General

13–3301.

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

(B) “ACADEMIC RESEARCH REPRESENTATIVE” MEANS AN EMPLOYEE OR
AGENT OF AN INSTITUTION OF HIGHER EDUCATION, A RELATED MEDICAL FACILITY,
OR AN AFFILIATED BIOMEDICAL RESEARCH FIRM THAT FILED A REGISTRATION
WITH THE COMMISSION UNDER § 13–3304.1 OF THIS SUBTITLE WHO IS AUTHORIZED
TO PURCHASE MEDICAL CANNABIS FOR THE INSTITUTION OF HIGHER EDUCATION
OR RELATED MEDICAL FACILITY.

[(b)] (C) “Caregiver” means:

(1) A person who has agreed to assist with a qualifying patient’s medical
use of cannabis; and

(2) For a qualifying patient under the age of 18 years, a parent or legal
guardian.

[(c)] (D) “Certifying provider” means an individual who:

(1) (i) 1. Has an active, unrestricted license to practice medicine
that was issued by the State Board of Physicians under Title 14 of the Health Occupations
Article; and

2. Is in good standing with the State Board of Physicians;

(ii) 1. Has an active, unrestricted license to practice dentistry
that was issued by the State Board of Dental Examiners under Title 4 of the Health
Occupations Article; and
2. Is in good standing with the State Board of Dental Examiners;

(iii) 1. Has an active, unrestricted license to practice podiatry that was issued by the State Board of Podiatric Medical Examiners under Title 16 of the Health Occupations Article; and

2. Is in good standing with the State Board of Podiatric Medical Examiners; or

(iv) 1. Has an active, unrestricted license to practice registered nursing and has an active, unrestricted certification to practice as a nurse practitioner or a nurse midwife that were issued by the State Board of Nursing under Title 8 of the Health Occupations Article; and

2. Is in good standing with the State Board of Nursing;

(2) Has a State controlled dangerous substances registration; and

(3) Is registered with the Commission to make cannabis available to patients for medical use in accordance with regulations adopted by the Commission.

[(d)] (E) “Commission” means the Natalie M. LaPrade Medical Cannabis Commission established under this subtitle.

(F) “Dispensary” means an entity licensed under this subtitle that acquires, possesses, processes, transfers, transports, sells, distributes, dispenses, or administers cannabis, products containing cannabis, related supplies, related products containing cannabis including food EDIBLE CANNABIS PRODUCTS, tinctures, aerosols, oils, or ointments, or educational materials for use by a qualifying patient or caregiver.

(G) “Dispensary agent” means an owner, an member, an employee, a volunteer, an officer, or a director of a dispensary.

(G) “FOOD” HAS THE MEANING STATED IN § 21–101 OF THIS ARTICLE.

(H) (1) “EDIBLE CANNABIS PRODUCT” MEANS A MEDICAL CANNABIS PRODUCT INTENDED FOR HUMAN CONSUMPTION BY ORAL INGESTION, IN WHOLE OR IN PART.

(2) “EDIBLE CANNABIS PRODUCT” INCLUDES MEDICAL CANNABIS PRODUCTS THAT DISSOLVE OR DISINTEGRATE IN THE MOUTH.

(3) “EDIBLE CANNABIS PRODUCT” DOES NOT INCLUDE ANY:

(I) MEDICAL CANNABIS CONCENTRATE;
(II) **Medical cannabis-infused product**, including an oil, a wax, an ointment, a salve, a tincture, a capsule, a suppository, a dermal patch, or a cartridge; or

(III) **Other dosage form** that is recognized by the United States Pharmacopeia, the National Formulary, or the Food and Drug Administration and is approved by the Commission.

[(g)] *(H)* *(I)* “Fund” means the Natalie M. LaPrade Medical Cannabis Commission Fund established under § 13–3303 of this subtitle.

[(h)] *(I)* *(J)* “Grower” means an entity licensed under this subtitle that:

1. Cultivates or packages medical cannabis; and
2. Is authorized by the Commission to provide cannabis to a processor, dispensary, or independent testing laboratory.

[(i)] *(I)* *(K)* “Independent testing laboratory” means a facility, an entity, or a site that offers or performs tests related to the inspection and testing of cannabis and products containing cannabis.

[(j)] *(I)* *(L)* “Medical cannabis grower agent” means an owner, an employee, a volunteer, an officer, or a director of a grower.

[(k)] *(I)* *(M)* “Processor” means an entity that:

1. Transforms medical cannabis into another product or extract; and
2. Packages and labels medical cannabis.

[(l)] *(I)* *(N)* “Processor agent” means an owner, a member, an employee, a volunteer, an officer, or a director of a processor.

[(m)] *(I)* *(O)* “Qualifying patient” means an individual who:

1. Has been provided with a written certification by a certifying provider in accordance with a bona fide provider–patient relationship; and
2. If under the age of 18 years, has a caregiver.

[(n)] *(O)* *(P)* “Written certification” means a certification that:

1. Is issued by a certifying provider to a qualifying patient with whom the provider has a bona fide provider–patient relationship; and
(2) Includes a written statement certifying that, in the provider’s professional opinion, after having completed an assessment of the patient’s medical history and current medical condition, the patient has a condition:

(i) That meets the inclusion criteria and does not meet the exclusion criteria of the certifying provider’s application; and

(ii) For which the potential benefits of the medical use of cannabis would likely outweigh the health risks for the patient; and

(3) May include a written statement certifying that, in the provider’s professional opinion, a 30–day supply of medical cannabis would be inadequate to meet the medical needs of the qualifying patient.

13–3304.1.

(A) (1) An institution of higher education, a related medical facility, or an affiliated biomedical research firm may file with the Commission a registration to purchase medical cannabis for the purpose of conducting a bona fide research project relating to the medical uses, properties, or composition of cannabis.

(2) A registration filed under paragraph (1) of this subsection shall include:

(i) The name of the primary researcher;

(ii) The expected duration of the research; and

(iii) The primary objectives of the research.

(3) A registration filed under paragraph (1) of this subsection shall remain valid until there is a change in the research project or a withdrawal of the registration.

(B) An academic research representative may purchase medical cannabis from a licensed dispensary.

(C) An academic research representative may not be penalized or arrested under State law for acquiring, possessing, or dispensing cannabis, products containing cannabis, related supplies, or educational materials for use in a bona fide research project relating to the medical uses, properties, or composition of cannabis.
(D) **The Commission may adopt regulations to implement this section.**

13–3306.

(b) An entity licensed to grow medical cannabis under this section may provide cannabis only to:

(1) Processors licensed by the Commission under this subtitle;

(2) Dispensaries licensed by the Commission under this subtitle;

(3) Qualified patients;

(4) Caregivers; [and]

(5) Independent testing laboratories registered with the Commission under this subtitle; AND

(6) **Academic research representatives purchasing medical cannabis under § 13–3304.1 of this subtitle.**

(c) (1) An entity licensed to grow cannabis under this section may dispense cannabis from a facility of a grower licensed as a dispensary.

(2) A qualifying patient [or], a caregiver, or an academic research representative purchasing medical cannabis under § 13–3304.1 of this subtitle may obtain medical cannabis from a facility of a grower licensed as a dispensary.

(3) An entity licensed to grow medical cannabis under this section may grow and process medical cannabis on the same premises.

13–3307.

(a) (1) A dispensary shall be licensed by the Commission.

(E) **The Commission shall allow a dispensary licensed under this section or a dispensary agent registered under § 13–3308 of this subtitle to acquire, possess, process, transfer, transport, sell, distribute, or dispense food containing medical cannabis edible cannabis products for use by a qualifying patient or, a caregiver, or an academic research representative purchasing medical cannabis under § 13–3304.1 of this subtitle.**

[(e) (f)] A dispensary licensed under this section or a dispensary agent registered under § 13–3308 of this subtitle may not be penalized or arrested under State
law for acquiring, possessing, processing, transferring, transporting, selling, distributing, or dispensing Medical cannabis, products containing Medical cannabis, related supplies, or educational materials for use by a qualifying patient or a caregiver, or an Academic Research Representative purchasing Medical cannabis under § 13–3304.1 of this subtitle.

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

[g] (H) The Commission may inspect a dispensary licensed under this section to ensure compliance with this subtitle.

(i) **The Commission, in consultation with the Department, shall adopt regulations to require a dispensary to meet any additional requirements that the Commission determines are necessary, including requiring a permit, for the dispensing of edible cannabis products.**

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

[i] (K) (1) Each dispensary licensed under this section shall submit to the Commission a quarterly report.

(2) The quarterly report shall include:

(i) The number of patients served;

(ii) The county of residence of each patient served;

(iii) The medical condition for which medical cannabis was recommended;

(iv) The type and amount of medical cannabis dispensed; and

(v) If available, a summary of clinical outcomes, including adverse events and any cases of suspected diversion.

(3) The quarterly report may not include any personal information that identifies a patient.

13–3309.

(a) A processor shall be licensed by the Commission.
(E) The Commission shall allow a processor licensed under this section or a processor agent registered under § 13–3310 of this subtitle to:

(1) Acquire, possess, process, package, label, transfer, transport, sell, and distribute to a dispensary food containing medical cannabis edible cannabis products for use by a qualifying patient or a caregiver, or an academic research representative purchasing medical cannabis under § 13–3304.1 of this subtitle; and

(2) Transport food containing medical cannabis edible cannabis products to an independent testing laboratory.

[(e)] (F) A processor licensed under this section or a processor agent registered under § 13–3310 of this subtitle may not be penalized or arrested under State law for:

(1) Acquiring, possessing, processing, packaging, labeling, transferring, transporting, selling, or distributing medical cannabis or products containing medical cannabis to a dispensary for use by a qualifying patient or a caregiver, or an academic research representative purchasing medical cannabis under § 13–3304.1 of this subtitle; or

(2) Transporting medical cannabis or products containing medical cannabis to an independent testing laboratory.

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

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

(I) The Commission, in consultation with the Department, shall adopt regulations:

(1) Including but not limited to the packaging, labeling, marketing, and appearance of edible cannabis products, to ensure the safety of minors; and

(2) To require a processor to meet any additional requirements that the Commission determines are necessary, including requiring a permit, for the processing of edible cannabis products.

[(h)] (I) (J) The Commission may impose penalties or rescind the license of a processor that does not meet the standards for licensure set by the Commission.
(a) In this title the following words have the meanings indicated.

(i) “Food” means:

(1) Any substance that is used as food or drink for human beings or as a component of food or drink for human beings; or

(2) Chewing gum or any substance that is used as a component of chewing gum.

(b) The holder of a medical cannabis grower, processor, or dispensary license may sell or transfer ownership of the license if the licensee was physically and actively engaged in the cultivation, processing, or dispensing of medical cannabis for at least [2] 3 years immediately preceding the sale or transfer of the ownership of the license.

(2) Nothing in paragraph (1) of this subsection may be construed to limit the ability of the Commission to enforce this subtitle.

(c) Any of the following persons acting in accordance with the provisions of this subtitle may not be subject to arrest, prosecution, REVOCATION OF MANDATORY SUPERVISION, PAROLE, OR PROBATION, or any civil or administrative penalty, including a civil penalty or disciplinary action by a professional licensing board, or be denied any right or privilege, for the medical use of or possession of medical cannabis:

(1) A qualifying patient:

(i) In possession of an amount of medical cannabis determined by the Commission to constitute a 30–day supply; or

(ii) In possession of an amount of medical cannabis that is greater than a 30–day supply if the qualifying patient’s certifying provider stated in the written certification that a 30–day supply would be inadequate to meet the medical needs of the qualifying patient;

(2) A grower licensed under § 13–3306 of this subtitle or a grower agent registered under § 13–3306 of this subtitle;

(3) A certifying provider;

(4) A caregiver;
(5) AN ACADEMIC RESEARCH REPRESENTATIVE PURCHASING MEDICAL CANNABIS UNDER § 13–3304.1 OF THIS SUBTITLE;

[(5)] [(6)] A dispensary licensed under § 13–3307 of this subtitle or a dispensary agent registered under § 13–3308 of this subtitle;

[(6)] [(7)] A processor licensed under § 13–3309 of this subtitle or a processor agent registered under § 13–3310 of this subtitle;

[(7)] [(8)] A hospital, medical facility, or hospice program where a qualifying patient is receiving treatment; or

[(8)] [(9)] A third-party vendor authorized by the Commission to test, transport, or dispose of medical cannabis, medical cannabis products, or medical cannabis waste under the provisions of this subtitle.

(b) (1) A person may not distribute, possess, manufacture, or use cannabis that has been diverted from a qualifying patient, a caregiver, AN ACADEMIC RESEARCH REPRESENTATIVE, a licensed grower, or a licensed dispensary.

(2) A person who violates this subsection is guilty of a felony and on conviction is subject to imprisonment not exceeding 5 years or a fine not exceeding $10,000 or both.

(3) The penalty under this subsection is in addition to any penalties that a person may be subject to for manufacture, possession, or distribution of marijuana under the Criminal Law Article.

13–3313.1.

(A) ALL ADVERTISEMENTS FOR MEDICAL CANNABIS, MEDICAL CANNABIS PRODUCTS, EDIBLE CANNABIS PRODUCTS, OR MEDICAL CANNABIS–RELATED SERVICES THAT MAKE THERAPEUTIC OR MEDICAL CLAIMS SHALL:

(1) BE SUPPORTED BY SUBSTANTIAL CLINICAL EVIDENCE OR SUBSTANTIAL CLINICAL DATA; AND

(2) INCLUDE INFORMATION ON THE MOST SIGNIFICANT SIDE EFFECTS OR RISKS ASSOCIATED WITH THE USE OF CANNABIS.

(B) AN ADVERTISEMENT FOR A GROWER, A PROCESSOR, A DISPENSARY, AN INDEPENDENT TESTING LABORATORY, A CERTIFYING PROVIDER, OR A THIRD–PARTY VENDOR MAY NOT:
(1) Make any statement that is false or misleading in any material way or is otherwise a violation of §§ 13–301 through 13–320 of the Commercial Law Article; or

(2) Contain a design, an illustration, a picture, or a representation that:

   (I) Encourages or represents the recreational use of cannabis;

   (II) Targets or is attractive to minors, including a cartoon character, a mascot, or any other depiction that is commonly used to market products to minors;

   (III) Displays the use of cannabis, including the consumption, smoking, or vaping of cannabis;

   (IV) Encourages or promotes cannabis for use as an intoxicant; or

   (V) Are obscene.

(C) All advertising for medical cannabis, medical cannabis products, or edible cannabis products shall include a statement that the product is for use only by a qualifying patient.

(D) (1) Any website owned, managed, or operated by a certifying provider, dispensary, grower, or processor shall employ a neutral age-screening mechanism that verifies that the user is at least 18 years of age, including by using an age-gate, age-screen, or age verification mechanism.

(2) An advertisement placed on social media or a mobile application shall include a notification that:

   (I) A person must be at least 18 years old to view the content; and

   (II) Medical cannabis is for use by certified patients only.

(E) (1) This subsection does not apply to an advertisement placed on property owned or leased by a dispensary, grower, or processor.
(2) Any advertisement for medical cannabis, medical cannabis products, edible cannabis products, or medical cannabis–related services may not be placed within 500 feet of:

(I) a substance abuse or treatment facility;

(II) a primary or secondary school in the State or a child care center licensed or a family child care home registered under Title 9.5 of the Education Article; or

(III) a playground, recreation center, library, or public park.

(f) The Commission shall adopt regulations to establish:

(1) procedures for the enforcement of this section; and

(2) a process for an individual to voluntarily submit an advertisement to the Commission for an advisory opinion on whether the advertisement complies with the restrictions on advertisements for medical cannabis, medical cannabis products, edible cannabis products, and medical cannabis–related services.

SECTION 2. And be it further enacted, That this Act shall take effect October 1, 2019 is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three–fifths of all the members elected to each of the two Houses of the General 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.