

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 858

(Senator Zirkin)

Judicial Proceedings

Health and Government Operations

Natalie M. LaPrade Medical Cannabis Commission - Academic Research -
Medical Uses and Properties of Cannabis

This bill authorizes an institution of higher education, a related medical facility, or an affiliated biomedical research firm to register with the Natalie M. LaPrade Medical Cannabis Commission to purchase medical cannabis for the purposes of conducting a bona fide research project relating to the medical uses, properties, or composition of cannabis. Further, an “academic research representative” may purchase medical cannabis from a licensed dispensary. The commission may adopt implementing regulations. The bill establishes legal protections for academic research representatives. **The bill takes effect June 1, 2019.**

Fiscal Summary

State Effect: Potential minimal increase in the commission’s special fund revenues and workload, as discussed below.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: An “academic research representative” is an employee or agent of an institution of higher education, a related medical facility, or an affiliated biomedical research firm that has filed a registration with the commission and is authorized to purchase medical cannabis for the institution of higher education or related medical facility.

An institution of higher education, a related medical facility, or an affiliated biomedical research firm's registration must include (1) the name of the primary researcher; (2) the expected duration of the research; and (3) the primary objectives of the research. The registration must remain valid until the commission is notified of a change in the research project or the registration is withdrawn.

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.

An academic research representative purchasing medical cannabis in accordance with the bill and Maryland's medical cannabis program is not subject to arrest, prosecution, or any civil or administrative penalty, including a civil penalty or disciplinary action by a professional licensing board, nor may they be denied any right or privilege, for the medical use or possession of medical cannabis.

A licensed grower may not be penalized or arrested under State law for providing or dispensing cannabis to an academic research representative purchasing medical cannabis in accordance with the bill.

A licensed dispensary or a registered dispensary agent may not be penalized or arrested under State law for acquiring, possessing, transferring, transporting, selling, distributing, or dispensing cannabis, products containing cannabis, related supplies, or education materials for use by an academic research representative purchasing medical cannabis in accordance with the bill.

A licensed processor or a registered processor agent may not be penalized or arrested under State law for acquiring, possessing, processing, packaging, labeling, transferring, transporting, selling, or distributing medical cannabis or products containing medical cannabis to a dispensary for use by an academic research representative purchasing medical cannabis in accordance with the bill.

A person may not distribute, possess, manufacture, or use cannabis that has been diverted from an academic research representative.

Current Law:

Maryland's Medical Cannabis Program

The Natalie M. LaPrade Medical Cannabis Commission is responsible for implementation of the State's medical cannabis program, which is intended to make medical cannabis

available to qualifying patients in a safe and effective manner. The program allows for the licensure of growers, processors, and dispensaries and the registration of their agents, as well as registration of independent testing laboratories and their agents. There is a framework to certify health care providers (including physicians, dentists, podiatrists, nurse practitioners, and nurse midwives), qualifying patients, and their caregivers to provide qualifying patients with medical cannabis legally under State law via written certification. Additionally, recent legislation extended legal protections to third-party vendors authorized by the commission to test, transport, or dispose of medical cannabis, medical cannabis products, and medical cannabis waste. In December 2018, the commission proposed regulations that require registration of secure transportation companies and address the shipment of products between licensees.

Protections Against Arrest, Prosecution, and Civil or Administrative Penalties

Current law establishes that any of the following persons acting in accordance with the statutory provisions of Maryland's medical cannabis program are not subject to arrest, prosecution, or any civil or administrative penalty, including a civil penalty or disciplinary action by a professional licensing board, nor may they be denied any right or privilege, for the medical use or possession of medical cannabis: (1) a qualifying patient who is in possession of a 30-day supply of medical cannabis, or a greater amount if authorized by the qualifying patient's written certification; (2) a grower or grower agent; (3) a certifying provider; (4) a caregiver; (5) a dispensary or dispensary agent; (6) a processor or processor agent; (7) a hospital, medical facility, or hospice program where a qualifying patient is receiving treatment; or (8) an authorized third-party vendor.

Background: Chapter 403 of 2013 authorized the investigational use of marijuana for medical purposes through research programs operated by academic medical centers in the State. The Act also established the Natalie M. LaPrade Medical Marijuana Commission, as an independent commission within the Maryland Department of Health (then the Department of Health and Mental Hygiene). The commission was initially established to (1) develop requests for applications for academic medical centers to operate programs in the State; (2) approve or deny initial and renewal program applications; and (3) monitor and oversee programs approved for operation.

Due to lack of interest among academic medical centers to participate in the program and pressure from patient advocates to make medical marijuana available beyond only those patients participating in a research study, legislation was introduced in 2014 to expand the medical marijuana program. Chapters 240 and 256 of 2014 expanded the State's medical marijuana program to allow qualifying patients to obtain medical marijuana from persons other than academic medical centers.

State Fiscal Effect: The commission advises that several institutions of higher education in the State have expressed interest in obtaining medical cannabis for research purposes. The commission notes that it plans to charge a registration fee for academic institutions (as well as related medical facilities and affiliated biomedical research firms) and their employees/agents similar to the fee for registration of independent testing laboratories and their agents. The current fee for an independent testing laboratory is \$100, and the fee per agent/employee is \$200. Thus, special fund revenues may increase from registration fees beginning as early as fiscal 2020, but any increase is likely minimal. Correspondingly, the commission's workload increases minimally to review applications.

It is assumed that the commission can promulgate implementing regulations with existing budgeted staff and resources.

State institutions of higher education and related medical facilities (as well as affiliated biomedical research firms) may benefit from having access to medical cannabis from a safe, secure, and highly regulated source for the purpose of conducting bona fide research relating to the medical uses, properties, or composition of cannabis.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): University System of Maryland; Morgan State University; Maryland Department of Health; Department of Legislative Services

Fiscal Note History: First Reader - February 22, 2019
an/jc Third Reader - March 19, 2019
Revised - Amendment(s) - March 19, 2019

Analysis by: Kathleen P. Kennedy

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