

SB0572/886082/1

BY: Health and Government Operations Committee

AMENDMENT TO SENATE BILL 572

(Third Reading File Bill)

On page 1, strike line 2 in its entirety and substitute “Natalie M. LaPrade Medical Cannabis Commission Reform Act”.

On pages 1 and 2, strike beginning with the first “of” in line 3 on page 1 through “State.” in line 3 on page 2 and substitute “of requiring the Natalie M. LaPrade Medical Cannabis Commission to conduct ongoing, thorough, and comprehensive outreach to certain small, minority, and women business owners and entrepreneurs for certain purposes; authorizing the Commission to make grants to certain educational and business development organizations for certain purposes; requiring the Commission to partner with the Division of Workforce Development and Adult Learning in the Department of Labor, Licensing, and Regulation to identify certain employment opportunities; altering the membership of the Commission; providing that certain appointments made to the Commission are subject to the advice and consent of the Senate of Maryland; establishing certain qualifications for appointed members of the Commission; prohibiting a member of the Commission from having certain interests in certain licensees, having a certain relationship to a person who holds a certain license, being a certain official, receiving or sharing in certain receipts or proceeds, or having a certain interest in certain contracts; requiring the membership of the Commission, to the extent practicable and consistent with federal and State law, to reflect the racial, ethnic, and gender diversity of the State; requiring a member of the Commission to file a certain disclosure statement; providing that the terms of the appointed members of the Commission are staggered as required by the terms provided for members on a certain date; providing that appointed members of the Commission are entitled to a certain salary, paid at certain intervals, and reimbursement for certain expenses; authorizing the Governor to remove a member of the Commission for just cause; requiring the Governor to appoint an executive director of the Commission with the advice and consent of the Senate of Maryland; establishing the Natalie M. LaPrade Medical Cannabis Compassionate Use Fund; requiring the Department of Health and

(Over)

SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 2 of 39

Mental Hygiene to administer the Fund; providing that the Fund is a special, nonlapsing fund that is not subject to a certain provision of law; providing for the purpose of the Fund; requiring the State Treasurer to hold the Fund separately and the Comptroller to account for the Fund; requiring the Fund to be invested and reinvested in a certain manner; providing that interest earnings of the Fund shall be retained to the credit of the Fund; exempting the Fund from a certain provision of law requiring interest earnings on State money to accrue to the General Fund of the State; providing that the Fund is subject to a certain audit; requiring the Comptroller to pay out money from the Fund as directed by the Department; requiring the Commission, in consultation with the Department, to report to the General Assembly, on or before a certain date, on certain anticipated necessary revenues, the amount of certain fees and on which licensees the fees should be assessed in order to generate the necessary revenues, and the use of any other funding mechanisms to implement a certain program; prohibiting any part of the Fund from reverting or being credited to certain funds; providing that expenditures from the Fund may be made only in accordance with the State budget; requiring the Department, in consultation with the Commission, to establish a certain program to allow certain individuals to obtain medical cannabis from certain dispensaries at no cost or a reduced cost and to reimburse certain dispensaries from a certain Fund; requiring the Department to adopt certain regulations; establishing the Small Medical Cannabis Business Enterprise Program; requiring a certain certification agency to certify certain business entities as small medical cannabis business enterprises under certain circumstances; requiring the certification agency, on or before a certain date, to establish a process for reviewing and evaluating certain applicants; requiring the process to include provisions for a certain unit to expedite certifications during a certain period of time; requiring a certified small medical cannabis business enterprise to submit to the certification agency a certain affidavit and certain other information; requiring the certification agency to modify a certain directory to include certain small medical cannabis business enterprises; requiring the Commission to establish a certain evaluation preference for licensure of certified small medical cannabis business enterprises; prohibiting a constitutional officer or a secretary of a principal department of the Executive Branch of State government from being an owner or an employee of a certain business entity that holds a certain license or from

SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 3 of 39

having an official relationship to a certain business entity; altering the number of medical cannabis growers that may be licensed by the Commission; requiring the Commission to rescind the Stage One preapproval of certain applicants under certain circumstances; requiring that the maximum number of grower licenses authorized by the Commission be reduced by a certain number under certain circumstances; prohibiting the Commission, beginning on a certain date, from awarding Stage One preapproval for certain licenses except under certain circumstances; requiring the Commission to grant Stage One preapproval for a dispensary license to a certain applicant and authorizing the Commission, under certain circumstances, to grant a final approval for a dispensary license to that applicant under certain circumstances; requiring the Commission to report, on or before a certain date, on the number of grower licenses necessary to meet a demand for medical cannabis by certain individuals; requiring the Commission, to the extent permitted by federal and State law, to seek to achieve certain diversity when licensing certain growers, processors, and dispensaries; requiring the Commission to encourage applicants who are small, minority, or women-owned business entities to apply for certain certification; authorizing the Commission to license a certain number of processors; authorizing the Commission, beginning on a certain date, to increase the number of processor licenses in order to meet a demand for medical cannabis by certain individuals; requiring the Commission, if the Commission increases the number of processor licenses, to report to the General Assembly on the total number of new processor licenses; authorizing the Commission, except under certain circumstances, to register as an agent of certain licensed entities an individual who has been convicted of a certain offense; altering the period of time for which certain medical cannabis grower and processor licenses are valid; altering certain reporting requirements for certain medical cannabis growers; requiring certain dispensaries and processors, beginning on a certain date, to annually report certain information to the Commission; altering the information that the Commission must report to the Governor and the General Assembly; requiring the terms of certain members of the Commission to terminate on a certain date, with a certain exception; requiring certain positions on the Commission to be filled in accordance with certain provisions of this Act; declaring the intent of the General Assembly relating to continuity within the membership of the Commission; specifying the terms of certain initial members of the Commission;

(Over)

SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 4 of 39

requiring a certain certification agency, in consultation with the General Assembly and the Office of the Attorney General, to initiate a certain study of the medical cannabis industry and market to make a certain evaluation relating to certain business participation in the medical cannabis industry; authorizing the Commission to require certain licensed entities and certain applicants for licensure to provide to the Commission certain information and provide that information to the certification agency; requiring the certification agency to report certain findings to the Commission and the Legislative Policy Committee on or before a certain date; requiring the Commission, in consultation with the Office of the Attorney General, to submit certain emergency regulations; prohibiting the Commission, except under certain circumstances, from reviewing, evaluating, or ranking an application for certain licenses or awarding certain additional licenses until a certain study is completed; requiring the Commission, under certain circumstances, to accept certain applications for licensure, permit certain persons who previously applied for licensure to amend and resubmit or withdraw certain applications, and resume reviewing, evaluating, and ranking applications for certain licenses and awarding certain additional licenses; providing that the Commission, under certain circumstances, may waive a certain initial application fee for a certain person, but may charge a certain fee for the submission of an amended application; requiring the Department of Agriculture, on or before a certain date, to submit emergency regulations that restrict the use of a certain crop protection agent; defining certain terms; making certain conforming and stylistic changes; repealing certain provisions of law made obsolete by this Act; providing for the termination of certain provisions of this Act under certain circumstances; making the provisions of this Act severable; making this Act an emergency measure; and generally relating to the Natalie M. LaPrade Medical Cannabis Commission.”.

On page 2, strike in their entirety lines 4 through 9, inclusive, and substitute:

“BY repealing and reenacting, with amendments,

Article - Health - General

Section 13-3302, 13-3303, 13-3305, 13-3306(a), 13-3307(a) and (c), 13-3308(d), 13-3309(c) and (d), 13-3310(d), and 13-3316

SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 5 of 39

Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY adding to

Article - Health - General
Section 13-3303.1, 13-3304.1, and 13-3305.1
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article - Health - General
Section 13-3305
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)
(As enacted by Chapter 474 of the Acts of the General Assembly of 2016)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement
Section 6–226(a)(2)(ii)94. and 95.
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY adding to

Article – State Finance and Procurement
Section 6–226(a)(2)(ii)96.
Annotated Code of Maryland

(Over)

**SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 6 of 39**

(2015 Replacement Volume and 2016 Supplement)”;

and after line 12, insert:

“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.

**SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 7 of 39**

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

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

(2) Provides contact information for licensed dispensaries.

(F) (1) THE COMMISSION:

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

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

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

(I) DEVELOPING PARTNERSHIPS WITH:

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

(Over)

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

3. THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS;

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

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

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

(G) THE COMMISSION SHALL PARTNER WITH THE DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING IN THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION TO IDENTIFY EMPLOYMENT OPPORTUNITIES WITHIN THE MEDICAL CANNABIS INDUSTRY FOR JOB SEEKERS, DISLOCATED WORKERS, AND EX-OFFENDERS.

13-3303.

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

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

SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 9 of 39

(2) The following 15 members, appointed by the Governor:

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

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

(iii) Three physicians licensed in the State;

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

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

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

(vii) One representative of the Maryland State's Attorneys' Association;

(viii) One representative of law enforcement;

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

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

(Over)

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

(xii) One representative of the Office of the Comptroller.]

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

**(3) ONE MEMBER APPOINTED BY THE GOVERNOR FROM A LIST OF
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 5 YEARS;**

(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

(v) HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR THE MANUFACTURE OR SALE OF MEDICAL CANNABIS OR THE PROVISION OF ANY

INDEPENDENT CONSULTING SERVICES IN CONNECTION WITH ANY MEDICAL CANNABIS LICENSE.

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

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

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

(2) The terms of the APPOINTED members are staggered as required by the terms provided for members on [October 1, 2013] JUNE 1, 2017.

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

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

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

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

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

[(e)] (F) (1) [A] EXCEPT FOR THE SECRETARY OF HEALTH AND MENTAL HYGIENE OR THE SECRETARY'S DESIGNEE, EACH member of the Commission IS ENTITLED TO:

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

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

(II) REIMBURSEMENT FOR REASONABLE EXPENSES:

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

2. AS PROVIDED IN THE BUDGET OF THE COMMISSION.

(2) EXCEPT FOR THE SECRETARY OF HEALTH AND MENTAL HYGIENE OR THE SECRETARY'S DESIGNEE, EACH MEMBER OF THE COMMISSION SHALL BE PAID ONCE EVERY 2 WEEKS.

[(2)] (3) [Is] EACH MEMBER IS entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(G) THE GOVERNOR MAY REMOVE A MEMBER OF THE COMMISSION FOR JUST CAUSE.

[(f)] (H) (1) [The] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE Commission may employ a staff, including contractual staff, in accordance with the State budget.

(Over)

(2) THE GOVERNOR SHALL APPOINT AN EXECUTIVE DIRECTOR OF THE COMMISSION, WITH THE ADVICE AND CONSENT OF THE SENATE.

[(g)] (I) The Commission may set reasonable fees to cover the costs of operating the Commission.

[(h)] (J) (1) There is a Natalie M. LaPrade Medical Cannabis Commission Fund.

(2) The Commission shall administer the Fund.

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

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

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

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

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

(8) The Fund consists of:

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

SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 15 of 39

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

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

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

(i) The General Fund of the State; or

(ii) Any other special fund of the State.

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

13-3303.1.

(A) IN THIS SECTION, "COMPASSIONATE USE FUND" MEANS THE NATALIE M. LAPRADE MEDICAL CANNABIS COMPASSIONATE USE FUND.

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

(C) THE DEPARTMENT SHALL ADMINISTER THE COMPASSIONATE USE FUND.

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

(Over)

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

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

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

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

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

(F) ON OR BEFORE DECEMBER 1, 2017, THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT, SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON:

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

(2) THE AMOUNT OF FEES AND THE LICENSEES ON WHICH THOSE FEES SHOULD BE ASSESSED IN ORDER TO GENERATE THE NECESSARY REVENUES; AND

(3) THE USE OF ANY OTHER FUNDING MECHANISM TO IMPLEMENT THE PROGRAM.

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

(1) THE GENERAL FUND OF THE STATE; OR

(2) ANY OTHER SPECIAL FUND OF THE STATE.

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

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

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

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

(Over)

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

13-3304.1.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "CERTIFICATION AGENCY" HAS THE MEANING STATED IN § 14-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(3) "PROGRAM" MEANS THE SMALL MEDICAL CANNABIS BUSINESS ENTERPRISE PROGRAM.

(B) THERE IS A SMALL MEDICAL CANNABIS BUSINESS ENTERPRISE PROGRAM.

(C) THE CERTIFICATION AGENCY SHALL CERTIFY A BUSINESS ENTITY AS A SMALL MEDICAL CANNABIS BUSINESS ENTERPRISE IF THE BUSINESS ENTITY:

(1) (i) 1. IS AT LEAST 51% OWNED BY ONE OR MORE INDIVIDUALS WHO HAVE A PERSONAL NET WORTH THAT DOES NOT EXCEED THE LIMITS ON PERSONAL NET WORTH PRESCRIBED BY THE MINORITY BUSINESS ENTERPRISE PROGRAM UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; AND

2. MEETS THE SMALL BUSINESS SIZE STANDARDS FOR:

A. THE MINORITY BUSINESS ENTERPRISE PROGRAM UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; OR

B. THE SMALL BUSINESS RESERVE PROGRAM UNDER TITLE 14, SUBTITLE 5 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; OR

(II) IS A CERTIFIED MINORITY BUSINESS ENTERPRISE AS DEFINED IN § 14-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; AND

(2) PROVIDES OR SEEKS TO PROVIDE GOODS OR SERVICES IN THE MEDICAL CANNABIS INDUSTRY.

(D) (1) ON OR BEFORE MAY 15, 2017, THE CERTIFICATION AGENCY SHALL ESTABLISH A PROCESS FOR REVIEWING AND EVALUATING APPLICANTS SEEKING CERTIFICATION UNDER THE PROGRAM.

(2) THE PROCESS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE PROVISIONS FOR A SPECIAL UNIT IN THE CERTIFICATION AGENCY TO EXPEDITE CERTIFICATIONS DURING THE INITIAL 180 DAYS OF THE PROGRAM.

(3) A SMALL MEDICAL CANNABIS BUSINESS ENTERPRISE CERTIFIED UNDER THIS SECTION SHALL SUBMIT TO THE CERTIFICATION AGENCY AN ANNUAL AFFIDAVIT AND ANY OTHER INFORMATION REQUIRED BY THE CERTIFICATION AGENCY TO DETERMINE WHETHER THE BUSINESS ENTITY

(Over)

CONTINUES TO SATISFY THE ELIGIBILITY REQUIREMENTS UNDER SUBSECTION (C) OF THIS SECTION.

(4) THE CERTIFICATION AGENCY SHALL MODIFY THE DIRECTORY MAINTAINED IN ACCORDANCE WITH § 14-304 OF THE STATE FINANCE AND PROCUREMENT ARTICLE TO INCLUDE THE SMALL MEDICAL CANNABIS BUSINESS ENTERPRISES CERTIFIED UNDER THIS SECTION.

(E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE COMMISSION SHALL ESTABLISH AN EVALUATION PREFERENCE FOR THE LICENSURE UNDER THIS SUBTITLE OF SMALL MEDICAL CANNABIS BUSINESS ENTERPRISES CERTIFIED UNDER THIS SECTION.

(2) THE EVALUATION PREFERENCE ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION:

(I) SHALL BE EQUAL IN WEIGHT TO NO LESS THAN 10% OF THE TOTAL AVAILABLE EVALUATION POINTS TO BE ASSIGNED BY THE COMMISSION FOR USE IN THE RANKING OF LICENSE APPLICANTS; AND

(II) FOR PURPOSES OF THE COMMISSION'S SELECTION OF APPLICANTS, SHALL BE USED FOR EACH CYCLE OF SOLICITATION AND REVIEW OF APPLICATIONS CONDUCTED BY THE COMMISSION.

13-3305.1.

(A) IN THIS SECTION, "OWNER" INCLUDES ANY TYPE OF OWNER OR BENEFICIARY OF A BUSINESS ENTITY, INCLUDING AN OFFICER, A DIRECTOR, A PRINCIPAL EMPLOYEE, A PARTNER, AN INVESTOR, A STOCKHOLDER, OR A BENEFICIAL OWNER OF THE BUSINESS ENTITY AND, NOTWITHSTANDING ANY

OTHER PROVISION OF THIS SUBTITLE, A PERSON HAVING ANY OWNERSHIP INTEREST REGARDLESS OF THE PERCENTAGE OF OWNERSHIP INTEREST.

(B) A CONSTITUTIONAL OFFICER OR A SECRETARY OF A PRINCIPAL DEPARTMENT OF THE EXECUTIVE BRANCH OF THE STATE GOVERNMENT MAY NOT:

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

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

13-3306.

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

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

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

(iii) Qualifying patients and caregivers; and

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

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

(Over)

(II) IF AN APPLICANT FOR LICENSURE THAT RECEIVED STAGE ONE PREAPPROVAL FOR A MEDICAL CANNABIS GROWER LICENSE IN AUGUST 2016 FAILS TO SATISFY THE REQUIREMENTS FOR LICENSURE ESTABLISHED BY THE COMMISSION DUE TO A LACK OF GOOD FAITH EFFORT BY THE APPLICANT TO BECOME OPERATIONAL BEFORE AUGUST 15, 2017, THE COMMISSION SHALL RESCIND THE APPLICANT'S STAGE ONE PREAPPROVAL.

(III) IF THE COMMISSION RESCINDS THE STAGE ONE PREAPPROVAL FOR A LICENSE OF AN APPLICANT UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE MAXIMUM NUMBER OF MEDICAL CANNABIS GROWER LICENSES AUTHORIZED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE REDUCED BY THE SAME NUMBER OF STAGE ONE PREAPPROVALS FOR LICENSURE RESCINDED BY THE COMMISSION.

(IV) BEGINNING APRIL 11, 2017, THE COMMISSION MAY NOT AWARD STAGE ONE PREAPPROVAL FOR A LICENSE UNDER THIS SECTION TO AN APPLICANT UNLESS:

1. THE CERTIFICATION AGENCY, AS DEFINED IN § 14-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, IN CONSULTATION WITH THE GENERAL ASSEMBLY AND THE OFFICE OF THE ATTORNEY GENERAL:

A. WITHIN 14 DAYS AFTER APRIL 11, 2017, HIRES AN EXPERT TO REVIEW THE STATE'S EXISTING DISPARITY STUDY TO DETERMINE, WITHIN 14 DAYS AFTER THE EXPERT IS HIRED, WHETHER THERE IS A BASIS TO SUPPORT A RACE- AND GENNDER-CONSCIOUS REMEDIAL PROGRAM IN THE REGULATED MEDICAL CANNABIS INDUSTRY AND MARKET; AND

B. IF THE STATE'S EXISTING DISPARITY STUDY IS NOT SUFFICIENT TO MAKE A DETERMINATION UNDER ITEM A OF THIS ITEM, IMMEDIATELY INITIATES A DISPARITY STUDY OF THE MEDICAL CANNABIS INDUSTRY AND MARKET; AND

2. THE CRITERIA ON WHICH THE AWARD OF STAGE ONE PREAPPROVAL FOR LICENSURE IS GRANTED INCLUDE REMEDIAL MEASURES, IF NECESSARY, THAT ARE TAILORED TO ADDRESS THE FINDINGS OF THE DISPARITY STUDY UNDER ITEM 1A OR B OF THIS SUBPARAGRAPH.

[(ii)] (V) [Beginning June 1, 2018.] ON OR BEFORE DECEMBER 1, 2020, the Commission [may issue] SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON the number of grower licenses necessary to meet the demand for medical cannabis by qualifying patients and caregivers issued identification cards under this subtitle in an affordable, accessible, secure, and efficient manner.

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

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

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

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

(Over)

SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 24 of 39

(4) Each medical cannabis grower agent shall:

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

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

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

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

A. Notify the Commission; and

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

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

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

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

**SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 25 of 39**

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

1. WITHIN THE 7-YEAR PERIOD IMMEDIATELY PRECEDING THE DATE ON WHICH THE INDIVIDUAL SUBMITTED AN APPLICATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE INDIVIDUAL WAS CONVICTED OF THE OFFENSE OR SATISFACTORILY COMPLETED THE SENTENCE FOR THE OFFENSE, INCLUDING PROBATION, THAT WAS IMPOSED FOR THE CONVICTION, WHICHEVER IS LATER; OR

2. THE COMMISSION FINDS A SUBSTANTIAL REASON TO DENY THE REGISTRATION.

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

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

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

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

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

(9) (i) The Commission shall:

(Over)

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

2. Encourage applicants who [qualify as a minority business enterprise, as defined in § 14-301 of the State Finance and Procurement Article] ARE SMALL, MINORITY, OR WOMEN-OWNED BUSINESS ENTITIES TO APPLY FOR CERTIFICATION UNDER THE SMALL MEDICAL CANNABIS BUSINESS ENTERPRISE PROGRAM ESTABLISHED UNDER § 13-3304.1 OF THIS SUBTITLE.

(ii) Beginning June 1, [2016] 2017, a grower licensed under this subtitle to operate as a medical cannabis grower shall report annually to the Commission on [the minority owners and]:

1. THE NUMBER OF MINORITY AND WOMEN OWNERS OF THE GROWER;

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

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

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

13-3307.

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

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, BEGINNING APRIL 11, 2017, THE COMMISSION MAY NOT AWARD STAGE ONE PREAPPROVAL FOR A LICENSE UNDER THIS SECTION TO AN APPLICANT UNLESS:

(i) THE CERTIFICATION AGENCY, AS DEFINED UNDER § 14-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, IN CONSULTATION WITH THE GENERAL ASSEMBLY AND THE OFFICE OF THE ATTORNEY GENERAL:

1. WITHIN 14 DAYS AFTER APRIL 11, 2017, HIRES AN EXPERT TO REVIEW THE STATE'S EXISTING DISPARITY STUDY TO DETERMINE, WITHIN 14 DAYS AFTER THE EXPERT IS HIRED, WHETHER THERE IS A BASIS TO SUPPORT A RACE- AND GENDER-CONSCIOUS REMEDIAL PROGRAM IN THE REGULATED MEDICAL CANNABIS INDUSTRY AND MARKET; AND

2. IF THE STATE'S EXISTING DISPARITY STUDY IS NOT SUFFICIENT TO MAKE A DETERMINATION UNDER ITEM 1 OF THIS ITEM, IMMEDIATELY INITIATES A DISPARITY STUDY OF THE MEDICAL CANNABIS INDUSTRY AND MARKET; AND

(ii) THE CRITERIA ON WHICH THE AWARD OF STAGE ONE PREAPPROVAL FOR LICENSURE IS GRANTED INCLUDE REMEDIAL MEASURES, IF NECESSARY, THAT ARE TAILORED TO ADDRESS THE FINDINGS OF THE DISPARITY STUDY UNDER ITEM 1 OR 2 OF THIS PARAGRAPH.

(3) NOTWITHSTANDING PARAGRAPH (2) OF THIS SUBSECTION, THE COMMISSION:

(I) SHALL GRANT STAGE ONE PREAPPROVAL FOR A LICENSE UNDER THIS SECTION TO AN APPLICANT THAT IS A LICENSED MEDICAL CANNABIS GROWER; AND

(II) MAY GRANT FINAL APPROVAL FOR A LICENSE UNDER THIS SECTION TO THE APPLICANT GRANTED STAGE ONE PREAPPROVAL UNDER ITEM (I) OF THIS PARAGRAPH IF THE APPLICANT MEETS THE REQUIREMENTS ESTABLISHED BY THE COMMISSION FOR FINAL APPROVAL.

(c) (1) The Commission shall:

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

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

(III) ENCOURAGE APPLICANTS WHO ARE SMALL, MINORITY, OR WOMEN-OWNED BUSINESS ENTITIES TO APPLY FOR CERTIFICATION UNDER THE SMALL MEDICAL CANNABIS BUSINESS ENTERPRISE PROGRAM ESTABLISHED UNDER § 13-3304.1 OF THIS SUBTITLE.

(2) BEGINNING JUNE 1, 2017, A DISPENSARY LICENSED UNDER THIS SUBTITLE SHALL REPORT ANNUALLY TO THE COMMISSION ON:

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

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

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

13-3308.

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

(1) WITHIN THE 7-YEAR PERIOD IMMEDIATELY PRECEDING THE DATE ON WHICH THE INDIVIDUAL SUBMITTED AN APPLICATION UNDER SUBSECTION (B) OF THIS SECTION, THE INDIVIDUAL WAS CONVICTED OF THE OFFENSE OR SATISFACTORILY COMPLETED THE SENTENCE FOR THE OFFENSE, INCLUDING PROBATION, THAT WAS IMPOSED FOR THE CONVICTION, WHICHEVER IS LATER; OR

(2) THE COMMISSION FINDS A SUBSTANTIAL REASON TO DENY THE REGISTRATION.

13-3309.

(c) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2)(I) OF THIS SUBSECTION, THE COMMISSION MAY LICENSE 20 PROCESSORS.

(2) (I) BEGINNING JUNE 1, 2019, THE COMMISSION MAY INCREASE THE NUMBER OF PROCESSOR LICENSES IN ORDER TO MEET THE DEMAND FOR MEDICAL CANNABIS BY QUALIFYING PATIENTS AND CAREGIVERS

(Over)

ISSUED IDENTIFICATION CARDS UNDER THIS SUBTITLE IN AN AFFORDABLE, ACCESSIBLE, SECURE, AND EFFICIENT MANNER.

(II) IF THE COMMISSION INCREASES THE NUMBER OF PROCESSOR LICENSES IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE COMMISSION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE NEW TOTAL NUMBER OF PROCESSOR LICENSES.

(3) BEGINNING APRIL 11, 2017, THE COMMISSION MAY NOT AWARD STAGE ONE PREAPPROVAL FOR A LICENSE UNDER THIS SECTION TO AN APPLICANT UNLESS:

(I) THE CERTIFICATION AGENCY, AS DEFINED IN § 14-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, IN CONSULTATION WITH THE GENERAL ASSEMBLY AND THE OFFICE OF THE ATTORNEY GENERAL:

1. WITHIN 14 DAYS AFTER APRIL 11, 2017, HIRES AN EXPERT TO REVIEW THE STATE'S EXISTING DISPARITY STUDY TO DETERMINE, WITHIN 14 DAYS AFTER THE EXPERT IS HIRED, WHETHER THERE IS A BASIS TO SUPPORT A RACE- AND GENDER-CONSCIOUS REMEDIAL PROGRAM IN THE REGULATED MEDICAL CANNABIS INDUSTRY AND MARKET; AND

2. IF THE STATE'S EXISTING DISPARITY STUDY IS NOT SUFFICIENT TO MAKE A DETERMINATION UNDER ITEM 1 OF THIS ITEM, IMMEDIATELY INITIATES A DISPARITY STUDY OF THE MEDICAL CANNABIS INDUSTRY AND MARKET; AND

(II) THE CRITERIA ON WHICH THE AWARD OF STAGE ONE PREAPPROVAL FOR LICENSURE IS GRANTED INCLUDE REMEDIAL MEASURES, IF

NECESSARY, THAT ARE TAILORED TO ADDRESS THE FINDINGS OF THE DISPARITY STUDY UNDER ITEM (I) 1 OR 2 OF THIS PARAGRAPH.

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

(5) (I) THE COMMISSION SHALL:

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

2. ENCOURAGE APPLICANTS WHO ARE SMALL, MINORITY, OR WOMEN-OWNED BUSINESS ENTITIES TO APPLY FOR CERTIFICATION UNDER THE SMALL MEDICAL CANNABIS BUSINESS ENTERPRISE PROGRAM ESTABLISHED UNDER § 13-3304.1 OF THIS SUBTITLE.

(II) BEGINNING JUNE 1, 2017, A PROCESSOR LICENSED UNDER THIS SUBTITLE SHALL REPORT ANNUALLY TO THE COMMISSION ON:

1. THE NUMBER OF MINORITY AND WOMEN OWNERS OF THE PROCESSOR;

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

3. THE NUMBER OF MINORITY AND WOMEN EMPLOYEES OF THE PROCESSOR.

(Over)

SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 32 of 39

- (d) (1) A processor license is valid for 4 years on initial licensure.
- (2) A processor license is valid for [2] 4 years on renewal.

13-3310.

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

(1) WITHIN THE 7-YEAR PERIOD IMMEDIATELY PRECEDING THE DATE ON WHICH THE INDIVIDUAL SUBMITTED AN APPLICATION UNDER SUBSECTION (B) OF THIS SECTION, THE INDIVIDUAL WAS CONVICTED OF THE OFFENSE OR SATISFACTORILY COMPLETED THE SENTENCE FOR THE OFFENSE, INCLUDING PROBATION, THAT WAS IMPOSED FOR THE CONVICTION, WHICHEVER IS LATER; OR

(2) THE COMMISSION FINDS A SUBSTANTIAL REASON TO DENY THE REGISTRATION.

13-3316.

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

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

Article – Health – General

13-3305.

**SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 33 of 39**

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

(1) PHYSICIANS certified under this subtitle;

(2) MINORITY AND WOMEN BUSINESS OWNERS LICENSED UNDER THIS SUBTITLE; AND

(3) THE OUTREACH CONDUCTED BY THE COMMISSION IN ACCORDANCE WITH § 13-3302(F) OF THIS SUBTITLE.

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Health – General

13-3305.

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

(1) PROVIDERS certified under this subtitle;

(2) MINORITY AND WOMEN BUSINESS OWNERS LICENSED UNDER THIS SUBTITLE; AND

(3) THE OUTREACH CONDUCTED BY THE COMMISSION IN ACCORDANCE WITH § 13-3302(F) OF THIS SUBTITLE.

(Over)

SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – State Finance and Procurement

6–226.

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

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

94. the Community Program Fund; [and]

95. the Maryland Corps Program Fund; AND

96. THE NATALIE M. LAPRADE MEDICAL CANNABIS COMPASSIONATE USE FUND.

SECTION 5. AND BE IT FURTHER ENACTED, That, to implement the change in the composition of the Natalie M. LaPrade Medical Cannabis Commission under § 13–3303 of the Health – General Article, as enacted by Section 1 of this Act:

(1) (i) except as provided in item (ii) of this item, the terms of all members serving on the Commission shall terminate on the taking effect of this Act; and

SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 35 of 39

(ii) the terms of all members serving on the Commission whose terms would have expired on or after September 30, 2017, shall terminate on June 1, 2017; and

(2) the eight positions provided for in § 13-3303(a)(2) and (3) of the Health – General Article shall be filled in accordance with § 13-3303 of the Health – General Article.

SECTION 6. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that, in filling the five positions provided for in § 13-3303(a)(2) of the Health – General Article, as enacted by Section 1 of this Act, the Governor may reappoint a member of the Commission who served before the enactment of this Act in order to ensure a level of continuity within the membership of the Natalie M. LaPrade Medical Cannabis Commission.

SECTION 7. AND BE IT FURTHER ENACTED, That the terms of the eight initial members of the Natalie M. LaPrade Medical Cannabis Commission provided for in § 13-3303(a)(2) and (3) of the Health – General Article, as enacted by Section 1 of this Act, shall expire as follows:

- (1) two members in 2019;
- (2) two members in 2020;
- (3) two members in 2021; and
- (4) two members in 2022.

SECTION 8. AND BE IT FURTHER ENACTED, That:

(Over)

SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 36 of 39

(a) If the State's existing disparity study is not sufficient to determine whether a disparity exists in the regulated medical cannabis industry and market, the certification agency designated by the Board of Public Works under § 14-303(b) of the State Finance and Procurement Article, in consultation with the General Assembly and the Office of the Attorney General, shall initiate a study of the medical cannabis industry and market to evaluate whether there is a compelling interest to apply the State Minority Business Enterprise Program under Title 14, Subtitle 3 of the State Finance and Procurement Article or a similar program to assist minorities and women in the medical cannabis industry, and whether that program would comply with federal and State law.

(b) The Natalie M. LaPrade Medical Cannabis Commission shall require licensed growers, processors, and dispensaries and applicants for licensure under Title 13, Subtitle 33 of the Health – General Article to provide to the Commission any information necessary to perform the study required under subsection (a) of this section and provide that information to the certification agency.

(c) In performing the study required under subsection (a) of this section, the certification agency also shall evaluate race-neutral programs or other methods that may be used to address the needs of minority and women applicants and minority and women-owned businesses seeking to participate in the medical cannabis industry.

(d) On or before July 1, 2017, the certification agency shall report to the Commission and the Legislative Policy Committee, in accordance with § 2-1246 of the State Government Article, on the findings of the study required under subsection (a) of this section.

(e) In consultation with the Office of the Attorney General, the Natalie M. LaPrade Medical Cannabis Commission shall submit emergency regulations, in accordance with Title 10, Subtitle 1 of the State Government Article to:

SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 37 of 39

(1) implement remedial measures based on the findings of the study required under subsection (a) of this section; and

(2) establish an evaluation preference for applicants for licensure under Title 13, Subtitle 33 of the Health – General Article that:

(i) were initially ranked by the Regional Economic Studies Institute in July 2016 within the top 15 applicants for licensure as a medical cannabis grower or processor; and

(ii) are eligible for any preference established under the remedial measures implemented under item (1) of this subsection.

SECTION 9. AND BE IT FURTHER ENACTED, That except as provided in § 13-3307(a)(3) of the Health – General Article, as enacted by Section 1 of this Act, the Natalie M. LaPrade Medical Cannabis Commission may not review, evaluate, or rank an application for a license under Title 13, Subtitle 33 of the Health – General Article or award any additional licenses under Title 13, Subtitle 33 of the Health – General Article until the study required under Section 8 of this Act is completed.

SECTION 10. AND BE IT FURTHER ENACTED, That, following the completion of the study required under Section 8 of this Act and the adoption of any regulations necessary to implement the findings of the study, the Natalie M. LaPrade Medical Cannabis Commission:

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

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

(Over)

SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 38 of 39

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

(4) shall resume reviewing, evaluating, and ranking applications for licensure under Title 13, Subtitle 33 of the Health – General Article in accordance with an evaluation system based on the findings of the study and awarding licenses under Title 13, Subtitle 33 of the Health – General Article.

SECTION 11. AND BE IT FURTHER ENACTED, That, on or before June 1, 2017, in order to ensure patient safety and the reliable supply of medical cannabis, the Department of Agriculture shall submit emergency regulations, in accordance with Title 10, Subtitle 1 of the State Government Article, that restrict the use of crop protection agents in the growing of medical cannabis to only the following products:

(1) products that are included in the list of products that the federal Environmental Protection Agency has exempted from registration under the Federal Insecticide, Fungicide, and Rodenticide Act;

(2) products that are permitted for use on tobacco by the federal Environmental Protection Agency; and

(3) products specifically labeled as permitted for use on cannabis.

SECTION 12. AND BE IT FURTHER ENACTED, That, if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act that can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SB0572/886082/1 Health and Government Operations Committee
Amendments to SB 572
Page 39 of 39

SECTION 13. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect on the taking effect of this Act. It shall remain effective until the taking effect of Section 3 of this Act. If Section 3 of this Act takes effect, Section 2 of this Act shall be abrogated and of no further force and effect.

SECTION 14. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take effect June 1, 2017, the effective date of Chapter 474 of the Acts of the General Assembly of 2016. If the effective date of Chapter 474 is amended, Section 3 of this Act shall take effect on the taking effect of Chapter 474.

SECTION 15. AND BE IT FURTHER ENACTED, That, subject to the provisions of Sections 12 and 13 of this Act, this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye 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.”.

On pages 2 through 7, strike in their entirety the lines beginning with line 13 on page 2 through line 14 on page 7, inclusive.