

HOUSE BILL 1482

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7lr2761

By: **Delegates Brooks, Branch, Fennell, and Glenn**

Introduced and read first time: February 10, 2017

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Health – Medical Cannabis Grower, Processor, and Dispensary Licenses – Sale**
3 **or Transfer and Forfeiture**

4 FOR the purpose of authorizing a medical cannabis grower, processor, or dispensary to sell
5 or transfer a license under certain circumstances; requiring certain licensees to
6 forfeit a license under certain circumstances; authorizing the Natalie M. LaPrade
7 Medical Cannabis Commission to extend the time frame for certain licensees to
8 become operational under certain circumstances; requiring certain entities buying
9 or obtaining a certain license to meet certain requirements; and generally relating
10 to the Natalie M. LaPrade Medical Cannabis Commission and the sale or transfer
11 and forfeiture of medical cannabis grower, processor, and dispensary licenses.

12 BY adding to

13 Article – Health – General

14 Section 13–3311.1

15 Annotated Code of Maryland

16 (2015 Replacement Volume and 2016 Supplement)

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

19 **Article – Health – General**

20 **13–3311.1.**

21 **(A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE HOLDER**
22 **OF A MEDICAL CANNABIS GROWER, PROCESSOR, OR DISPENSARY LICENSE MAY SELL**
23 **OR TRANSFER OWNERSHIP OF THE LICENSE IF THE LICENSEE WAS PHYSICALLY AND**
24 **ACTIVELY ENGAGED IN THE CULTIVATION, PROCESSING, OR DISPENSING OF**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 MEDICAL CANNABIS FOR AT LEAST 2 YEARS BEFORE SELLING OR TRANSFERRING
2 OWNERSHIP OF THE LICENSE.

3 (2) IF A LICENSEE SELLS OR TRANSFERS A LICENSE UNDER THIS
4 SUBSECTION, THE ENTITY BUYING OR OBTAINING THE LICENSE SHALL MEET THE
5 MINORITY BUSINESS ENTERPRISE OWNERSHIP PERCENTAGE REQUIREMENTS THAT
6 WERE REQUIRED UNDER STATE LAW WHEN THE LICENSE OF THE SELLER OR
7 TRANSFEROR WAS OBTAINED.

8 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
9 THE LICENSE OF A LICENSEE SHALL BE FORFEITED IF THE FACILITY OF THE
10 LICENSEE IS NOT OPERATIONAL WITHIN 6 MONTHS AFTER ISSUANCE OF THE
11 LICENSE DUE TO A LACK OF A GOOD FAITH EFFORT BY THE LICENSEE TO BECOME
12 OPERATIONAL.

13 (2) IF THE LICENSEE CAN DEMONSTRATE TO THE COMMISSION THAT
14 THE FAILURE TO BECOME OPERATIONAL UNDER PARAGRAPH (1) OF THIS
15 SUBSECTION WAS DUE TO UNFORESEEN HARDSHIP BEYOND THE CONTROL OF THE
16 LICENSEE, THE COMMISSION MAY EXTEND THE TIME FRAME TO BECOME
17 OPERATIONAL FOR AN ADDITIONAL 6 MONTHS BEFORE REQUIRING FORFEITURE OF
18 THE LICENSE.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2017.