

HOUSE BILL 2

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EMERGENCY BILL
(PRE-FILED)

8lr0679
CF 8lr0680

By: **Delegate Glenn**

Requested: September 25, 2017

Introduced and read first time: January 10, 2018

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of declaring the intent of the General Assembly with regard to the State's
4 medical cannabis programs; requiring the Natalie M. LaPrade Medical Cannabis
5 Commission to conduct certain outreach to certain small, minority, and women
6 business owners and entrepreneurs for certain purposes; authorizing the
7 Commission to make grants to certain educational and business development
8 organizations for certain purposes; requiring the Commission to partner with the
9 Department of Labor, Licensing, and Regulation to identify certain employment
10 opportunities; altering the membership of the Commission; providing that the
11 certain appointments made to the Commission are subject to the advice and consent
12 of the Senate of Maryland; establishing certain qualifications for appointed members
13 of the Commission; prohibiting a member of the Commission from having certain
14 interests in certain licensees, having a certain relationship to a person who holds a
15 certain license, being a certain official, receiving or sharing in certain receipts or
16 proceeds, or having a certain interest in certain contracts; requiring the membership
17 of the Commission, to the extent practicable and consistent with federal and State
18 law, to reflect the racial, ethnic, and gender diversity of the State; requiring a
19 member of the Commission to file a certain disclosure statement; providing that the
20 terms of the appointed members of the Commission are staggered as required by the
21 terms provided for members on a certain date; providing that appointed members of
22 the Commission are entitled to a certain salary and reimbursement for certain
23 expenses; requiring that an appointed member of the Commission be paid at certain
24 intervals; providing that the Secretary of Health, or the Secretary's designee, is
25 entitled to certain reimbursement; authorizing the Governor to remove a member of
26 the Commission for just cause; requiring the Governor to appoint an executive
27 director of the Commission with the advice and consent of the Senate of Maryland;
28 establishing the Natalie M. LaPrade Medical Cannabis Compassionate Use Fund;
29 requiring the Maryland Department of Health to administer the Fund and set
30 certain fees; prohibiting the Commission from imposing certain fees on certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 licensed medical cannabis growers, processors, and dispensaries under certain
2 circumstances; providing that the Fund is a special, nonlapsing fund that is not
3 subject to a certain provision of law; providing for the purpose of the Fund; requiring
4 the State Treasurer to hold the Fund separately and the Comptroller to account for
5 the Fund; requiring the Fund to be invested and reinvested in a certain manner;
6 providing that interest earnings of the Fund shall be retained to the credit of the
7 Fund; exempting the Fund from a certain provision of law requiring interest
8 earnings on State money to accrue to the General Fund of the State; providing that
9 the Fund is subject to a certain audit; requiring the Comptroller to pay out money
10 from the Fund as directed by the Department; requiring the Commission, in
11 consultation with the Maryland Department of Health, to report to the General
12 Assembly, on or before a certain date, on certain anticipated revenues, the amount
13 of certain fees and on which licensees the fees should be assessed in order to generate
14 certain revenues, the use of any other funding mechanisms to implement a certain
15 program, and certain anticipated savings; prohibiting any part of the Fund from
16 reverting or being credited to certain funds; providing that expenditures from the
17 Fund may be made only in accordance with the State budget; requiring the Maryland
18 Department of Health, in consultation with the Commission, to establish a certain
19 program to allow certain individuals to obtain medical cannabis from certain
20 dispensaries at no cost or a reduced cost and to reimburse certain dispensaries from
21 a certain Fund; requiring the Maryland Department of Health to adopt certain
22 regulations; prohibiting a constitutional officer or a secretary of a principal
23 department of the Executive Branch of State government, except under certain
24 circumstances, from being an owner or an employee of a certain business entity that
25 holds a certain license or from having an official relationship to a certain business
26 entity; requiring the Commission, in consultation with certain entities, to evaluate
27 a certain study of the medical cannabis industry, make a certain determination
28 relating to certain business participation in the medical cannabis industry, evaluate
29 certain race-neutral programs and other methods, and submit certain emergency
30 regulations; altering the number of medical cannabis growers that may be licensed
31 by the Commission; authorizing the Commission to license a certain number of
32 processors; requiring the Commission to report to the General Assembly, on or before
33 a certain date, on the number of grower and processor licenses necessary to meet a
34 demand for medical cannabis by certain individuals; prohibiting the Commission
35 from submitting a certain report before a certain date; authorizing the Commission
36 to submit a certain report during a certain time period only under certain
37 circumstances; requiring the Commission, to the extent permitted by federal and
38 State law, to seek to achieve certain diversity when licensing certain growers,
39 processors, and dispensaries; requiring the Commission to encourage applicants who
40 are small, minority, or women-owned business entities to apply for licensure;
41 authorizing the Commission, except under certain circumstances, to register as an
42 agent of certain licensed entities an individual who has been convicted of a certain
43 offense; altering the period of time for which certain medical cannabis grower and
44 processor licenses are valid; altering certain reporting requirements for certain
45 medical cannabis growers; requiring certain dispensaries and processors, beginning
46 on a certain date, to annually report certain information to the Commission; altering
47 the information that the Commission must report to the Governor and the General

1 Assembly; requiring the terms of certain members of the Commission to terminate
2 on a certain date; declaring the intent of the General Assembly relating to continuity
3 within the membership of the Commission; specifying the terms of certain initial
4 members of the Commission; prohibiting the Commission, except under certain
5 circumstances, from reviewing, evaluating, or ranking an application for certain
6 licenses or awarding certain additional licenses until certain regulations are
7 adopted; requiring the Commission, under certain circumstances, to accept certain
8 applications for licensure, allow certain persons who previously applied for licensure
9 to amend and resubmit or withdraw certain applications, and resume reviewing,
10 evaluating, and ranking applications for certain licenses and awarding certain
11 additional licenses; providing that the Commission, under certain circumstances,
12 may waive a certain initial application fee for a certain person, but may charge a
13 certain fee for the submission of an amended application; requiring the Commission,
14 in consultation with the Maryland Department of Health, to report to the General
15 Assembly on or before a certain date; defining certain terms; making certain
16 conforming and stylistic changes; repealing certain provisions of law made obsolete
17 by this Act; applying certain provisions of this Act prospectively; making the
18 provisions of this Act severable; making this Act an emergency measure; and
19 generally relating to the Natalie M. LaPrade Medical Cannabis Commission.

20 BY adding to

21 Article – Health – General
22 Section 13–3301.1, 13–3303.1, 13–3305.1, and 13–3305.2
23 Annotated Code of Maryland
24 (2015 Replacement Volume and 2017 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article – Health – General
27 Section 13–3302, 13–3303, 13–3305, 13–3306(a), 13–3307(c), 13–3308(d), 13–3309(c)
28 and (d), 13–3310(d), and 13–3316
29 Annotated Code of Maryland
30 (2015 Replacement Volume and 2017 Supplement)

31 BY repealing and reenacting, without amendments,

32 Article – Health – General
33 Section 13–3307(a) and 13–3309(a)
34 Annotated Code of Maryland
35 (2015 Replacement Volume and 2017 Supplement)

36 BY repealing and reenacting, without amendments,

37 Article – State Finance and Procurement
38 Section 6–226(a)(2)(i)
39 Annotated Code of Maryland
40 (2015 Replacement Volume and 2017 Supplement)

41 BY repealing and reenacting, with amendments,

42 Article – State Finance and Procurement

1 Section 6–226(a)(2)(ii)101. and 102.
2 Annotated Code of Maryland
3 (2015 Replacement Volume and 2017 Supplement)

4 BY adding to
5 Article – State Finance and Procurement
6 Section 6–226(a)(2)(ii)103.
7 Annotated Code of Maryland
8 (2015 Replacement Volume and 2017 Supplement)

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

11 **Article – Health – General**

12 **13–3301.1.**

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

17 13–3302.

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

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

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

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

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

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

- 30 1. The information to be included on an identification card;
- 31 2. The method through which the Commission will distribute
32 identification cards; and

1 THROUGH MEDIA DEMONSTRATED TO REACH LARGE NUMBERS OF MINORITY AND
2 WOMEN BUSINESS OWNERS AND ENTREPRENEURS; AND

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

6 (G) THE COMMISSION SHALL PARTNER WITH THE DEPARTMENT OF LABOR,
7 LICENSING, AND REGULATION TO IDENTIFY EMPLOYMENT OPPORTUNITIES WITHIN
8 THE MEDICAL CANNABIS INDUSTRY FOR JOB SEEKERS, DISLOCATED WORKERS, AND
9 EX-OFFENDERS.

10 13-3303.

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

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

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

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

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

19 (iii) Three physicians licensed in the State;

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

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

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

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

28 (viii) One representative of law enforcement;

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

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

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

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

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

7 (3) ONE MEMBER APPOINTED BY THE GOVERNOR FROM A LIST OF
8 THREE INDIVIDUALS RECOMMENDED BY THE PRESIDENT OF THE SENATE;

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

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

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

15 (I) BE AT LEAST 25 YEARS OLD;

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

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

19 (IV) HAVE SUBSTANTIAL EXPERIENCE:

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

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

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

26 (2) A MEMBER OF THE COMMISSION MAY NOT:

27 (I) HAVE A DIRECT OR INDIRECT FINANCIAL, OWNERSHIP, OR
28 MANAGEMENT INTEREST, INCLUDING OWNERSHIP OF ANY STOCKS, BONDS, OR

1 OTHER SIMILAR FINANCIAL INSTRUMENTS, IN ANY STATE LICENSED MEDICAL
2 CANNABIS GROWER, PROCESSOR, OR DISPENSARY;

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

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

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

10 (V) HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR THE
11 MANUFACTURE OR SALE OF MEDICAL CANNABIS OR THE PROVISION OF ANY
12 INDEPENDENT CONSULTING SERVICES IN CONNECTION WITH ANY MEDICAL
13 CANNABIS LICENSE.

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

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

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

21 (2) The terms of the APPOINTED members are staggered as required by
22 the terms provided for members on [October 1, 2013] **JUNE 1, 2018**.

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

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

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

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

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

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

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

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

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

7 **1. INCURRED IN THE PERFORMANCE OF THE**
8 **COMMISSION MEMBER’S DUTIES; AND**

9 **2. AS PROVIDED IN THE BUDGET OF THE COMMISSION.**

10 **(2) AN APPOINTED MEMBER OF THE COMMISSION SHALL BE PAID**
11 **ONCE EVERY 2 WEEKS.**

12 **[(2)] (3) [Is] THE SECRETARY OF HEALTH, OR THE SECRETARY’S**
13 **DESIGNEE, IS** entitled to reimbursement for expenses under the Standard State Travel
14 Regulations, as provided in the State budget.

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

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

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

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

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

26 **(2) The Commission shall administer the Fund.**

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

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

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

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

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

7 (8) The Fund consists of:

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

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

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

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

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

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

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

19 **13–3303.1.**

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

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

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

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

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

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

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

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

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

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

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

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

25 **(F) ON OR BEFORE DECEMBER 1, 2018, THE COMMISSION, IN**
26 **CONSULTATION WITH THE DEPARTMENT, SHALL REPORT TO THE GENERAL**
27 **ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE,**
28 **ON:**

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

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

33 **(3) THE USE OF ANY OTHER FUNDING MECHANISM TO IMPLEMENT**
34 **THE PROGRAM; AND**

1 **(4) ANY ANTICIPATED SAVINGS IN PRESCRIPTION DRUG COSTS FOR**
2 **THE MARYLAND MEDICAL ASSISTANCE PROGRAM THAT WOULD RESULT FROM THE**
3 **PROVISION OF MEDICAL CANNABIS UNDER THIS SUBTITLE.**

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, BY CONDITION TREATED, AND AVERAGE**
27 **CONSUMER PRICE FOR MEDICAL CANNABIS PRODUCTS PROVIDED IN ACCORDANCE**
28 **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 THE COMMISSION, IN CONSULTATION WITH THE CERTIFICATION AGENCY AS
22 DEFINED IN § 14-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE
23 GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, AND
24 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 13-3306.

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

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

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

11 (iii) Qualifying patients and caregivers; and

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

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

16 (ii) **1.** [Beginning June 1, 2018, the] **SUBJECT TO**
17 **SUBSUBPARAGRAPHS 2 AND 3 OF THIS SUBPARAGRAPH, ON OR BEFORE DECEMBER**
18 **1, 2028, THE** Commission [may issue] **SHALL REPORT TO THE GENERAL ASSEMBLY,**
19 **IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON** the
20 number of licenses necessary to meet the demand for medical cannabis by qualifying
21 patients and caregivers issued identification cards under this subtitle in an affordable,
22 accessible, secure, and efficient manner.

23 **2. THE COMMISSION MAY NOT SUBMIT THE REPORT**
24 **REQUIRED UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH BEFORE**
25 **DECEMBER 1, 2024.**

26 **3. BEGINNING DECEMBER 1, 2024, BUT BEFORE**
27 **DECEMBER 1, 2028, THE COMMISSION MAY SUBMIT THE REPORT REQUIRED UNDER**
28 **SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH ONLY IF THE COMMISSION FIRST**
29 **OBTAINS THE APPROVAL OF THE LEGISLATIVE POLICY COMMITTEE.**

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

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

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

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

8 (4) Each medical cannabis grower agent shall:

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

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

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

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

18 A. Notify the Commission; and

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

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

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

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

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

29 **1. WITHIN THE 7-YEAR PERIOD IMMEDIATELY**
30 **PRECEDING THE DATE ON WHICH THE INDIVIDUAL SUBMITTED AN APPLICATION**
31 **UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE INDIVIDUAL WAS CONVICTED**

1 **OF THE OFFENSE OR SATISFACTORILY COMPLETED THE SENTENCE FOR THE**
 2 **OFFENSE, INCLUDING PROBATION, THAT WAS IMPOSED FOR THE CONVICTION; OR**

3 **2. THE COMMISSION FINDS A SUBSTANTIAL REASON TO**
 4 **DENY THE REGISTRATION.**

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

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

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

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

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

16 (9) (i) The Commission shall:

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

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

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

27 1. **THE NUMBER OF MINORITY AND WOMEN OWNERS OF**
 28 **THE GROWER;**

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

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

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

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, and geographic diversity when
11 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 13-3308.

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

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

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

3 13-3309.

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

5 (c) **(1) THE COMMISSION MAY LICENSE NO MORE THAN 20 PROCESSORS.**

6 **(2) (I) SUBJECT TO SUBPARAGRAPHS (II) AND (III) OF THIS**
7 **PARAGRAPH, ON OR BEFORE DECEMBER 1, 2028, THE COMMISSION SHALL REPORT**
8 **TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE**
9 **GOVERNMENT ARTICLE, ON THE NUMBER OF LICENSES NECESSARY TO MEET THE**
10 **DEMAND FOR MEDICAL CANNABIS BY QUALIFYING PATIENTS AND CAREGIVERS**
11 **ISSUED IDENTIFICATION CARDS UNDER THIS SUBTITLE IN AN AFFORDABLE,**
12 **ACCESSIBLE, SECURE, AND EFFICIENT MANNER.**

13 **(II) THE COMMISSION MAY NOT SUBMIT THE REPORT**
14 **REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BEFORE DECEMBER 1,**
15 **2024.**

16 **(III) BEGINNING DECEMBER 1, 2024, BUT BEFORE DECEMBER 1,**
17 **2028, THE COMMISSION MAY SUBMIT THE REPORT REQUIRED UNDER**
18 **SUBPARAGRAPH (I) OF THIS PARAGRAPH ONLY IF THE COMMISSION FIRST OBTAINS**
19 **THE APPROVAL OF THE LEGISLATIVE POLICY COMMITTEE.**

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

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

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

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

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

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

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

5 3. **THE NUMBER OF MINORITY AND WOMEN EMPLOYEES**
6 **OF THE PROCESSOR.**

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

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

9 13-3310.

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

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

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

19 13-3316.

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

22 **Article – State Finance and Procurement**

23 6-226.

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

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

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

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

5 **103. THE NATALIE M. LAPRADE MEDICAL CANNABIS**
6 **COMPASSIONATE USE FUND.**

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

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

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

22 (1) two members in 2020;

23 (2) two members in 2021;

24 (3) two members in 2022; and

25 (4) two members in 2023.

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

32 SECTION 6. AND BE IT FURTHER ENACTED, That, following the adoption of any
33 regulations in accordance with § 13–3305.2 of the Health – General Article, as enacted by
34 Section 1 of this Act, the Natalie M. LaPrade Medical Cannabis Commission:

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

4 (2) shall allow a person who previously applied for licensure under Title
5 13, Subtitle 33 of the Health – General Article to amend and resubmit the person’s
6 application or to withdraw the person’s application entirely;

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

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

14 SECTION 7. AND BE IT FURTHER ENACTED, That, on or before January 1, 2019,
15 the Natalie M. LaPrade Medical Cannabis Commission, in consultation with the Maryland
16 Department of Health, shall report to the General Assembly, in accordance with § 2–1246
17 of the State Government Article, on the treatment of an opioid use disorder by using
18 medical cannabis.

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

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

30 SECTION 10. AND BE IT FURTHER ENACTED, That this Act is an emergency
31 measure, is necessary for the immediate preservation of the public health or safety, has
32 been passed by a yea and nay vote supported by three–fifths of all the members elected to
33 each of the two Houses of the General Assembly, and shall take effect from the date it is
34 enacted.