

HOUSE BILL 1317

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CF SB 953

By: **Delegates Ivey, Acevero, Anderson, Arikan, Bagnall, D. Barnes, Charles, Cullison, Gilchrist, Moon, Mosby, Ruth, and Wilkins**

Introduced and read first time: February 7, 2020

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Medical Cannabis – Dispensary Grower–Processor License**

3 FOR the purpose of requiring the Natalie M. LaPrade Medical Cannabis Commission to
4 license medical cannabis dispensary grower–processors under certain
5 circumstances; requiring an applicant to meet certain conditions to be licensed as a
6 dispensary grower–processor; providing that an applicant for a dispensary
7 grower–processor license may not have received certain disciplinary action from the
8 Commission or have failed to meet certain deadlines; requiring the Commission to
9 establish a certain application review process; requiring the Commission to actively
10 seek to achieve racial, ethnic, and geographic diversity and to encourage certain
11 applicants when licensing dispensary grower–processors; requiring the Commission
12 to provide certain forms on the Commission’s website; providing for the term of an
13 initial and renewal medical cannabis dispensary grower–processor license;
14 prohibiting a certain person from having an ownership interest in or control of more
15 than one dispensary; requiring a dispensary grower–processor agent to meet certain
16 requirements; requiring a dispensary grower–processor to apply to the Commission
17 for a registration card for each dispensary grower–processor agent by submitting
18 certain information to the Commission; requiring, under certain circumstances,
19 dispensary grower–processors to notify the Commission and return registration
20 cards of certain agents to the Commission within a certain time period; requiring the
21 Commission, on receipt of a certain notice, to revoke certain registrations in a certain
22 manner and, under certain circumstances, notify the Department of State Police that
23 certain registration cards have not been returned; authorizing the Commission to
24 register certain persons as dispensary grower–processor agents except under certain
25 circumstances; requiring certain dispensary grower–processors to submit a certain
26 annual report to the Commission; requiring the Commission to allow certain
27 dispensary grower–processors and dispensary grower–processor agents to take
28 certain actions related to edible cannabis products for use by certain persons;
29 requiring the Commission to allow dispensary grower–processors and dispensary
30 grower–processor agents to transport edible cannabis products to an independent

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



testing laboratory; prohibiting dispensary grower-processors and dispensary grower-processor agents from being arrested or penalized for certain actions; authorizing certain persons to obtain medical cannabis from a certain facility; authorizing a certain entity to grow, process, and dispense medical cannabis on the same premises; requiring a certain entity to ensure that certain safety precautions are followed by a certain facility; requiring the Commission to establish certain requirements for security and a certain manufacturing process; authorizing the Commission to inspect a dispensary grower-processor for a certain purpose; requiring and authorizing the Commission to adopt certain regulations; authorizing the Commission to impose certain penalties or rescind a certain license under certain circumstances; providing that a certain dispensary grower-processor is subject to certain provisions of law; including dispensary grower-processors and dispensary grower-processor agents in certain provisions of law governing medical cannabis; defining certain terms; and generally relating to a medical cannabis dispensary grower-processor license.

BY renumbering

Article – Health – General
Section 13–3301(i) through (p), respectively
to be Section 13–3301(k) through (r), respectively
Annotated Code of Maryland
(2019 Replacement Volume)

BY repealing and reenacting, without amendments,

Article – Health – General
Section 13–3301(a) and (f)
Annotated Code of Maryland
(2019 Replacement Volume)

BY adding to

Article – Health – General
Section 13–3301(i) and (j) and 13–3307.1
Annotated Code of Maryland
(2019 Replacement Volume)

BY repealing and reenacting, without amendments,

Article – Health – General
Section 13–3301(l) and (o)
Annotated Code of Maryland
(2019 Replacement Volume)
(As enacted by Section 1 of this Act)

BY repealing and reenacting, with amendments,

Article – Health – General
Section 13–3302(f)(1) and (2)(iii) and (h)(1), 13–3303(b)(2), 13–3303.1(c) and (i)(1),
13–3304(f) and (g)(5)(i), 13–3304.1(b), 13–3306(a)(1), (b), and (h), 13–3309(f)
and (g), 13–3311.1(a)(1), 13–3313(a) and (b)(1), and 13–3313.1(b), (d)(1), and

(e)(1)
Annotated Code of Maryland
(2019 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That Section(s) 13–3301(i) through (p), respectively, of Article – Health – General of the
Annotated Code of Maryland be renumbered to be Section(s) 13–3301(k) through (r),
respectively.

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

Article – Health – General

13–3301.

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

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

**(I) “DISPENSARY GROWER–PROCESSOR” MEANS AN ENTITY LICENSED
UNDER THIS SUBTITLE THAT IS AUTHORIZED TO ACT AS A GROWER, PROCESSOR,
AND DISPENSARY.**

**(J) “DISPENSARY GROWER–PROCESSOR AGENT” MEANS AN OWNER, A
MEMBER, AN EMPLOYEE, A VOLUNTEER, AN OFFICER, OR A DIRECTOR OF A
DISPENSARY GROWER–PROCESSOR.**

(l) “Grower” means an entity licensed under this subtitle that:

(1) Cultivates or packages medical cannabis; and

(2) Is authorized by the Commission to provide cannabis to a processor,
dispensary, or independent testing laboratory.

(o) “Processor” means an entity that:

(1) Transforms medical cannabis into another product or extract; and

(2) Packages and labels medical cannabis.

13–3302.

(f) (1) The Commission shall:

(i) Conduct ongoing, thorough, and comprehensive outreach to small, minority, and women business owners and entrepreneurs who may have an interest in applying for medical cannabis grower, processor, [or] dispensary, **OR DISPENSARY GROWER-PROCESSOR** licenses; and

(ii) 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, **OR DISPENSARY GROWER-PROCESSORS**.

(2) The outreach required under paragraph (1)(i) of this subsection shall include:

(iii) Disseminating information about the licensing process for medical cannabis growers, processors, [and] dispensaries, **AND DISPENSARY GROWER-PROCESSORS** through media demonstrated to reach large numbers of minority and women business owners and entrepreneurs; and

(h) If the Commission retains a third party to assist the Commission in the evaluation or ranking of applications for licensure under this subtitle, the Commission may not retain the services of a person that:

(1) Has a direct or indirect financial, ownership, or management interest, including ownership of any stocks, bonds, or other similar financial instruments, in:

(i) Any State-licensed medical cannabis grower, processor, [or] dispensary, **OR DISPENSARY GROWER-PROCESSOR**; or

(ii) An applicant for licensure under this subtitle; or

13-3303.

(b) (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, **OR DISPENSARY GROWER-PROCESSOR**;

(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 DISPENSARY GROWER-PROCESSOR**; 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.

13-3303.1.

(c) (1) The Department shall:

(i) Administer the Compassionate Use Fund; and

(ii) Subject to paragraph (2) of this subsection, set fees in an amount necessary to provide revenues for the purposes of the Compassionate Use Fund.

(2) The Commission may not impose the fees established under paragraph (1)(ii) of this subsection on a licensed medical cannabis grower, processor, [or] dispensary, **OR DISPENSARY GROWER-PROCESSOR** during the 2 years immediately following the preapproval of the licensee for a license under this subtitle.

(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 **OR DISPENSARY GROWER-PROCESSOR** at no cost or a reduced cost; and

(ii) Reimburse a licensed dispensary **OR DISPENSARY GROWER-PROCESSOR** for the cost of the medical cannabis dispensed to an eligible individual under the program from the Compassionate Use Fund.

13-3304.

(f) (1) A certifying provider or the spouse of a certifying provider may not receive any gifts from or have an ownership interest in a medical cannabis grower, a processor, [or] a dispensary, **OR DISPENSARY GROWER-PROCESSOR**.

(2) A certifying provider may receive compensation from a medical cannabis grower, a processor, [or] a dispensary, **OR DISPENSARY GROWER-PROCESSOR** if the certifying provider:

(i) Obtains the approval of the Commission before receiving the compensation; and

(ii) Discloses the amount of compensation received from the medical cannabis grower, processor, [or] dispensary, **OR DISPENSARY GROWER–PROCESSOR** to the Commission.

(g) (5) (i) Except as provided in subparagraph (ii) of this paragraph, a qualifying patient or caregiver may obtain medical cannabis only from a medical cannabis grower licensed by the Commission [or], a dispensary licensed by the Commission, **OR A DISPENSARY GROWER–PROCESSOR LICENSED BY THE COMMISSION.**

13–3304.1.

(b) An academic research representative may purchase medical cannabis from a licensed dispensary **OR DISPENSARY GROWER–PROCESSOR.**

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;

[and]

(III) DISPENSARY GROWER–PROCESSORS LICENSED BY THE COMMISSION UNDER THIS SUBTITLE; AND

[(iii)] (IV) Independent testing laboratories registered with the Commission under this subtitle.

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

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

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

(3) DISPENSARY GROWER–PROCESSORS LICENSED BY THE COMMISSION UNDER THIS SUBTITLE;

[(3)] (4) Qualified patients;

[(4)] (5) Caregivers;

[(5)] (6) Independent testing laboratories registered with the

1 Commission under this subtitle; and

2 ~~[(6)]~~ **(7)** Academic research representatives purchasing medical cannabis
3 under § 13–3304.1 of this subtitle.

4 (h) A grower licensed under this section or a medical cannabis grower agent
5 registered under this section may not be penalized or arrested under State law for:

6 (1) Cultivating, possessing, packaging, transferring, transporting, selling,
7 or distributing medical cannabis to a processor [or], dispensary, **OR DISPENSARY**
8 **GROWER–PROCESSOR**; or

9 (2) Transporting the medical cannabis to an independent testing
10 laboratory.

11 **13–3307.1.**

12 **(A) THE COMMISSION SHALL LICENSE A DISPENSARY GROWER–PROCESSOR**
13 **THAT MEETS ALL REQUIREMENTS ESTABLISHED BY THE COMMISSION TO GROW,**
14 **PROCESS, AND DISPENSE MEDICAL CANNABIS.**

15 **(B) TO BE LICENSED AS A DISPENSARY GROWER–PROCESSOR, AN**
16 **APPLICANT:**

17 **(1) SHALL:**

18 **(I) HOLD A DISPENSARY LICENSE UNDER § 13–3307 OF THIS**
19 **SUBTITLE;**

20 **(II) MEET LOCAL ZONING AND PLANNING REQUIREMENTS; AND**

21 **(III) SUBMIT TO THE COMMISSION:**

22 **1. AN APPLICATION FEE IN AN AMOUNT TO BE**
23 **DETERMINED BY THE COMMISSION CONSISTENT WITH THIS SUBTITLE; AND**

24 **2. AN APPLICATION THAT INCLUDES:**

25 **A. THE LEGAL NAME AND PHYSICAL ADDRESS OF THE**
26 **PROPOSED DISPENSARY GROWER–PROCESSOR;**

27 **B. THE NAME, ADDRESS, AND DATE OF BIRTH OF EACH**
28 **PRINCIPAL OFFICER AND EACH DIRECTOR, NONE OF WHOM MAY HAVE SERVED AS A**
29 **PRINCIPAL OFFICER OR DIRECTOR FOR A DISPENSARY OR DISPENSARY**

1 GROWER-PROCESSOR THAT HAS HAD ITS LICENSE REVOKED; AND

2 C. OPERATING PROCEDURES THAT THE DISPENSARY
3 GROWER-PROCESSOR WILL USE, CONSISTENT WITH COMMISSION REGULATIONS
4 FOR OVERSIGHT, INCLUDING STORAGE OF CANNABIS AND PRODUCTS CONTAINING
5 CANNABIS ONLY IN ENCLOSED AND LOCKED FACILITIES; AND

6 (2) MAY NOT HAVE:

7 (I) RECEIVED ANY OF THE FOLLOWING DISCIPLINARY ACTIONS
8 FROM THE COMMISSION FOR VIOLATIONS OF THE APPLICANT'S DISPENSARY
9 LICENSE:

10 1. THE IMPOSITION OF A FINE OF \$10,000 OR MORE;

11 2. PROBATION;

12 3. LICENSE REVOCATION; OR

13 4. LICENSE SUSPENSION; OR

14 (II) FAILED TO MEET ANY DEADLINE IMPOSED BY THE
15 COMMISSION IN RELATION TO THE APPLICANT'S DISPENSARY LICENSE.

16 (C) THE COMMISSION SHALL:

17 (1) ESTABLISH AN APPLICATION REVIEW PROCESS FOR GRANTING
18 DISPENSARY GROWER-PROCESSOR LICENSES IN WHICH:

19 (I) A LICENSED DISPENSARY SHALL SUBMIT AN APPLICATION
20 TO BE A LICENSED GROWER AND AN APPLICATION TO BE A LICENSED PROCESSOR
21 USING THE APPLICATION FORMS USED BY THE COMMISSION IN 2016; AND

22 (II) THE COMMISSION IS REQUIRED TO:

23 1. MAKE A DECISION ON WHETHER AN APPLICATION
24 WILL RECEIVE STAGE ONE PREAPPROVAL WITHIN 90 DAYS AFTER THE
25 APPLICATION IS SUBMITTED;

26 2. IN GRANTING OR DENYING APPLICATIONS FOR STAGE
27 ONE PREAPPROVAL, USE THE STAGE ONE SCORING CRITERIA THAT THE REGIONAL
28 ECONOMIC STUDIES INSTITUTE OF TOWSON UNIVERSITY USED TO EVALUATE
29 PROCESSOR AND GROWER APPLICATIONS IN 2016;

1 **3. GRANT STAGE ONE PREAPPROVAL TO ALL**
2 **APPLICATIONS THAT SCORE WITHIN THE TOP 50TH PERCENTILE;**

3 **4. IN GRANTING OR DENYING APPLICATIONS FOR STAGE**
4 **TWO, USE THE STAGE TWO REVIEW CRITERIA THAT THE COMMISSION USES TO**
5 **EVALUATE PROCESSOR AND GROWER APPLICATIONS; AND**

6 **5. ESTABLISH AND IMPLEMENT CRITERIA TO REVIEW,**
7 **EVALUATE, AND RANK APPLICATIONS CONSISTENT WITH THIS SUBSECTION;**

8 **(2) TO THE EXTENT AUTHORIZED BY FEDERAL AND STATE LAW,**
9 **ACTIVELY SEEK TO ACHIEVE RACIAL, ETHNIC, GENDER, AND GEOGRAPHIC**
10 **DIVERSITY WHEN LICENSING DISPENSARY GROWER-PROCESSORS;**

11 **(3) ENCOURAGE APPLICANTS WHO QUALIFY AS A MINORITY**
12 **BUSINESS ENTERPRISE, AS DEFINED IN § 14-301 OF THE STATE FINANCE AND**
13 **PROCUREMENT ARTICLE, OR WHO ARE SMALL, MINORITY, OR WOMEN-OWNED**
14 **BUSINESS ENTITIES TO APPLY FOR LICENSURE AS DISPENSARY**
15 **GROWER-PROCESSORS; AND**

16 **(4) PROVIDE THE BLANK GROWER AND PROCESSOR APPLICATION**
17 **FORMS THAT WERE AVAILABLE IN 2016 ON THE COMMISSION'S WEBSITE.**

18 **(D) (1) A DISPENSARY GROWER-PROCESSOR LICENSE IS VALID FOR 6**
19 **YEARS ON INITIAL LICENSURE.**

20 **(2) A DISPENSARY GROWER-PROCESSOR LICENSE IS VALID FOR 4**
21 **YEARS ON RENEWAL.**

22 **(E) A PERSON HOLDING A DISPENSARY GROWER-PROCESSOR LICENSE MAY**
23 **NOT HAVE AN OWNERSHIP INTEREST IN OR CONTROL OF, INCLUDING THE POWER TO**
24 **MANAGE AND OPERATE, MORE THAN ONE DISPENSARY.**

25 **(F) (1) EACH DISPENSARY GROWER-PROCESSOR AGENT SHALL MEET**
26 **THE REQUIREMENTS OF MEDICAL CANNABIS GROWER AGENTS, PROCESSOR**
27 **AGENTS, AND DISPENSARY AGENTS UNDER THIS SUBTITLE AND AS ESTABLISHED BY**
28 **THE COMMISSION.**

29 **(2) (I) A LICENSED DISPENSARY GROWER-PROCESSOR SHALL**
30 **APPLY TO THE COMMISSION FOR A REGISTRATION CARD FOR EACH DISPENSARY**
31 **GROWER-PROCESSOR AGENT BY SUBMITTING THE NAME, ADDRESS, AND DATE OF**
32 **BIRTH OF THE AGENT.**

(II) 1. WITHIN 1 BUSINESS DAY AFTER A DISPENSARY GROWER-PROCESSOR AGENT CEASES TO BE ASSOCIATED WITH A DISPENSARY GROWER-PROCESSOR, THE DISPENSARY GROWER-PROCESSOR SHALL:

A. NOTIFY THE COMMISSION; AND

B. RETURN THE DISPENSARY GROWER-PROCESSOR AGENT'S REGISTRATION CARD TO THE COMMISSION.

2. ON RECEIPT OF A NOTICE UNDER SUBSUBPARAGRAPH 1A OF THIS SUBPARAGRAPH, THE COMMISSION SHALL:

A. IMMEDIATELY REVOKE THE REGISTRATION CARD OF THE DISPENSARY GROWER-PROCESSOR LICENSE AGENT; AND

B. IF THE REGISTRATION CARD WAS NOT RETURNED TO THE COMMISSION, NOTIFY THE DEPARTMENT OF STATE POLICE.

(III) THE COMMISSION MAY REGISTER A PERSON WHO HAS BEEN CONVICTED OF A FELONY DRUG OFFENSE AS A DISPENSARY GROWER-PROCESSOR LICENSE AGENT UNLESS:

1. EXCEPT AS PROVIDED IN ITEM 2 OF THIS SUBPARAGRAPH, THE INDIVIDUAL SUBMITTED AN APPLICATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH EARLIER THAN 7 YEARS AFTER THE INDIVIDUAL SATISFIED THE SENTENCE IMPOSED FOR THE CONVICTION, INCLUDING PAROLE, PROBATION, OR MANDATORY SUPERVISION;

2. THE INDIVIDUAL HAS BEEN CONVICTED OF A VIOLATION OF § 5-612 OR § 5-613 OF THE CRIMINAL LAW ARTICLE, REGARDLESS OF WHETHER THE INDIVIDUAL HAS SATISFACTORILY COMPLETED THE SENTENCE FOR THE OFFENSE; OR

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

(G) A DISPENSARY GROWER-PROCESSOR LICENSED UNDER THIS SUBTITLE SHALL REPORT ANNUALLY TO THE COMMISSION ON:

(1) THE NUMBER OF MINORITY AND WOMEN OWNERS OF THE DISPENSARY GROWER-PROCESSOR;

1 **(2) THE OWNERSHIP INTEREST OF ANY MINORITY AND WOMEN**
2 **OWNERS OF THE DISPENSARY GROWER-PROCESSOR; AND**

3 **(3) THE NUMBER OF MINORITY AND WOMEN EMPLOYEES OF THE**
4 **DISPENSARY GROWER-PROCESSOR.**

5 **(H) THE COMMISSION SHALL ALLOW A DISPENSARY GROWER-PROCESSOR**
6 **LICENSED UNDER THIS SECTION OR A DISPENSARY GROWER-PROCESSOR AGENT**
7 **REGISTERED UNDER THIS SECTION TO:**

8 **(1) CULTIVATE, GROW, ACQUIRE, POSSESS, PROCESS, PACKAGE,**
9 **LABEL, TRANSFER, TRANSPORT, SELL, DISTRIBUTE, OR DISPENSE EDIBLE CANNABIS**
10 **PRODUCTS FOR USE BY A QUALIFYING PATIENT, A CAREGIVER, OR AN ACADEMIC**
11 **RESEARCH REPRESENTATIVE PURCHASING MEDICAL CANNABIS UNDER § 13-3304.1**
12 **OF THIS SUBTITLE; AND**

13 **(2) TRANSPORT EDIBLE CANNABIS PRODUCTS TO AN INDEPENDENT**
14 **TESTING LABORATORY.**

15 **(I) (1) A DISPENSARY GROWER-PROCESSOR LICENSED UNDER THIS**
16 **SECTION OR A DISPENSARY GROWER-PROCESSOR AGENT REGISTERED UNDER THIS**
17 **SECTION MAY NOT BE PENALIZED OR ARRESTED UNDER STATE LAW FOR:**

18 **(i) CULTIVATING, GROWING, ACQUIRING, POSSESSING,**
19 **PROCESSING, PACKAGING, LABELING, TRANSFERRING, TRANSPORTING, SELLING,**
20 **DISTRIBUTING, OR DISPENSING MEDICAL CANNABIS, PRODUCTS CONTAINING**
21 **MEDICAL CANNABIS, RELATED SUPPLIES, OR EDUCATIONAL MATERIALS FOR USE BY**
22 **A QUALIFYING PATIENT, A CAREGIVER, OR AN ACADEMIC RESEARCH**
23 **REPRESENTATIVE PURCHASING MEDICAL CANNABIS UNDER § 13-3304.1 OF THIS**
24 **SUBTITLE; OR**

25 **(ii) TRANSPORTING MEDICAL CANNABIS OR PRODUCTS**
26 **CONTAINING MEDICAL CANNABIS TO AN INDEPENDENT TESTING LABORATORY.**

27 **(2) A QUALIFYING PATIENT, A CAREGIVER, OR AN ACADEMIC**
28 **RESEARCH REPRESENTATIVE PURCHASING MEDICAL CANNABIS UNDER § 13-3304.1**
29 **OF THIS SUBTITLE MAY OBTAIN MEDICAL CANNABIS FROM A FACILITY OF A**
30 **DISPENSARY GROWER-PROCESSOR.**

31 **(3) AN ENTITY LICENSED AS A DISPENSARY GROWER-PROCESSOR**
32 **UNDER THIS SECTION MAY GROW, PROCESS, AND DISPENSE MEDICAL CANNABIS ON**
33 **THE SAME PREMISES.**

1 **(J) (1) AN ENTITY LICENSED AS A DISPENSARY GROWER-PROCESSOR**
2 **UNDER THIS SECTION SHALL ENSURE THAT SAFETY PRECAUTIONS ESTABLISHED BY**
3 **THE COMMISSION ARE FOLLOWED BY ANY FACILITY OPERATED BY THE DISPENSARY**
4 **GROWER-PROCESSOR.**

5 **(2) THE COMMISSION SHALL ESTABLISH REQUIREMENTS FOR**
6 **SECURITY AND THE MANUFACTURING PROCESS THAT A DISPENSARY**
7 **GROWER-PROCESSOR MUST MEET TO OBTAIN A LICENSE UNDER THIS SECTION,**
8 **INCLUDING A REQUIREMENT FOR A PRODUCT-TRACKING SYSTEM.**

9 **(K) THE COMMISSION MAY INSPECT A DISPENSARY GROWER-PROCESSOR**
10 **LICENSED UNDER THIS SECTION TO ENSURE COMPLIANCE WITH THIS SUBTITLE.**

11 **(L) THE COMMISSION:**

12 **(1) SHALL, IN CONSULTATION WITH THE DEPARTMENT, ADOPT**
13 **REGULATIONS:**

14 **(i) INCLUDING THE PACKAGING, LABELING, MARKETING, AND**
15 **APPEARANCE OF EDIBLE CANNABIS PRODUCTS, TO ENSURE THE SAFETY OF MINORS;**
16 **AND**

17 **(ii) TO REQUIRE A DISPENSARY GROWER-PROCESSOR TO MEET**
18 **ANY ADDITIONAL REQUIREMENTS THAT THE COMMISSION DETERMINES ARE**
19 **NECESSARY, INCLUDING REQUIRING A PERMIT, FOR THE DISPENSING OF EDIBLE**
20 **CANNABIS PRODUCTS; AND**

21 **(2) MAY ADOPT REGULATIONS REQUIRING A DISPENSARY**
22 **GROWER-PROCESSOR TO MEET ANY ADDITIONAL REQUIREMENTS, INCLUDING**
23 **REQUIREMENTS FOR LICENSED GROWERS, PROCESSORS, AND DISPENSARIES.**

24 **(M) THE COMMISSION MAY IMPOSE PENALTIES OR RESCIND THE LICENSE**
25 **OF A DISPENSARY GROWER-PROCESSOR THAT DOES NOT MEET THE STANDARDS**
26 **FOR LICENSURE SET BY THE COMMISSION.**

27 **(N) A DISPENSARY GROWER-PROCESSOR LICENSED UNDER THIS SECTION**
28 **IS SUBJECT TO THE MARYLAND ANTITRUST ACT AND THE MARYLAND SALES**
29 **BELOW COST ACT.**

30 13-3309.

31 (f) The Commission shall allow a processor licensed under this section or a
32 processor agent registered under § 13-3310 of this subtitle to:

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

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

(g) A processor licensed under this section or a processor agent registered under § 13-3310 of this subtitle may not be penalized or arrested under State law for:

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

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

13-3311.1.

(a) (1) The holder of a medical cannabis grower, processor, [or] dispensary, **OR DISPENSARY GROWER-PROCESSOR** license may sell or transfer ownership of the license if the licensee was physically and actively engaged in the cultivation, processing, or dispensing of medical cannabis for at least 3 years immediately preceding the sale or transfer of the ownership of the license.

13-3313.

(a) Any of the following persons acting in accordance with the provisions of this subtitle may not be subject to arrest, prosecution, revocation of mandatory supervision, parole, or probation, or any civil or administrative penalty, including a civil penalty or disciplinary action by a professional licensing board, or be denied any right or privilege, for the medical use of or possession of medical cannabis:

(1) A qualifying patient:

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

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

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

registered under § 13–3306 of this subtitle;

(3) A certifying provider;

(4) A caregiver;

(5) An academic research representative purchasing medical cannabis under § 13–3304.1 of this subtitle;

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

(7) A DISPENSARY GROWER–PROCESSOR LICENSED UNDER § 13–3307.1 OF THIS SUBTITLE OR A DISPENSARY GROWER–PROCESSOR AGENT REGISTERED UNDER § 13–3307.1 OF THIS SUBTITLE;

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

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

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

(b) (1) A person may not distribute, possess, manufacture, or use cannabis that has been diverted from a qualifying patient, a caregiver, an academic research representative, a licensed grower, **[or] a licensed dispensary, OR A LICENSED DISPENSARY GROWER–PROCESSOR.**

13–3313.1.

(b) An advertisement for a grower, a processor, a dispensary, **A DISPENSARY GROWER–PROCESSOR**, an independent testing laboratory, a certifying provider, or a third–party vendor may not:

(1) Make any statement that is false or misleading in any material way or is otherwise a violation of §§ 13–301 through 13–320 of the Commercial Law Article; or

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

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

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

1 (iii) Displays the use of cannabis, including the consumption,
2 smoking, or vaping of cannabis;

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

4 (v) Are obscene.

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

9 (e) (1) This subsection does not apply to an advertisement placed on property
10 owned or leased by a dispensary, **DISPENSARY GROWER-PROCESSOR**, grower, or
11 processor.

12 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2020.