

SENATE BILL 999

J1

EMERGENCY BILL

7lr2562
CF 7lr2826

By: **Senator Conway**

Introduced and read first time: February 3, 2017

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of repealing provisions of law establishing the Natalie M. LaPrade
4 Medical Cannabis Commission, authorizing the Commission to register certifying
5 providers, authorizing the Commission to license medical cannabis growers,
6 dispensaries, processors, certain agents, and independent testing laboratories, and
7 requiring the Commission to provide certain reports and adopt certain regulations;
8 repealing provisions of law related to the functions of the Commission; establishing
9 the Medical Cannabis Division in the Department of Health and Mental Hygiene;
10 providing for the purpose of the Division; requiring the Division to develop certain
11 identification cards and adopt certain regulations; requiring the Division to develop
12 and maintain a Web site that provides certain information; authorizing the Division
13 to employ certain staff and set certain fees; establishing the Natalie M. LaPrade
14 Medical Cannabis Licensing Unit in the Division; providing for the membership of
15 the Unit; requiring the membership of the Unit to reflect the racial and gender
16 diversity of the State; providing for the terms of the members; requiring the
17 Governor to designate the chair of the Unit; providing that a majority of the full
18 authorized membership of the Unit is a quorum; providing that a member of the Unit
19 shall receive a certain annual salary and is entitled to certain reimbursement;
20 requiring the Unit to solicit, review, minimally qualify, and rank applications for
21 certain licenses each year; establishing the Natalie M. LaPrade Medical Cannabis
22 Division Fund; requiring the Division to administer the Fund; providing that the
23 Fund is a special, nonlapsing fund that is not subject to a certain provision of law;
24 requiring the State Treasurer to hold the Fund separately, and the Comptroller to
25 account for the Fund; requiring the Fund to be invested and reinvested in a certain
26 manner; providing that investment earnings of the Fund shall be retained to the
27 credit of the Fund; providing that the Fund is subject to a certain audit; requiring
28 the Comptroller to pay out money from the Fund as directed by the Division;
29 providing that the Fund consists of certain money and fees; prohibiting any part of
30 the Fund from reverting or being credited to certain funds; providing that
31 expenditures from the Fund may be made only in accordance with the State budget;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 establishing the Small, Minority, and Women–Owned Medical Cannabis Business
2 Account under the authority of the Board of Public Works; providing for the purpose
3 of the Account; providing that the Account shall receive a certain percentage of
4 certain sales; requiring money in the Account to be invested and reinvested by the
5 Treasurer and that interest and earnings shall accrue to the Account; requiring the
6 Comptroller to account for the Account and to pay out money from the Account in a
7 certain manner; providing that the Account is a special, nonlapsing fund that is not
8 subject to a certain provision of law; providing that expenditures from the Account
9 shall be made only in a certain manner; requiring the Board of Public Works to make
10 certain grants; requiring certain eligible fund managers to reserve a certain portion
11 of certain grants for a certain purpose; requiring the Unit to consider certain funds
12 when scoring and ranking certain applications; requiring certain eligible fund
13 managers to prioritize meeting certain needs, keep certain records, and provide a
14 certain annual report; authorizing certain eligible fund managers to make a certain
15 determination; providing that certain eligible fund managers are subject to a certain
16 audit; authorizing an eligible fund manager to use certain money to pay certain
17 expenses; requiring the Division to register certain individuals as certifying
18 providers; requiring a provider to submit a certain proposal to the Division to be
19 registered as a certifying provider; prohibiting the Division from requiring an
20 individual to meet certain requirements to be registered as a certifying provider;
21 encouraging the Division to approve provider applications for certain medical
22 conditions; prohibiting the Division from limiting treatment of a particular medical
23 condition to one class of providers; authorizing the Division to approve certain
24 applications; prohibiting a certifying provider or the spouse of a certifying provider
25 from receiving certain gifts or having a certain ownership interest; authorizing a
26 certifying provider to receive certain compensation under certain circumstances;
27 providing that a qualifying patient may be a patient of a certifying provider or may
28 be referred by the certifying provider; requiring a certifying provider to provide each
29 written certification to the Division; requiring the Division to issue an identification
30 card to certain individuals under certain circumstances; authorizing a certifying
31 provider to discuss medical cannabis with a patient; providing that a qualifying
32 patient or caregiver may obtain medical cannabis only from certain entities;
33 providing that certain qualifying patients may obtain medical cannabis only through
34 a certain individual; providing that a caregiver may serve no more than a certain
35 number of qualifying patients at any time; providing that a qualifying patient may
36 have no more than a certain number of caregivers; authorizing a certifying provider
37 to register on a certain basis; requiring the Division to grant or deny a certain
38 renewal based on the performance of the certifying provider in complying with
39 certain regulations; requiring the Division, on or before a certain date each year, to
40 report certain information to the Governor and the General Assembly; requiring the
41 Division to license medical cannabis growers that meet certain requirements;
42 requiring the Division, on or before a certain date, to provide certain assistance to
43 the Unit and to award a certain number of medical cannabis grower licenses;
44 authorizing the Division, on or before a certain date and with a certain frequency, to
45 award a certain number of medical cannabis grower licenses; requiring the Division
46 to establish a certain application review process; requiring that certain applicants
47 be placed on a certain waiting list in a certain order; requiring the Division to

1 consider a certain applicant's placement on the waiting list when awarding certain
2 licenses unless the Division makes a certain determination; prohibiting the Division
3 from awarding more than one medical cannabis grower license to each applicant;
4 requiring a medical cannabis grower to pay a certain application fee; requiring the
5 Division to set certain standards; requiring each medical cannabis grower agent to
6 be registered with the Division and to obtain a certain criminal history records check;
7 requiring a medical cannabis grower to apply to the Division for a certain
8 registration card in a certain manner; requiring a medical cannabis grower to follow
9 certain procedures after a grower agent ceases to be associated with the grower
10 within a certain time frame; requiring the Division to take certain action on receipt
11 of a certain notice; prohibiting the Division from registering certain persons as
12 grower agents; providing that a medical cannabis grower license is valid for a certain
13 number of years on initial licensure and on renewal; providing that a certain
14 application may be submitted in certain forms; requiring the Division to encourage
15 the licensure of certain medical cannabis growers; requiring certain factors to
16 account for certain percentages of a certain score if a certain scoring system is used;
17 requiring the Division to actively seek to achieve certain diversity when licensing
18 certain growers, processors, and dispensaries; requiring the Division to strongly
19 encourage and conduct ongoing outreach to certain business enterprises to apply for
20 certain licensure; requiring the Division to establish a certain evaluation preference;
21 requiring certain growers, dispensaries, and processors, beginning on a certain date,
22 to provide certain information to the Division at certain intervals; requiring certain
23 entities to meet certain requirements; providing that certain growers may provide
24 medical cannabis only to certain entities and individuals; authorizing certain
25 growers to dispense medical cannabis from a certain location; authorizing certain
26 individuals to obtain medical cannabis from certain facilities; authorizing certain
27 entities to grow and process medical cannabis on the same premises; requiring
28 certain growers to ensure that certain safety precautions are followed; requiring the
29 Division to establish certain requirements; authorizing the Division to inspect
30 certain entities for a certain purpose; authorizing the Division to impose certain
31 penalties or rescind certain licenses under certain circumstances; requiring the
32 Division to license medical cannabis dispensaries; requiring an applicant for a
33 medical cannabis dispensary license to submit a certain application and fee to the
34 Division; requiring the Division to award a certain number of medical cannabis
35 dispensary licenses; prohibiting the Division from awarding more than one medical
36 cannabis dispensary license to each applicant; providing that a medical cannabis
37 dispensary license is valid for a certain number of years on initial licensure and on
38 renewal; providing that certain dispensaries and certain dispensary agents may not
39 be subject to certain penalties; requiring each medical cannabis dispensary agent to
40 be at least a certain age, be registered with the Division, and obtain a certain
41 criminal history records check; requiring a medical cannabis dispensary to apply to
42 the Division for a certain registration card in a certain manner; requiring a medical
43 cannabis dispensary to follow certain procedures after a dispensary agent ceases to
44 be associated with the dispensary within a certain time frame; prohibiting the
45 Division from registering certain individuals as dispensary agents; requiring the
46 Division to license medical cannabis processors; requiring an applicant for a medical
47 cannabis processor license to submit a certain application and fee to the Division;

1 requiring the Division to award a certain number of medical cannabis processor
2 licenses; prohibiting the Division from awarding more than one medical cannabis
3 processor license to each applicant; providing that a medical cannabis processor
4 license is valid for a certain number of years on initial licensure and on renewal;
5 providing that certain processors and certain processor agents may not be subject to
6 certain penalties; requiring each medical cannabis processor agent to be at least a
7 certain age, be registered with the Division, and obtain a certain criminal history
8 records check; requiring a medical cannabis processor to apply to the Division for a
9 certain registration card in a certain manner; requiring a medical cannabis processor
10 to follow certain procedures after a processor agent ceases to be associated with the
11 processor within a certain time frame; prohibiting the Division from registering
12 certain persons as processor agents; requiring the Division to license at least a
13 certain number of private independent testing laboratories for a certain purpose;
14 requiring a laboratory to meet certain requirements to be registered as an
15 independent testing laboratory; authorizing the Division to inspect certain
16 independent testing laboratories for a certain purpose; authorizing the sale or
17 transfer of certain licenses under certain circumstances; providing for the forfeiture
18 of certain licenses under certain circumstances with a certain exception; requiring
19 certain entities to follow certain procedures when selling or transferring a certain
20 license; requiring certain applicants to submit certain forms and fees to the Criminal
21 Justice Information System Central Repository as part of a certain process; requiring
22 the Central Repository to forward certain information to the Division; authorizing
23 the Division to accept an alternate method of a criminal history records check under
24 certain circumstances; providing that certain information is confidential, may not be
25 redisseminated, and may be used only for a certain purpose; authorizing certain
26 individuals to contest the contents of certain statements as provided in a certain
27 provision of law; providing that certain persons may not be subject to certain
28 penalties for the medical use of cannabis; prohibiting a person from distributing,
29 possessing, manufacturing, or using cannabis that has been diverted from certain
30 individuals or entities; establishing certain penalties; providing that certain
31 penalties are in addition to certain other penalties; providing that certain provisions
32 of this Act may not be construed to authorize an individual to engage in certain
33 activities and does not prevent the imposition of certain penalties for certain actions;
34 providing that this Act may not be construed to provide certain immunity to certain
35 persons; providing that this Act may not be construed to require certain facilities or
36 programs to report certain disciplinary actions to the Division; providing that certain
37 State employees are eligible for certain reimbursement under certain circumstances;
38 authorizing the Governor to suspend implementation of certain provisions of this Act
39 under certain circumstances; making a conforming change; requiring all functions,
40 powers, duties, equipment, assets, liabilities, and employees of the Natalie M.
41 LaPrade Medical Cannabis Commission to be transferred to the Medical Cannabis
42 Division; requiring the Department to take certain actions to ensure that the Medical
43 Cannabis Division and the Unit are operational within a certain period of time;
44 requiring the Department to assign certain staff to the Division and to the Unit;
45 providing that certain actions of the Natalie M. LaPrade Medical Cannabis
46 Commission shall be given full force and effect by the Division; specifying the terms
47 of the initial members of the Unit; making the provisions of this Act severable;

defining certain terms; making this Act an emergency measure; and generally relating to the repeal of the Natalie M. LaPrade Medical Cannabis Commission and the establishment of the Medical Cannabis Division and the Natalie M. LaPrade Medical Cannabis Licensing Unit in the Department of Health and Mental Hygiene.

BY repealing

Article – Health – General

Section 13–3301 through 13–3316 and the subtitle “Subtitle 33. Natalie M. LaPrade Medical Cannabis Commission”

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY adding to

Article – Health – General

Section 13–3301 through 13–3318 to be under the new subtitle “Subtitle 33. Medical Cannabis Division”

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

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)73.

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 13–3301 through 13–3316 and the subtitle “Subtitle 33. Natalie M. LaPrade Medical Cannabis Commission” of Article – Health – General of the Annotated Code of Maryland be repealed.

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

Article – Health – General

SUBTITLE 33. MEDICAL CANNABIS DIVISION.

13–3301.

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

(B) “ACCOUNT” MEANS THE SMALL, MINORITY, AND WOMEN-OWNED MEDICAL CANNABIS BUSINESS ACCOUNT ESTABLISHED UNDER § 13-3304 OF THIS SUBTITLE.

(C) “CAREGIVER” MEANS:

(1) A PERSON WHO HAS AGREED TO ASSIST WITH A QUALIFYING PATIENT’S MEDICAL USE OF CANNABIS; AND

(2) FOR A QUALIFYING PATIENT UNDER THE AGE OF 18 YEARS, A PARENT OR LEGAL GUARDIAN.

(D) “CERTIFYING PROVIDER” MEANS AN INDIVIDUAL WHO:

(I) 1. HAS AN ACTIVE, UNRESTRICTED LICENSE TO PRACTICE MEDICINE THAT WAS ISSUED BY THE STATE BOARD OF PHYSICIANS UNDER TITLE 14 OF THE HEALTH OCCUPATIONS ARTICLE; AND

2. IS IN GOOD STANDING WITH THE STATE BOARD OF PHYSICIANS;

(II) 1. HAS AN ACTIVE, UNRESTRICTED LICENSE TO PRACTICE DENTISTRY THAT WAS ISSUED BY THE STATE BOARD OF DENTAL EXAMINERS UNDER TITLE 4 OF THE HEALTH OCCUPATIONS ARTICLE; AND

2. IS IN GOOD STANDING WITH THE STATE BOARD OF DENTAL EXAMINERS;

(III) 1. HAS AN ACTIVE, UNRESTRICTED LICENSE TO PRACTICE PODIATRY THAT WAS ISSUED BY THE STATE BOARD OF PODIATRIC MEDICAL EXAMINERS UNDER TITLE 16 OF THE HEALTH OCCUPATIONS ARTICLE; AND

2. IS IN GOOD STANDING WITH THE STATE BOARD OF PODIATRIC MEDICAL EXAMINERS; OR

(IV) 1. HAS AN ACTIVE, UNRESTRICTED LICENSE TO PRACTICE REGISTERED NURSING AND HAS AN ACTIVE, UNRESTRICTED CERTIFICATION TO PRACTICE AS A NURSE PRACTITIONER OR A NURSE MIDWIFE THAT WERE ISSUED BY THE STATE BOARD OF NURSING UNDER TITLE 8 OF THE HEALTH OCCUPATIONS ARTICLE; AND

(K) “GROWER AGENT” MEANS AN OWNER, AN EMPLOYEE, A VOLUNTEER, AN OFFICER, OR A DIRECTOR OF A GROWER.

(L) "INDEPENDENT TESTING LABORATORY" MEANS A FACILITY, AN ENTITY, OR A SITE THAT OFFERS OR PERFORMS TESTS RELATED TO THE INSPECTION AND TESTING OF CANNABIS AND PRODUCTS CONTAINING CANNABIS.

(M) "PROCESSOR" MEANS AN ENTITY THAT:

(1) TRANSFORMS MEDICAL CANNABIS INTO ANOTHER PRODUCT OR EXTRACTS; AND

(2) PACKAGES AND LABELS MEDICAL CANNABIS.

(N) "PROCESSOR AGENT" MEANS AN OWNER, A MEMBER, AN EMPLOYEE, A VOLUNTEER, AN OFFICER, OR A DIRECTOR OF A PROCESSOR.

(O) "QUALIFYING PATIENT" MEANS AN INDIVIDUAL WHO:

(1) HAS BEEN PROVIDED WITH A WRITTEN CERTIFICATION BY A CERTIFYING PROVIDER IN ACCORDANCE WITH A BONA FIDE PROVIDER-PATIENT RELATIONSHIP; AND

(2) IF UNDER THE AGE OF 18 YEARS, HAS A CAREGIVER.

(P) "UNIT" MEANS THE NATALIE M. LAPRADE MEDICAL CANNABIS LICENSING UNIT IN THE DIVISION.

(Q) "WRITTEN CERTIFICATION" MEANS A CERTIFICATION THAT:

(1) IS ISSUED BY A CERTIFYING PROVIDER TO A QUALIFYING PATIENT WITH WHOM THE PROVIDER HAS A BONA FIDE PROVIDER-PATIENT RELATIONSHIP;

(2) INCLUDES A WRITTEN STATEMENT CERTIFYING THAT, IN THE PROVIDER'S PROFESSIONAL OPINION, AFTER HAVING COMPLETED AN ASSESSMENT OF THE PATIENT'S MEDICAL HISTORY AND CURRENT MEDICAL CONDITION, THE PATIENT HAS A CONDITION:

(I) THAT MEETS THE INCLUSION CRITERIA AND DOES NOT MEET THE EXCLUSION CRITERIA OF THE CERTIFYING PROVIDER'S APPLICATION; AND

(II) FOR WHICH THE POTENTIAL BENEFITS OF THE MEDICAL USE OF CANNABIS WOULD LIKELY OUTWEIGH THE HEALTH RISKS FOR THE PATIENT; AND

(3) MAY INCLUDE A WRITTEN STATEMENT CERTIFYING THAT, IN THE PROVIDER'S PROFESSIONAL OPINION, A 30-DAY SUPPLY OF MEDICAL CANNABIS WOULD BE INADEQUATE TO MEET THE MEDICAL NEEDS OF THE QUALIFYING PATIENT.

13-3302.

(A) THERE IS A MEDICAL CANNABIS DIVISION IN THE DEPARTMENT.

(B) THE PURPOSE OF THE DIVISION 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.

(C) (1) THE DIVISION SHALL DEVELOP IDENTIFICATION CARDS FOR QUALIFYING PATIENTS AND CAREGIVERS.

(2) (I) THE DIVISION SHALL ADOPT REGULATIONS THAT ESTABLISH THE REQUIREMENTS FOR IDENTIFICATION CARDS PROVIDED BY THE DIVISION.

(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 DIVISION WILL DISTRIBUTE IDENTIFICATION CARDS; AND

3. THE METHOD THROUGH WHICH THE DIVISION WILL TRACK IDENTIFICATION CARDS.

(D) THE DIVISION 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 GROWERS, PROCESSORS, AND DISPENSARIES.

(E) THE DIVISION MAY EMPLOY A STAFF, INCLUDING CONTRACTUAL STAFF, IN ACCORDANCE WITH THE STATE BUDGET.

1 (F) THE DIVISION MAY SET REASONABLE FEES TO COVER THE COSTS OF
2 OPERATING THE DIVISION.

3 13-3303.

4 (A) THERE IS A NATALIE M. LAPRADE MEDICAL CANNABIS LICENSING
5 UNIT IN THE DIVISION.

6 (B) THE UNIT CONSISTS OF THE FOLLOWING MEMBERS:

7 (1) THREE MEMBERS OF THE PUBLIC, APPOINTED BY THE GOVERNOR
8 WITH THE CONSENT OF THE SENATE OF MARYLAND AND THE HOUSE OF
9 DELEGATES;

10 (2) THREE MEMBERS OF THE PUBLIC, APPOINTED BY THE
11 PRESIDENT OF THE SENATE, WITH THE CONSENT OF THE SENATE OF MARYLAND
12 AND THE HOUSE OF DELEGATES; AND

13 (3) THREE MEMBERS OF THE PUBLIC, APPOINTED BY THE SPEAKER
14 OF THE HOUSE OF DELEGATES, WITH THE CONSENT OF THE SENATE OF MARYLAND
15 AND THE HOUSE OF DELEGATES.

16 (C) THE MEMBERSHIP OF THE UNIT SHALL REFLECT THE RACIAL AND
17 GENDER DIVERSITY OF THE STATE.

18 (D) (1) THE TERM OF A MEMBER IS 4 YEARS.

19 (2) THE TERMS OF THE MEMBERS ARE STAGGERED AS REQUIRED BY
20 THE TERMS PROVIDED FOR MEMBERS AS OF THE EFFECTIVE DATE OF THIS
21 SUBTITLE.

22 (3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL
23 A SUCCESSOR IS APPOINTED AND QUALIFIES.

24 (4) A MEMBER MAY NOT SERVE MORE THAN TWO CONSECUTIVE FULL
25 TERMS.

26 (5) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
27 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND
28 QUALIFIES.

1 **(E) THE GOVERNOR SHALL DESIGNATE THE CHAIR FROM AMONG THE**
2 **MEMBERS OF THE UNIT.**

3 **(F) A MAJORITY OF THE FULL AUTHORIZED MEMBERSHIP OF THE UNIT IS A**
4 **QUORUM.**

5 **(G) A MEMBER OF THE UNIT:**

6 **(1) SHALL RECEIVE AN ANNUAL SALARY OF \$40,000; AND**

7 **(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE**
8 **STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.**

9 **(H) EACH YEAR, THE UNIT SHALL SOLICIT, REVIEW, MINIMALLY QUALIFY,**
10 **AND RANK APPLICATIONS FOR GROWER, PROCESSOR, AND DISPENSARY LICENSES.**

11 **13-3304.**

12 **(A) (1) THERE IS A NATALIE M. LAPRADE MEDICAL CANNABIS DIVISION**
13 **FUND.**

14 **(2) THE DIVISION SHALL ADMINISTER THE FUND.**

15 **(3) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
16 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

17 **(4) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
18 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

19 **(5) THE FUND SHALL BE INVESTED AND REINVESTED IN THE SAME**
20 **MANNER AS OTHER STATE FUNDS, AND ANY INVESTMENT EARNINGS SHALL BE**
21 **RETAINED TO THE CREDIT OF THE FUND.**

22 **(6) THE FUND SHALL BE SUBJECT TO AN AUDIT BY THE OFFICE OF**
23 **LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2-1220 OF THE STATE GOVERNMENT**
24 **ARTICLE.**

25 **(7) THE COMPTROLLER SHALL PAY OUT MONEY FROM THE FUND AS**
26 **DIRECTED BY THE DIVISION.**

27 **(8) THE FUND CONSISTS OF:**

(I) ANY MONEY APPROPRIATED IN THE STATE BUDGET TO THE
FUND;

(II) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED
FOR THE BENEFIT OF THE FUND, IN ACCORDANCE WITH ANY CONDITIONS ADOPTED
BY THE DIVISION FOR THE ACCEPTANCE OF DONATIONS OR GIFTS TO THE FUND;
AND

(III) ANY FEES COLLECTED BY THE DIVISION 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.

(B) (1) THERE IS A SMALL, MINORITY, AND WOMEN-OWNED MEDICAL
CANNABIS BUSINESS ACCOUNT UNDER THE AUTHORITY OF THE BOARD OF PUBLIC
WORKS.

(2) (I) 1. THE PURPOSE OF THE ACCOUNT IS TO PROVIDE
EQUITY INVESTMENTS AND LENDING CAPITAL TO SMALL, MINORITY, AND
WOMEN-OWNED BUSINESS ENTERPRISES IN THE STATE, INCLUDING MINORITY AND
WOMEN-OWNED BUSINESSES THAT OPERATE, OR ARE SEEKING TO OPERATE, IN THE
MEDICAL CANNABIS INDUSTRY.

2. THE ACCOUNT SHALL RECEIVE 2% OF THE GROSS
ANNUAL SALES OF EACH GROWER, PROCESSOR, AND DISPENSARY LICENSED BY THE
DIVISION UNDER THIS SUBTITLE.

(II) MONEY IN THE ACCOUNT SHALL BE INVESTED AND
REINVESTED BY THE STATE TREASURER AND INTEREST AND EARNINGS SHALL
ACCRUE TO THE ACCOUNT.

(III) THE COMPTROLLER SHALL:

1. ACCOUNT FOR THE ACCOUNT; AND

1 **2. ON A PROPERLY APPROVED TRANSMITTAL**
2 **PREPARED BY THE BOARD OF PUBLIC WORKS, ISSUE A WARRANT TO PAY OUT**
3 **MONEY FROM THE ACCOUNT IN THE MANNER PROVIDED UNDER THIS SECTION.**

4 **(IV) THE ACCOUNT IS A SPECIAL, NONLAPSING FUND THAT IS**
5 **NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

6 **(V) EXPENDITURES FROM THE ACCOUNT SHALL BE MADE ONLY**
7 **ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE BOARD OF PUBLIC**
8 **WORKS AS PROVIDED UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH.**

9 **(3) (I) IN THIS PARAGRAPH, “ELIGIBLE FUND MANAGER” MEANS**
10 **AN ENTITY THAT HAS SIGNIFICANT FINANCIAL OR INVESTMENT EXPERIENCE WITH**
11 **SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE STATE.**

12 **(II) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPH (III) OF**
13 **THIS PARAGRAPH, THE BOARD OF PUBLIC WORKS SHALL MAKE GRANTS TO**
14 **ELIGIBLE FUND MANAGERS TO PROVIDE INVESTMENT CAPITAL AND LOANS TO**
15 **SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE STATE.**

16 **(III) 1. ELIGIBLE FUND MANAGERS RECEIVING GRANTS**
17 **UNDER THIS PARAGRAPH SHALL RESERVE A PORTION OF THE GRANTS RECEIVED**
18 **FROM THE ACCOUNT TO MATCH UP TO 100% OF THE CAPITALIZATION RESERVES**
19 **COLLECTIVELY SHOWN BY MINORITY AND WOMEN-OWNED BUSINESS APPLICANTS**
20 **FOR MEDICAL CANNABIS GROWER, PROCESSOR, AND DISPENSARY LICENSES**
21 **DURING EACH LICENSURE CYCLE FOR THE SOLICITATION OF APPLICATIONS,**
22 **APPLICATION REVIEW, AND ISSUANCE OF MEDICAL CANNABIS GROWER,**
23 **PROCESSOR, AND DISPENSARY LICENSES PERFORMED BY THE UNIT.**

24 **2. THE MATCHING FUNDS RESERVED UNDER**
25 **SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH SHALL BE CONSIDERED BY THE**
26 **UNIT WHEN SCORING AND RANKING LICENSE APPLICATIONS SUBMITTED BY EACH**
27 **MINORITY AND WOMEN-OWNED BUSINESS APPLICANT FOR A GROWER, PROCESSOR,**
28 **OR DISPENSARY LICENSE IN THE SAME MANNER AS THE CAPITALIZATION OF AN**
29 **APPLICANT WHO IS NOT A MINORITY OR WOMEN-OWNED BUSINESS WOULD BE**
30 **CONSIDERED.**

31 **3. A. SUBJECT TO SUBSUBSUBPARAGRAPH B OF**
32 **THIS SUBSUBPARAGRAPH, ELIGIBLE FUND MANAGERS PROVIDING GRANTS SHALL**
33 **PRIORITIZE MEETING THE INVESTMENT NEEDS OF MINORITY AND WOMEN-OWNED**
34 **BUSINESSES LICENSED AS MEDICAL CANNABIS GROWERS, PROCESSORS, AND**
35 **DISPENSARIES.**

1 **B. ELIGIBLE FUND MANAGERS MAY DETERMINE, IN**
2 **THEIR PROFESSIONAL JUDGMENT, THE PORTION OF THE OVERALL GRANT FUNDING**
3 **RECEIVED THAT SHOULD BE RESERVED FOR SERVING THE INVESTMENT AND**
4 **FINANCING NEEDS OF SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES**
5 **OPERATING IN INDUSTRIES OTHER THAN THE MEDICAL CANNABIS INDUSTRY.**

6 **(4) ELIGIBLE FUND MANAGERS RECEIVING GRANTS UNDER**
7 **PARAGRAPH (3) OF THIS SUBSECTION SHALL:**

8 **(I) KEEP PROPER RECORDS OF FUNDS AND ACCOUNTS;**

9 **(II) PROVIDE AN ANNUAL REPORT TO THE GOVERNOR AND, IN**
10 **ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL**
11 **ASSEMBLY ON INVESTMENT CAPITAL AND LOANS MADE UNDER PARAGRAPH (3) OF**
12 **THIS SUBSECTION; AND**

13 **(III) BE SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE**
14 **AUDITS AS PROVIDED FOR IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.**

15 **(5) AN ELIGIBLE FUND MANAGER MAY USE MONEY FROM GRANTS**
16 **RECEIVED UNDER PARAGRAPH (3) OF THIS SUBSECTION TO PAY EXPENSES FOR**
17 **ADMINISTRATIVE, ACTUARIAL, LEGAL, AND TECHNICAL SERVICES.**

18 **13-3305.**

19 **(A) THE DIVISION SHALL REGISTER AS A CERTIFYING PROVIDER AN**
20 **INDIVIDUAL WHO:**

21 **(1) MEETS THE REQUIREMENTS OF THIS SUBTITLE; AND**

22 **(2) SUBMITS APPLICATION MATERIALS THAT MEET THE**
23 **REQUIREMENTS OF THIS SUBTITLE.**

24 **(B) TO BE REGISTERED AS A CERTIFYING PROVIDER, A PROVIDER SHALL**
25 **SUBMIT A PROPOSAL TO THE DIVISION THAT INCLUDES:**

26 **(1) THE REASONS FOR INCLUDING A PATIENT UNDER THE CARE OF**
27 **THE PROVIDER FOR THE PURPOSES OF THIS SUBTITLE, INCLUDING THE PATIENT'S**
28 **QUALIFYING MEDICAL CONDITIONS;**

29 **(2) AN ATTESTATION THAT A STANDARD PATIENT EVALUATION WILL**
30 **BE COMPLETED, INCLUDING A HISTORY, A PHYSICAL EXAMINATION, A REVIEW OF**
31 **SYMPTOMS, AND ANY OTHER PERTINENT MEDICAL INFORMATION; AND**

1 **(3) THE PROVIDER’S PLAN FOR THE ONGOING ASSESSMENT AND**
2 **FOLLOW-UP CARE OF A PATIENT AND FOR COLLECTING AND ANALYZING DATA.**

3 **(C) THE DIVISION MAY NOT REQUIRE AN INDIVIDUAL TO MEET**
4 **REQUIREMENTS IN ADDITION TO THE REQUIREMENTS LISTED IN SUBSECTIONS (A)**
5 **AND (B) OF THIS SECTION TO BE REGISTERED AS A CERTIFYING PROVIDER.**

6 **(D) (1) THE DIVISION IS ENCOURAGED TO APPROVE PROVIDER**
7 **APPLICATIONS FOR THE FOLLOWING MEDICAL CONDITIONS:**

8 **(I) A CHRONIC OR DEBILITATING DISEASE OR MEDICAL**
9 **CONDITION THAT RESULTS IN A PATIENT BEING ADMITTED INTO HOSPICE OR**
10 **RECEIVING PALLIATIVE CARE; OR**

11 **(II) A CHRONIC OR DEBILITATING DISEASE OR MEDICAL**
12 **CONDITION OR THE TREATMENT OF A CHRONIC OR DEBILITATING DISEASE OR**
13 **MEDICAL CONDITION THAT PRODUCES:**

- 14 1. **CACHEXIA, ANOREXIA, OR WASTING SYNDROME;**
- 15 2. **SEVERE OR CHRONIC PAIN;**
- 16 3. **SEVERE NAUSEA;**
- 17 4. **SEIZURES; OR**
- 18 5. **SEVERE OR PERSISTENT MUSCLE SPASMS.**

19 **(2) THE DIVISION MAY NOT LIMIT TREATMENT OF A PARTICULAR**
20 **MEDICAL CONDITION TO ONE CLASS OF PROVIDERS.**

21 **(E) THE DIVISION MAY APPROVE APPLICATIONS THAT INCLUDE ANY OTHER**
22 **CONDITION THAT IS SEVERE AND FOR WHICH OTHER MEDICAL TREATMENTS HAVE**
23 **BEEN INEFFECTIVE IF THE SYMPTOMS REASONABLY CAN BE EXPECTED TO BE**
24 **RELIEVED BY THE MEDICAL USE OF CANNABIS.**

25 **(F) (1) A CERTIFYING PROVIDER OR THE SPOUSE OF A CERTIFYING**
26 **PROVIDER MAY NOT RECEIVE ANY GIFTS FROM OR HAVE AN OWNERSHIP INTEREST**
27 **IN A MEDICAL CANNABIS GROWER, PROCESSOR, OR DISPENSARY.**

1 **(2) A CERTIFYING PROVIDER MAY RECEIVE COMPENSATION FROM A**
2 **MEDICAL CANNABIS GROWER, PROCESSOR, OR DISPENSARY IF THE CERTIFYING**
3 **PROVIDER:**

4 **(I) OBTAINS THE APPROVAL OF THE DIVISION BEFORE**
5 **RECEIVING THE COMPENSATION; AND**

6 **(II) DISCLOSES THE AMOUNT OF COMPENSATION RECEIVED**
7 **FROM THE MEDICAL CANNABIS GROWER, PROCESSOR, OR DISPENSARY TO THE**
8 **DIVISION.**

9 **(G) (1) A QUALIFYING PATIENT MAY BE A PATIENT OF THE CERTIFYING**
10 **PROVIDER OR MAY BE REFERRED TO THE CERTIFYING PROVIDER.**

11 **(2) A CERTIFYING PROVIDER SHALL PROVIDE EACH WRITTEN**
12 **CERTIFICATION TO THE DIVISION.**

13 **(3) ON RECEIPT OF A WRITTEN CERTIFICATION PROVIDED UNDER**
14 **PARAGRAPH (2) OF THIS SUBSECTION, THE DIVISION SHALL ISSUE AN**
15 **IDENTIFICATION CARD TO EACH QUALIFYING PATIENT OR CAREGIVER NAMED IN**
16 **THE WRITTEN CERTIFICATION.**

17 **(4) A CERTIFYING PROVIDER MAY DISCUSS MEDICAL CANNABIS WITH**
18 **A PATIENT.**

19 **(5) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
20 **PARAGRAPH, A QUALIFYING PATIENT OR CAREGIVER MAY OBTAIN MEDICAL**
21 **CANNABIS ONLY FROM A MEDICAL CANNABIS GROWER LICENSED BY THE DIVISION**
22 **OR A DISPENSARY LICENSED BY THE DIVISION.**

23 **(II) A QUALIFYING PATIENT UNDER THE AGE OF 18 YEARS MAY**
24 **OBTAIN MEDICAL CANNABIS ONLY THROUGH THE QUALIFYING PATIENT'S**
25 **CAREGIVER.**

26 **(6) (I) A CAREGIVER MAY SERVE NO MORE THAN FIVE QUALIFYING**
27 **PATIENTS AT ANY TIME.**

28 **(II) A QUALIFYING PATIENT MAY HAVE NO MORE THAN TWO**
29 **CAREGIVERS.**

30 **(H) (1) A CERTIFYING PROVIDER MAY REGISTER BIENNIALY.**

(2) THE DIVISION SHALL GRANT OR DENY A RENEWAL OF A REGISTRATION BASED ON THE PROVIDER'S PERFORMANCE IN COMPLYING WITH REGULATIONS ADOPTED BY THE DIVISION.

13-3306.

ON OR BEFORE JANUARY 1 EACH YEAR, THE DIVISION SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON PROVIDERS CERTIFIED UNDER THIS SUBTITLE.

13-3307.

(A) (1) THE DIVISION SHALL LICENSE MEDICAL CANNABIS GROWERS THAT MEET ALL REQUIREMENTS ESTABLISHED BY THE DIVISION TO OPERATE IN THE STATE TO PROVIDE CANNABIS TO:

(I) PROCESSORS LICENSED BY THE DIVISION UNDER THIS SUBTITLE;

(II) DISPENSARIES LICENSED BY THE DIVISION UNDER THIS SUBTITLE;

(III) QUALIFYING PATIENTS AND CAREGIVERS; AND

(IV) INDEPENDENT TESTING LABORATORIES REGISTERED WITH THE DIVISION UNDER THIS SUBTITLE.

(2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, ON OR BEFORE OCTOBER 1, 2017, THE DIVISION SHALL:

1. ASSIST THE UNIT IN SOLICITING, REVIEWING, SCORING, AND RANKING APPLICATIONS FOR MEDICAL CANNABIS GROWER LICENSES; AND

2. IN ADDITION TO THE STAGE ONE PREAPPROVAL GROWER LICENSES ISSUED BY THE COMMISSION IN AUGUST 2016, AWARD NO FEWER THAN FIVE AND NO MORE THAN SEVEN MEDICAL CANNABIS GROWER LICENSES.

(II) BEGINNING JULY 1, 2019, AND EVERY 2 YEARS THEREAFTER, THE DIVISION MAY AWARD 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) 1. THE DIVISION SHALL ESTABLISH AN APPLICATION
REVIEW PROCESS FOR AWARDED MEDICAL CANNABIS GROWER LICENSES IN WHICH
APPLICATIONS ARE REVIEWED, EVALUATED, PREQUALIFIED BASED ON MINIMAL
LICENSING STANDARDS, AND RANKED BASED ON CRITERIA ESTABLISHED BY THE
DIVISION.

2. AN APPLICANT FOR A MEDICAL CANNABIS GROWER
LICENSE THAT IS PREQUALIFIED BY THE DIVISION UNDER SUBSUBPARAGRAPH 1 OF
THIS SUBPARAGRAPH AND IS NOT RANKED HIGH ENOUGH TO BE AWARDED A
LICENSE SHALL BE PLACED ON A WAITING LIST IN THE ORDER IN WHICH THE
APPLICANT RANKED FOR THE PURPOSES OF THE AWARD OF LICENSES BY THE
DIVISION IN SUBSEQUENT LICENSURE CYCLES.

3. UNLESS THE DIVISION DETERMINES THAT THERE
ARE MATERIAL CHANGES IN THE STATUS AND OPERATIONS OF THE APPLICANT
PLACED ON A WAITING LIST BY THE DIVISION UNDER SUBSUBPARAGRAPH 2 OF THIS
SUBPARAGRAPH, THE DIVISION SHALL CONSIDER THE APPLICANT'S PLACEMENT ON
THE WAITING LIST WHEN AWARDED LICENSES IN SUBSEQUENT LICENSURE CYCLES.

(IV) 1. THE DIVISION MAY NOT AWARD MORE THAN ONE
GROWER LICENSE TO EACH APPLICANT.

2. AN INDIVIDUAL MAY NOT HAVE AN OWNERSHIP
INTEREST IN MORE THAN ONE GROWER LICENSE AWARDED BY THE DIVISION.

(V) A GROWER SHALL PAY AN APPLICATION FEE IN AN AMOUNT
TO BE DETERMINED BY THE DIVISION CONSISTENT WITH THIS SUBTITLE.

(3) THE DIVISION 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.

(4) EACH MEDICAL CANNABIS GROWER AGENT SHALL:

(I) BE REGISTERED WITH THE DIVISION BEFORE THE AGENT
MAY VOLUNTEER OR WORK FOR A LICENSED GROWER; AND

(II) OBTAIN A STATE AND NATIONAL CRIMINAL HISTORY
RECORDS CHECK IN ACCORDANCE WITH § 13-3314 OF THIS SUBTITLE.

1 **(5) (I) A LICENSED GROWER SHALL APPLY TO THE DIVISION FOR A**
2 **REGISTRATION CARD FOR EACH GROWER AGENT BY SUBMITTING THE NAME,**
3 **ADDRESS, AND DATE OF BIRTH OF THE AGENT.**

4 **(II) 1. WITHIN 1 BUSINESS DAY AFTER A GROWER AGENT**
5 **CEASES TO BE ASSOCIATED WITH A GROWER, THE GROWER SHALL:**

6 **A. NOTIFY THE DIVISION; AND**

7 **B. RETURN THE GROWER AGENT'S REGISTRATION CARD**
8 **TO THE DIVISION.**

9 **2. ON RECEIPT OF A NOTICE DESCRIBED IN**
10 **SUBSUBPARAGRAPH 1A OF THIS SUBPARAGRAPH, THE DIVISION SHALL:**

11 **A. IMMEDIATELY REVOKE THE REGISTRATION CARD OF**
12 **THE GROWER AGENT; AND**

13 **B. IF THE REGISTRATION CARD WAS NOT RETURNED TO**
14 **THE DIVISION, NOTIFY THE DEPARTMENT OF STATE POLICE.**

15 **(III) THE DIVISION MAY NOT REGISTER AS A GROWER AGENT A**
16 **PERSON WHO HAS BEEN CONVICTED OF A FELONY DRUG OFFENSE.**

17 **(6) (I) A MEDICAL CANNABIS GROWER LICENSE IS VALID FOR 4**
18 **YEARS ON INITIAL LICENSURE.**

19 **(II) A MEDICAL CANNABIS GROWER LICENSE IS VALID FOR 2**
20 **YEARS ON RENEWAL.**

21 **(7) AN APPLICATION TO OPERATE AS A MEDICAL CANNABIS GROWER**
22 **MAY BE SUBMITTED IN PAPER OR ELECTRONIC FORM.**

23 **(8) (I) THE DIVISION SHALL ENCOURAGE THE LICENSURE OF**
24 **MEDICAL CANNABIS GROWERS THAT GROW STRAINS OF CANNABIS, INCLUDING**
25 **STRAINS WITH HIGH CANNABIDIOL CONTENT, WITH DEMONSTRATED SUCCESS IN**
26 **ALLEVIATING SYMPTOMS OF SPECIFIC DISEASES OR CONDITIONS.**

27 **(II) THE DIVISION SHALL ENCOURAGE THE LICENSURE OF**
28 **MEDICAL CANNABIS GROWERS THAT PREPARE MEDICAL CANNABIS IN A RANGE OF**
29 **ROUTES OF ADMINISTRATION.**

(III) 1. IF A SCORING SYSTEM IS USED TO EVALUATE APPLICATIONS FOR MEDICAL CANNABIS GROWERS, VERTICALLY INTEGRATED OPERATIONS LOCATED IN CLOSE PROXIMITY TO ENHANCE THE SAFETY, SECURITY, AND EFFICIENCY OF THE OPERATIONS, REDUCE COSTS, AND DECREASE PRICES FOR PATIENTS USING MEDICAL CANNABIS SHALL ACCOUNT FOR AT LEAST 5% OF THE SCORE.

2. IF A SCORING SYSTEM IS USED TO EVALUATE APPLICATIONS FOR MEDICAL CANNABIS GROWERS, THE LOCATION OF THE APPLICANT'S OPERATIONS SHALL ACCOUNT FOR AT LEAST 5% OF THE SCORE AND SHALL INCLUDE CONSIDERATION OF LOCATIONS WITHIN:

A. A CERTIFIED HISTORICALLY UNDERUTILIZED BUSINESS ZONE MARKED BY HIGH UNEMPLOYMENT;

B. A ZIP CODE WHERE THE PERCENTAGE OF MINORITY RESIDENTS CONVICTED OF NONVIOLENT DRUG OFFENSES EXCEEDS THE OVERALL STATE AVERAGE FOR CONVICTED NONVIOLENT DRUG OFFENDERS; AND

C. A SUBDIVISION OF THE STATE THAT HAS A HIGH PATIENT DEMAND FOR MEDICAL CANNABIS BASED ON THE SUBDIVISION'S INCIDENCE OF CHRONIC AND DEBILITATING DISEASES AND MEDICAL CONDITIONS AS LISTED IN § 13-3305(D) OF THIS SUBTITLE.

(9) (I) THE DIVISION SHALL:

1. ACTIVELY SEEK TO ACHIEVE RACIAL, ETHNIC, AND GEOGRAPHIC DIVERSITY WHEN LICENSING MEDICAL CANNABIS GROWERS;

2. STRONGLY ENCOURAGE AND CONDUCT ONGOING OUTREACH TO BUSINESS ENTERPRISES THAT QUALIFY AS A CERTIFIED MINORITY BUSINESS ENTERPRISE, AS DEFINED IN § 14-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, OR AS A WOMEN-OWNED BUSINESS ENTERPRISE TO APPLY FOR LICENSURE AS A MEDICAL CANNABIS GROWER; AND

3. ESTABLISH AN EVALUATION PREFERENCE FOR AN APPLICANT FOR A MEDICAL CANNABIS GROWER LICENSE THAT MEETS MINIMAL LICENSURE STANDARDS AND IS A CERTIFIED MINORITY BUSINESS ENTERPRISE, AS DEFINED IN § 14-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, OR A WOMEN-OWNED BUSINESS ENTERPRISE.

(II) THE EVALUATION PREFERENCE ESTABLISHED UNDER SUBPARAGRAPH (I)3 OF THIS PARAGRAPH SHALL:

1 1. BE EQUAL IN WEIGHT TO NO LESS THAN 10% OF THE
2 TOTAL AVAILABLE EVALUATION POINTS TO BE ASSIGNED BY THE UNIT FOR USE IN
3 THE RANKING OF LICENSE APPLICANT PROPOSALS; AND

4 2. FOR PURPOSES OF THE UNIT'S SELECTION OF
5 QUALIFIED MEDICAL CANNABIS GROWER LICENSE APPLICANTS, BE USED FOR EACH
6 CYCLE OF SOLICITATION AND REVIEW OF APPLICATIONS CONDUCTED BY THE UNIT.

7 (III) BEGINNING JULY 1, 2017, A MEDICAL CANNABIS GROWER
8 LICENSED UNDER THIS SUBTITLE SHALL REPORT ANNUALLY TO THE DIVISION ON:

9 1. THE NUMBER OF MINORITY OWNERS;

10 2. THE OWNERSHIP SHARE OF ANY MINORITY OWNERS;

11 AND

12 3. THE NUMBER OF MINORITY EMPLOYEES OF THE
13 LICENSEE.

14 (10) AN ENTITY SEEKING LICENSURE AS A MEDICAL CANNABIS
15 GROWER SHALL MEET LOCAL ZONING AND PLANNING REQUIREMENTS.

16 (B) AN ENTITY LICENSED TO GROW MEDICAL CANNABIS UNDER THIS
17 SECTION MAY PROVIDE CANNABIS ONLY TO:

18 (1) PROCESSORS LICENSED BY THE DIVISION UNDER THIS SUBTITLE;

19 (2) DISPENSARIES LICENSED BY THE DIVISION UNDER THIS
20 SUBTITLE;

21 (3) QUALIFIED PATIENTS;

22 (4) CAREGIVERS; AND

23 (5) INDEPENDENT TESTING LABORATORIES REGISTERED WITH THE
24 DIVISION UNDER THIS SUBTITLE.

25 (C) (1) AN ENTITY LICENSED TO GROW CANNABIS UNDER THIS SECTION
26 MAY DISPENSE CANNABIS FROM A FACILITY OF A GROWER LICENSED AS A
27 DISPENSARY.

1 **(2) A QUALIFYING PATIENT OR CAREGIVER MAY OBTAIN MEDICAL**
2 **CANNABIS FROM A FACILITY OF A GROWER LICENSED AS A DISPENSARY.**

3 **(3) AN ENTITY LICENSED TO GROW MEDICAL CANNABIS UNDER THIS**
4 **SECTION MAY GROW AND PROCESS MEDICAL CANNABIS ON THE SAME PREMISES.**

5 **(D) AN ENTITY LICENSED TO GROW MEDICAL CANNABIS UNDER THIS**
6 **SECTION SHALL ENSURE THAT SAFETY PRECAUTIONS ESTABLISHED BY THE**
7 **DIVISION ARE FOLLOWED BY ANY FACILITY OPERATED BY THE GROWER.**

8 **(E) THE DIVISION SHALL ESTABLISH REQUIREMENTS FOR SECURITY AND**
9 **THE MANUFACTURING PROCESS THAT A GROWER MUST MEET TO OBTAIN A LICENSE**
10 **UNDER THIS SECTION, INCLUDING A REQUIREMENT FOR A PRODUCT-TRACKING**
11 **SYSTEM.**

12 **(F) THE DIVISION MAY INSPECT A GROWER LICENSED UNDER THIS SECTION**
13 **TO ENSURE COMPLIANCE WITH THIS SUBTITLE.**

14 **(G) THE DIVISION MAY IMPOSE PENALTIES ON OR RESCIND THE LICENSE**
15 **OF A GROWER THAT DOES NOT MEET THE STANDARDS FOR LICENSURE SET BY THE**
16 **DIVISION.**

17 **13-3308.**

18 **(A) A DISPENSARY SHALL BE LICENSED BY THE DIVISION.**

19 **(B) TO BE LICENSED AS A DISPENSARY, AN APPLICANT SHALL SUBMIT TO**
20 **THE DIVISION:**

21 **(1) AN APPLICATION FEE IN AN AMOUNT TO BE DETERMINED BY THE**
22 **DIVISION CONSISTENT WITH THIS SUBTITLE; AND**

23 **(2) AN APPLICATION THAT INCLUDES:**

24 **(I) THE LEGAL NAME AND PHYSICAL ADDRESS OF THE**
25 **PROPOSED DISPENSARY;**

26 **(II) THE NAME, ADDRESS, AND DATE OF BIRTH OF EACH**
27 **PRINCIPAL OFFICER AND EACH DIRECTOR, NONE OF WHOM MAY HAVE SERVED AS A**
28 **PRINCIPAL OFFICER OR DIRECTOR FOR A DISPENSARY THAT HAS HAD ITS LICENSE**
29 **REVOKED; AND**

1 **(III) OPERATING PROCEDURES THAT THE DISPENSARY WILL**
2 **USE, CONSISTENT WITH DIVISION REGULATIONS FOR OVERSIGHT, INCLUDING**
3 **STORAGE OF MEDICAL CANNABIS AND PRODUCTS CONTAINING MEDICAL CANNABIS**
4 **ONLY IN ENCLOSED AND LOCKED FACILITIES.**

5 **(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**
6 **ON OR BEFORE OCTOBER 1, 2017, THE DIVISION SHALL:**

7 **(I) ASSIST THE UNIT IN SOLICITING, REVIEWING, SCORING,**
8 **AND RANKING APPLICATIONS FOR MEDICAL CANNABIS DISPENSARY LICENSES; AND**

9 **(II) IN ADDITION TO THE STAGE ONE PREAPPROVAL**
10 **DISPENSARY LICENSES GRANTED BY THE COMMISSION IN AUGUST 2016, AWARD NO**
11 **FEWER THAN 15 AND NO MORE THAN 25 MEDICAL CANNABIS DISPENSARY LICENSES.**

12 **(2) BEGINNING JULY 1, 2019, AND EVERY 2 YEARS THEREAFTER, THE**
13 **DIVISION MAY ISSUE THE NUMBER OF DISPENSARY LICENSES NECESSARY TO MEET**
14 **THE DEMAND FOR MEDICAL CANNABIS BY QUALIFYING PATIENTS AND CAREGIVERS**
15 **ISSUED IDENTIFICATION CARDS UNDER THIS SUBTITLE IN AN AFFORDABLE,**
16 **ACCESSIBLE, SECURE, AND EFFICIENT MANNER.**

17 **(3) (I) THE DIVISION SHALL ESTABLISH AN APPLICATION REVIEW**
18 **PROCESS FOR GRANTING MEDICAL CANNABIS DISPENSARY LICENSES IN WHICH**
19 **APPLICATIONS ARE REVIEWED, EVALUATED, PREQUALIFIED BASED ON MINIMAL**
20 **LICENSING STANDARDS, AND RANKED BASED ON CRITERIA ESTABLISHED BY THE**
21 **DIVISION.**

22 **(II) AN APPLICANT FOR A MEDICAL CANNABIS DISPENSARY**
23 **LICENSE THAT IS PREQUALIFIED BY THE DIVISION UNDER SUBPARAGRAPH (I) OF**
24 **THIS PARAGRAPH AND IS NOT RANKED HIGH ENOUGH TO BE AWARDED A LICENSE**
25 **SHALL BE PLACED ON A WAITING LIST IN THE ORDER IN WHICH THE APPLICANT**
26 **RANKED FOR THE PURPOSES OF THE AWARD OF LICENSES BY THE DIVISION IN**
27 **SUBSEQUENT LICENSURE CYCLES.**

28 **(III) UNLESS THE DIVISION DETERMINES THAT THERE ARE**
29 **MATERIAL CHANGES TO THE STATUS AND OPERATIONS OF THE APPLICANT PLACED**
30 **ON A WAITING LIST BY THE DIVISION UNDER SUBPARAGRAPH (II) OF THIS**
31 **PARAGRAPH, THE DIVISION SHALL CONSIDER THE APPLICANT'S PLACEMENT ON**
32 **THE WAITING LIST WHEN AWARDING LICENSES IN SUBSEQUENT LICENSURE CYCLES.**

33 **(IV) 1. THE DIVISION MAY NOT AWARD MORE THAN ONE**
34 **MEDICAL CANNABIS DISPENSARY LICENSE TO EACH APPLICANT.**

1 **2. AN INDIVIDUAL MAY NOT HAVE AN OWNERSHIP**
2 **INTEREST IN MORE THAN ONE DISPENSARY LICENSE AWARDED BY THE DIVISION.**

3 **(V) IF A SCORING SYSTEM IS USED TO EVALUATE APPLICATIONS**
4 **FOR MEDICAL CANNABIS DISPENSARIES, THE LOCATION OF THE APPLICANT'S**
5 **OPERATIONS SHALL ACCOUNT FOR AT LEAST 5% OF THE SCORE AND SHALL INCLUDE**
6 **CONSIDERATION OF LOCATIONS WITHIN:**

7 **1. A CERTIFIED HISTORICALLY UNDERUTILIZED**
8 **BUSINESS ZONE MARKED BY HIGH UNEMPLOYMENT;**

9 **2. A ZIP CODE WHERE THE PERCENTAGE OF MINORITY**
10 **RESIDENTS CONVICTED OF NONVIOLENT DRUG OFFENSES EXCEEDS THE OVERALL**
11 **STATE AVERAGE FOR CONVICTED NONVIOLENT DRUG OFFENDERS; AND**

12 **3. A SUBDIVISION OF THE STATE THAT HAS A HIGH**
13 **PATIENT DEMAND FOR MEDICAL CANNABIS BASED ON THE SUBDIVISION'S**
14 **INCIDENCE OF CHRONIC AND DEBILITATING DISEASES AND MEDICAL CONDITIONS**
15 **AS LISTED IN § 13-3305(D) OF THIS SUBTITLE.**

16 **(VI) 1. THE DIVISION SHALL:**

17 **A. ACTIVELY SEEK TO ACHIEVE RACIAL, ETHNIC, AND**
18 **GEOGRAPHIC DIVERSITY WHEN LICENSING MEDICAL CANNABIS DISPENSARIES;**

19 **B. STRONGLY ENCOURAGE AND CONDUCT ONGOING**
20 **OUTREACH TO BUSINESS ENTERPRISES THAT QUALIFY AS A CERTIFIED MINORITY**
21 **BUSINESS ENTERPRISE, AS DEFINED IN § 14-301 OF THE STATE FINANCE AND**
22 **PROCUREMENT ARTICLE, OR A WOMEN-OWNED BUSINESS ENTERPRISE TO APPLY**
23 **FOR LICENSURE AS A MEDICAL CANNABIS DISPENSARY; AND**

24 **C. ESTABLISH AN EVALUATION PREFERENCE FOR AN**
25 **APPLICANT FOR A MEDICAL CANNABIS DISPENSARY LICENSE THAT MEETS MINIMAL**
26 **LICENSURE STANDARDS AND IS A CERTIFIED MINORITY BUSINESS ENTERPRISE, AS**
27 **DEFINED IN § 14-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, OR A**
28 **WOMEN-OWNED BUSINESS ENTERPRISE.**

29 **2. THE EVALUATION PREFERENCE ESTABLISHED**
30 **UNDER SUBSUBPARAGRAPH 1C OF THIS SUBPARAGRAPH SHALL BE EQUAL IN**
31 **WEIGHT TO NO LESS THAN 10% OF THE TOTAL AVAILABLE EVALUATION POINTS TO**
32 **BE ASSIGNED BY THE UNIT FOR USE IN THE RANKING OF DISPENSARY LICENSE**
33 **APPLICANT PROPOSALS FOR EACH CYCLE OF SOLICITATION AND REVIEW OF**
34 **APPLICATIONS CONDUCTED BY THE UNIT.**

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

3 (1) THE NUMBER OF MINORITY OWNERS;

4 (2) THE OWNERSHIP SHARE OF ANY MINORITY OWNERS; AND

5 (3) THE NUMBER OF MINORITY EMPLOYEES OF THE LICENSEE.

6 (E) (1) A DISPENSARY LICENSE IS VALID FOR 4 YEARS ON INITIAL
7 LICENSURE.

8 (2) A DISPENSARY LICENSE IS VALID FOR 2 YEARS ON RENEWAL.

9 (F) A DISPENSARY LICENSED UNDER THIS SECTION OR A DISPENSARY
10 AGENT REGISTERED UNDER § 13-3309 OF THIS SUBTITLE MAY NOT BE PENALIZED
11 OR ARRESTED UNDER STATE LAW FOR ACQUIRING, POSSESSING, PROCESSING,
12 TRANSFERRING, TRANSPORTING, SELLING, DISTRIBUTING, OR DISPENSING
13 CANNABIS, PRODUCTS CONTAINING CANNABIS, OR RELATED SUPPLIES OR
14 PROVIDING EDUCATIONAL MATERIALS FOR USE BY A QUALIFYING PATIENT OR A
15 CAREGIVER.

16 (G) THE DIVISION SHALL ESTABLISH REQUIREMENTS FOR SECURITY AND
17 PRODUCT-HANDLING PROCEDURES THAT A DISPENSARY MUST MEET TO OBTAIN A
18 LICENSE UNDER THIS SECTION, INCLUDING A REQUIREMENT FOR A
19 PRODUCT-TRACKING SYSTEM.

20 (H) THE DIVISION MAY INSPECT A DISPENSARY LICENSED UNDER THIS
21 SECTION TO ENSURE COMPLIANCE WITH THIS SUBTITLE.

22 (I) THE DIVISION MAY IMPOSE PENALTIES ON OR RESCIND THE LICENSE
23 OF A DISPENSARY THAT DOES NOT MEET THE STANDARDS FOR LICENSURE SET BY
24 THE DIVISION.

25 (J) (1) EACH DISPENSARY LICENSED UNDER THIS SECTION SHALL
26 SUBMIT A QUARTERLY REPORT TO THE DIVISION.

27 (2) THE QUARTERLY REPORT SHALL INCLUDE:

28 (I) THE NUMBER OF PATIENTS SERVED;

29 (II) THE COUNTY OF RESIDENCE OF EACH PATIENT SERVED;

(III) THE MEDICAL CONDITION FOR WHICH MEDICAL CANNABIS WAS RECOMMENDED;

(IV) THE TYPE AND AMOUNT OF MEDICAL CANNABIS DISPENSED; AND

(V) IF AVAILABLE, A SUMMARY OF CLINICAL OUTCOMES, INCLUDING ADVERSE EVENTS AND ANY CASES OF SUSPECTED DIVERSION.

(3) THE QUARTERLY REPORT MAY NOT INCLUDE ANY PERSONAL INFORMATION THAT IDENTIFIES A PATIENT.

13-3309.

(A) A DISPENSARY AGENT SHALL:

(1) BE AT LEAST 21 YEARS OLD;

(2) BE REGISTERED WITH THE DIVISION BEFORE THE AGENT MAY VOLUNTEER OR WORK FOR A DISPENSARY; AND

(3) OBTAIN A STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 13-3314 OF THIS SUBTITLE.

(B) A DISPENSARY SHALL APPLY TO THE DIVISION FOR A REGISTRATION CARD FOR EACH DISPENSARY AGENT BY SUBMITTING THE NAME, ADDRESS, AND DATE OF BIRTH OF THE AGENT.

(C) (1) WITHIN 1 BUSINESS DAY AFTER A DISPENSARY AGENT CEASES TO BE ASSOCIATED WITH A DISPENSARY, THE DISPENSARY SHALL:

(I) NOTIFY THE DIVISION; AND

(II) RETURN THE DISPENSARY AGENT'S REGISTRATION CARD TO THE DIVISION.

(2) ON RECEIPT OF A NOTICE DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, THE DIVISION SHALL:

(I) IMMEDIATELY REVOKE THE REGISTRATION CARD OF THE DISPENSARY AGENT; AND

1 **(II) IF THE REGISTRATION CARD WAS NOT RETURNED TO THE**
2 **DIVISION, NOTIFY THE DEPARTMENT OF STATE POLICE.**

3 **(D) THE DIVISION MAY NOT REGISTER AS A DISPENSARY AGENT AN**
4 **INDIVIDUAL WHO HAS BEEN CONVICTED OF A FELONY DRUG OFFENSE.**

5 **13-3310.**

6 **(A) A PROCESSOR SHALL BE LICENSED BY THE DIVISION.**

7 **(B) TO BE LICENSED AS A PROCESSOR, AN APPLICANT SHALL SUBMIT TO**
8 **THE DIVISION:**

9 **(1) AN APPLICATION FEE IN AN AMOUNT TO BE DETERMINED BY THE**
10 **DIVISION IN ACCORDANCE WITH THIS SUBTITLE; AND**

11 **(2) AN APPLICATION THAT INCLUDES:**

12 **(I) THE LEGAL NAME AND PHYSICAL ADDRESS OF THE**
13 **PROPOSED PROCESSOR;**

14 **(II) THE NAME, ADDRESS, AND DATE OF BIRTH OF EACH**
15 **PRINCIPAL OFFICER AND DIRECTOR, NONE OF WHOM MAY HAVE SERVED AS A**
16 **PRINCIPAL OFFICER OR DIRECTOR FOR A LICENSEE UNDER THIS SUBTITLE THAT**
17 **HAS HAD ITS LICENSE REVOKED; AND**

18 **(III) OPERATING PROCEDURES THAT THE PROCESSOR WILL USE,**
19 **CONSISTENT WITH DIVISION REGULATIONS FOR OVERSIGHT, INCLUDING STORAGE**
20 **OF CANNABIS, EXTRACTS, AND PRODUCTS CONTAINING CANNABIS ONLY IN**
21 **ENCLOSED AND LOCKED FACILITIES.**

22 **(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**
23 **ON OR BEFORE OCTOBER 1, 2017, THE DIVISION SHALL:**

24 **(I) ASSIST THE UNIT IN SOLICITING, REVIEWING, SCORING,**
25 **AND RANKING APPLICATIONS FOR MEDICAL CANNABIS PROCESSOR LICENSES; AND**

26 **(II) IN ADDITION TO THE STAGE ONE PREAPPROVAL**
27 **PROCESSOR LICENSES ISSUE BY THE COMMISSION IN AUGUST 2016, AWARD NO**
28 **FEWER THAN FIVE AND NO MORE THAN SEVEN MEDICAL CANNABIS PROCESSOR**
29 **LICENSES.**

1 **(2) BEGINNING JULY 1, 2019, AND EVERY 2 YEARS THEREAFTER, THE**
2 **DIVISION MAY AWARD THE NUMBER OF PROCESSOR LICENSES NECESSARY TO MEET**
3 **THE DEMAND FOR MEDICAL CANNABIS BY QUALIFYING PATIENTS AND CAREGIVERS**
4 **ISSUED IDENTIFICATION CARDS UNDER THIS SUBTITLE IN AN AFFORDABLE,**
5 **ACCESSIBLE, SECURE, AND EFFICIENT MANNER.**

6 **(3) (I) THE DIVISION SHALL ESTABLISH AN APPLICATION REVIEW**
7 **PROCESS FOR GRANTING MEDICAL CANNABIS PROCESSOR LICENSES IN WHICH**
8 **APPLICATIONS ARE REVIEWED, EVALUATED, PREQUALIFIED BASED ON MINIMAL**
9 **LICENSING STANDARDS, AND RANKED BASED ON CRITERIA ESTABLISHED BY THE**
10 **DIVISION.**

11 **(II) AN APPLICANT FOR A MEDICAL CANNABIS PROCESSOR**
12 **LICENSE THAT IS PREQUALIFIED BY THE DIVISION UNDER SUBPARAGRAPH (I) OF**
13 **THIS PARAGRAPH AND IS NOT RANKED HIGH ENOUGH TO BE AWARDED A LICENSE**
14 **SHALL BE PLACED ON A WAITING LIST IN THE ORDER IN WHICH THE APPLICANT**
15 **RANKED FOR THE PURPOSES OF THE AWARD OF LICENSES BY THE DIVISION IN**
16 **SUBSEQUENT LICENSURE CYCLES.**

17 **(III) UNLESS THE DIVISION DETERMINES THAT THERE ARE**
18 **MATERIAL CHANGES IN THE STATUS AND OPERATIONS OF THE APPLICANT PLACED**
19 **ON A WAITING LIST BY THE DIVISION UNDER SUBPARAGRAPH (II) OF THIS**
20 **PARAGRAPH, THE DIVISION SHALL CONSIDER THE APPLICANT'S PLACEMENT ON**
21 **THE WAITING LIST WHEN AWARDING LICENSES IN SUBSEQUENT LICENSURE CYCLES.**

22 **(4) (I) THE DIVISION MAY NOT AWARD MORE THAN ONE MEDICAL**
23 **CANNABIS PROCESSOR LICENSE TO EACH APPLICANT.**

24 **(II) AN INDIVIDUAL MAY NOT HAVE AN OWNERSHIP INTEREST**
25 **IN MORE THAN ONE PROCESSOR LICENSE AWARDED BY THE DIVISION.**

26 **(5) (I) IF A SCORING SYSTEM IS USED TO EVALUATE APPLICATIONS**
27 **FOR MEDICAL CANNABIS PROCESSORS, VERTICALLY INTEGRATED OPERATIONS**
28 **LOCATED IN CLOSE PROXIMITY TO ENHANCE THE SAFETY, SECURITY, AND**
29 **EFFICIENCY OF THE OPERATIONS, REDUCE COSTS, AND DECREASE PRICES FOR**
30 **PATIENTS USING MEDICAL CANNABIS SHALL ACCOUNT FOR AT LEAST 5% OF THE**
31 **SCORE.**

32 **(II) IF A SCORING SYSTEM IS USED TO EVALUATE APPLICATIONS**
33 **FOR MEDICAL CANNABIS PROCESSORS, THE LOCATION OF THE APPLICANT'S**
34 **OPERATIONS SHALL ACCOUNT FOR AT LEAST 5% OF THE SCORE AND SHALL INCLUDE**
35 **CONSIDERATION OF LOCATIONS WITHIN:**

1 1. A CERTIFIED HISTORICALLY UNDERUTILIZED
2 BUSINESS ZONE MARKED BY HIGH UNEMPLOYMENT;

3 2. A ZIP CODE WHERE THE PERCENTAGE OF MINORITY
4 RESIDENTS CONVICTED OF NONVIOLENT DRUG OFFENSES EXCEEDS THE OVERALL
5 STATE AVERAGE FOR CONVICTED NONVIOLENT DRUG OFFENDERS; AND

6 3. A SUBDIVISION OF THE STATE THAT HAS A HIGH
7 PATIENT DEMAND FOR MEDICAL CANNABIS BASED ON THE SUBDIVISION'S
8 INCIDENCE OF CHRONIC AND DEBILITATING DISEASES AND MEDICAL CONDITIONS
9 AS LISTED IN § 13-3305(D) OF THIS SUBTITLE.

10 (6) (I) THE DIVISION SHALL:

11 1. ACTIVELY SEEK TO ACHIEVE RACIAL, ETHNIC, AND
12 GEOGRAPHIC DIVERSITY WHEN LICENSING MEDICAL CANNABIS PROCESSORS;

13 2. STRONGLY ENCOURAGE AND CONDUCT ONGOING
14 OUTREACH TO BUSINESS ENTERPRISES THAT QUALIFY AS A CERTIFIED MINORITY
15 BUSINESS ENTERPRISE, AS DEFINED IN § 14-301 OF THE STATE FINANCE AND
16 PROCUREMENT ARTICLE, OR A WOMEN-OWNED BUSINESS ENTERPRISE TO APPLY
17 FOR LICENSURE AS A MEDICAL CANNABIS PROCESSOR; AND

18 3. ESTABLISH AN EVALUATION PREFERENCE FOR AN
19 APPLICANT FOR A MEDICAL CANNABIS PROCESSOR LICENSE THAT MEETS MINIMAL
20 LICENSURE STANDARDS AND IS A CERTIFIED MINORITY BUSINESS ENTERPRISE, AS
21 DEFINED IN § 14-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, OR A
22 WOMEN-OWNED BUSINESS ENTERPRISE.

23 (II) THE EVALUATION PREFERENCE ESTABLISHED UNDER
24 SUBPARAGRAPH (I)3 OF THIS PARAGRAPH SHALL:

25 1. BE EQUAL IN WEIGHT TO NO LESS THAN 10% OF THE
26 TOTAL AVAILABLE EVALUATION POINTS TO BE ASSIGNED BY THE UNIT FOR USE IN
27 THE RANKING OF LICENSE APPLICANT PROPOSALS; AND

28 2. FOR PURPOSES OF THE UNIT'S SELECTION OF
29 QUALIFIED MEDICAL CANNABIS PROCESSOR LICENSE APPLICANTS, BE USED FOR
30 EACH CYCLE OF SOLICITATION AND REVIEW OF APPLICATIONS CONDUCTED BY THE
31 UNIT.

32 (7) BEGINNING JULY 1, 2017, A PROCESSOR LICENSED UNDER THIS
33 SUBTITLE SHALL REPORT ANNUALLY TO THE DIVISION ON:

(I) THE NUMBER OF MINORITY OWNERS;

(II) THE OWNERSHIP SHARE OF ANY MINORITY OWNERS; AND

(III) THE NUMBER OF MINORITY EMPLOYEES OF THE LICENSEE.

(D) (1) A PROCESSOR LICENSE IS VALID FOR 4 YEARS ON INITIAL
LICENSURE.

(2) A PROCESSOR LICENSE IS VALID FOR 2 YEARS ON RENEWAL.

(E) A PROCESSOR LICENSED UNDER THIS SECTION OR A PROCESSOR AGENT
REGISTERED UNDER § 13-3311 OF THIS SUBTITLE MAY NOT BE PENALIZED OR
ARRESTED UNDER STATE LAW FOR ACQUIRING, POSSESSING, PROCESSING,
TRANSFERRING, TRANSPORTING, SELLING, DISTRIBUTING, OR DISPENSING
CANNABIS, PRODUCTS CONTAINING CANNABIS, OR RELATED SUPPLIES OR
PROVIDING EDUCATIONAL MATERIALS FOR USE BY A LICENSEE UNDER THIS
SUBTITLE OR A QUALIFYING PATIENT OR A CAREGIVER.

(F) THE DIVISION SHALL ESTABLISH REQUIREMENTS FOR SECURITY AND
PRODUCT-HANDLING PROCEDURES THAT A PROCESSOR MUST MEET TO OBTAIN A
LICENSE UNDER THIS SECTION, INCLUDING A REQUIREMENT FOR A
PRODUCT-TRACKING SYSTEM.

(G) THE DIVISION MAY INSPECT A PROCESSOR LICENSED UNDER THIS
SECTION TO ENSURE COMPLIANCE WITH THIS SUBTITLE.

(H) THE DIVISION MAY IMPOSE PENALTIES ON OR RESCIND THE LICENSE
OF A PROCESSOR THAT DOES NOT MEET THE STANDARDS FOR LICENSURE SET BY
THE DIVISION.

13-3311.

(A) A PROCESSOR AGENT SHALL:

(1) BE AT LEAST 21 YEARS OLD;

(2) BE REGISTERED WITH THE DIVISION BEFORE THE AGENT MAY
VOLUNTEER OR WORK FOR A PROCESSOR; AND

(3) OBTAIN A STATE AND NATIONAL CRIMINAL HISTORY RECORDS
CHECK IN ACCORDANCE WITH § 13-3314 OF THIS SUBTITLE.

(B) A PROCESSOR SHALL APPLY TO THE DIVISION FOR A REGISTRATION CARD FOR EACH PROCESSOR AGENT BY SUBMITTING THE NAME, ADDRESS, AND DATE OF BIRTH OF THE AGENT.

(C) (1) WITHIN 1 BUSINESS DAY AFTER A PROCESSOR AGENT CEASES TO BE ASSOCIATED WITH A PROCESSOR, THE PROCESSOR SHALL:

(I) NOTIFY THE DIVISION; AND

(II) RETURN THE PROCESSOR AGENT'S REGISTRATION CARD TO THE DIVISION.

(2) ON RECEIPT OF A NOTICE DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, THE DIVISION SHALL:

(I) IMMEDIATELY REVOKE THE REGISTRATION CARD OF THE PROCESSOR AGENT; AND

(II) IF THE REGISTRATION CARD WAS NOT RETURNED TO THE DIVISION, NOTIFY THE DEPARTMENT OF STATE POLICE.

(D) THE DIVISION MAY NOT REGISTER AS A PROCESSOR AGENT AN INDIVIDUAL WHO HAS BEEN CONVICTED OF A FELONY DRUG OFFENSE.

13-3312.

(A) THE DIVISION SHALL REGISTER AT LEAST ONE PRIVATE INDEPENDENT TESTING LABORATORY TO TEST CANNABIS AND PRODUCTS CONTAINING CANNABIS THAT ARE TO BE SOLD IN THE STATE.

(B) TO BE REGISTERED AS AN INDEPENDENT TESTING LABORATORY, A LABORATORY SHALL:

(1) MEET THE APPLICATION REQUIREMENTS ESTABLISHED BY THE DIVISION;

(2) PAY ANY APPLICABLE FEE REQUIRED BY THE DIVISION; AND

(3) MEET THE STANDARDS AND REQUIREMENTS FOR ACCREDITATION, INSPECTION, AND TESTING ESTABLISHED BY THE DIVISION.

(C) THE DIVISION SHALL ADOPT REGULATIONS THAT ESTABLISH:

1 (1) THE STANDARDS AND REQUIREMENTS TO BE MET BY AN
2 INDEPENDENT LABORATORY TO OBTAIN A REGISTRATION;

3 (2) THE STANDARDS OF CARE TO BE FOLLOWED BY AN INDEPENDENT
4 TESTING LABORATORY;

5 (3) THE INITIAL AND RENEWAL TERMS FOR AN INDEPENDENT
6 LABORATORY REGISTRATION AND THE RENEWAL PROCEDURE; AND

7 (4) THE BASES AND PROCESSES FOR DENIAL, REVOCATION, AND
8 SUSPENSION OF A REGISTRATION OF AN INDEPENDENT TESTING LABORATORY.

9 (D) THE DIVISION MAY INSPECT AN INDEPENDENT TESTING LABORATORY
10 REGISTERED UNDER THIS SECTION TO ENSURE COMPLIANCE WITH THIS SUBTITLE.

11 13-3313.

12 (A) THE HOLDER OF A MEDICAL CANNABIS GROWER, PROCESSOR, OR
13 DISPENSARY LICENSE MAY SELL OR TRANSFER OWNERSHIP OF THE LICENSE IF THE
14 LICENSEE WAS PHYSICALLY AND ACTIVELY ENGAGED IN THE CULTIVATION,
15 PROCESSING, OR DISPENSING OF MEDICAL CANNABIS FOR AT LEAST 2 YEARS
16 BEFORE SELLING OR TRANSFERRING OWNERSHIP OF THE LICENSE.

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

22 (2) IF THE LICENSEE CAN DEMONSTRATE TO THE DIVISION THAT THE
23 FAILURE TO BECOME OPERATIONAL UNDER PARAGRAPH (1) OF THIS SUBSECTION
24 WAS DUE TO UNFORESEEN HARDSHIP BEYOND THE CONTROL OF THE LICENSEE, THE
25 DIVISION MAY EXTEND THE TIME FOR BECOMING OPERATIONAL FOR AN
26 ADDITIONAL 6 MONTHS BEFORE REQUIRING THE FORFEITURE OF THE LICENSEE'S
27 LICENSE.

28 (3) ON THE SALE OR TRANSFER OF A LICENSE HELD BY A MINORITY
29 BUSINESS ENTERPRISE OR A WOMEN-OWNED BUSINESS ENTERPRISE, THE
30 MINORITY BUSINESS ENTERPRISE OR WOMEN-OWNED BUSINESS ENTERPRISE
31 SHALL:

(I) PROVIDE A RIGHT OF FIRST REFUSAL TO ANY PROSPECTIVE MINORITY BUSINESS ENTERPRISE OR WOMEN-OWNED BUSINESS ENTERPRISE INVESTOR OR BUYER THAT MEETS THE ASKING PRICE OF THE TRANSFEROR OR SELLER; OR

(II) 1. ALLOW ANY PROSPECTIVE MINORITY BUSINESS ENTERPRISE OR WOMEN-OWNED BUSINESS ENTERPRISE INVESTOR OR BUYER TO MATCH THE HIGHEST OFFER FOR PURCHASE OR TRANSFER THAT HAS BEEN RECEIVED BY THE MINORITY BUSINESS ENTERPRISE OR THE WOMEN-OWNED BUSINESS ENTERPRISE LICENSEE FROM PROSPECTIVE NONMINORITY BUYERS OR INVESTORS; AND

2. COMPLETE THE SALE OR TRANSFER OF THE LICENSE TO THE MINORITY BUSINESS ENTERPRISE OR THE WOMEN-OWNED BUSINESS ENTERPRISE INVESTOR OR BUYER THAT MATCHES THE HIGHEST OFFER.

13-3314.

(A) IN THIS SECTION, "CENTRAL REPOSITORY" MEANS THE CRIMINAL JUSTICE INFORMATION SYSTEM CENTRAL REPOSITORY OF THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES.

(B) AS PART OF AN APPLICATION TO THE CENTRAL REPOSITORY FOR A STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK, AN APPLICANT SHALL SUBMIT TO THE CENTRAL REPOSITORY:

(1) TWO COMPLETE SETS OF LEGIBLE FINGERPRINTS TAKEN ON FORMS APPROVED BY THE DIRECTOR OF THE CENTRAL REPOSITORY AND THE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION;

(2) THE FEE AUTHORIZED UNDER § 10-221(B)(7) OF THE CRIMINAL PROCEDURE ARTICLE FOR ACCESS TO STATE CRIMINAL HISTORY RECORDS; AND

(3) THE PROCESSING FEE REQUIRED BY THE FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY RECORDS CHECK.

(C) IN ACCORDANCE WITH §§ 10-201 THROUGH 10-228 OF THE CRIMINAL PROCEDURE ARTICLE, THE CENTRAL REPOSITORY SHALL FORWARD TO THE DIVISION AND TO THE APPLICANT THE CRIMINAL HISTORY RECORD INFORMATION OF THE APPLICANT.

(D) IF AN APPLICANT HAS MADE TWO OR MORE UNSUCCESSFUL ATTEMPTS AT SECURING LEGIBLE FINGERPRINTS, THE COMMISSION MAY ACCEPT AN

1 ALTERNATE METHOD OF A CRIMINAL HISTORY RECORDS CHECK AS PERMITTED BY
2 THE DIRECTOR OF THE CENTRAL REPOSITORY AND THE DIRECTOR OF THE
3 FEDERAL BUREAU OF INVESTIGATION.

4 (E) INFORMATION OBTAINED FROM THE CENTRAL REPOSITORY UNDER
5 THIS SECTION:

6 (1) IS CONFIDENTIAL;

7 (2) MAY NOT BE REDISSEMINATED; AND

8 (3) MAY BE USED ONLY FOR THE REGISTRATION PURPOSE
9 AUTHORIZED BY THIS SUBTITLE.

10 (F) THE SUBJECT OF A CRIMINAL HISTORY RECORDS CHECK UNDER THIS
11 SECTION MAY CONTEST THE CONTENTS OF THE PRINTED STATEMENT ISSUED BY
12 THE CENTRAL REPOSITORY, AS PROVIDED IN § 10-223 OF THE CRIMINAL
13 PROCEDURE ARTICLE.

14 13-3315.

15 (A) ANY OF THE FOLLOWING PERSONS ACTING IN ACCORDANCE WITH THE
16 PROVISIONS OF THIS SUBTITLE MAY NOT BE SUBJECT TO ARREST, PROSECUTION,
17 OR ANY CIVIL OR ADMINISTRATIVE PENALTY, INCLUDING A CIVIL PENALTY OR
18 DISCIPLINARY ACTION BY A PROFESSIONAL LICENSING BOARD, OR BE DENIED ANY
19 RIGHT OR PRIVILEGE, FOR THE MEDICAL USE OF CANNABIS:

20 (1) A QUALIFYING PATIENT:

21 (I) IN POSSESSION OF AN AMOUNT OF MEDICAL CANNABIS
22 DETERMINED BY THE DIVISION TO CONSTITUTE A 30-DAY SUPPLY; OR

23 (II) IN POSSESSION OF AN AMOUNT OF MEDICAL CANNABIS
24 THAT IS GREATER THAN A 30-DAY SUPPLY IF THE QUALIFYING PATIENT'S
25 CERTIFYING PROVIDER STATED IN THE WRITTEN CERTIFICATION THAT A 30-DAY
26 SUPPLY WOULD BE INADEQUATE TO MEET THE MEDICAL NEEDS OF THE QUALIFYING
27 PATIENT;

28 (2) A GROWER LICENSED UNDER § 13-3307 OF THIS SUBTITLE OR A
29 GROWER AGENT REGISTERED UNDER § 13-3307 OF THIS SUBTITLE;

30 (3) A CERTIFYING PROVIDER;

1 **(4) A CAREGIVER;**

2 **(5) A DISPENSARY LICENSED UNDER § 13-3308 OF THIS SUBTITLE OR**
3 **A DISPENSARY AGENT REGISTERED UNDER § 13-3309 OF THIS SUBTITLE;**

4 **(6) A PROCESSOR LICENSED UNDER § 13-3310 OF THIS SUBTITLE OR**
5 **A PROCESSOR AGENT REGISTERED UNDER § 13-3311 OF THIS SUBTITLE; OR**

6 **(7) A HOSPITAL, MEDICAL FACILITY, OR HOSPICE PROGRAM WHERE**
7 **A QUALIFYING PATIENT IS RECEIVING TREATMENT.**

8 **(B) (1) A PERSON MAY NOT DISTRIBUTE, POSSESS, MANUFACTURE, OR**
9 **USE CANNABIS THAT HAS BEEN DIVERTED FROM A QUALIFYING PATIENT, A**
10 **CAREGIVER, A LICENSED GROWER, OR A LICENSED DISPENSARY.**

11 **(2) A PERSON THAT VIOLATES THIS SUBSECTION IS GUILTY OF A**
12 **FELONY AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 5**
13 **YEARS OR A FINE NOT EXCEEDING \$10,000 OR BOTH.**

14 **(3) THE PENALTY UNDER THIS SUBSECTION IS IN ADDITION TO ANY**
15 **PENALTIES THAT A PERSON MAY BE SUBJECT TO FOR MANUFACTURE, POSSESSION,**
16 **OR DISTRIBUTION OF MARIJUANA UNDER THE CRIMINAL LAW ARTICLE.**

17 **13-3316.**

18 **(A) THIS SUBTITLE MAY NOT BE CONSTRUED TO AUTHORIZE ANY**
19 **INDIVIDUAL TO ENGAGE IN, AND DOES NOT PREVENT THE IMPOSITION OF ANY CIVIL,**
20 **CRIMINAL, OR OTHER PENALTIES FOR, THE FOLLOWING:**

21 **(1) UNDERTAKING ANY TASK UNDER THE INFLUENCE OF MARIJUANA**
22 **OR CANNABIS, WHEN DOING SO WOULD CONSTITUTE NEGLIGENCE OR**
23 **PROFESSIONAL MALPRACTICE;**

24 **(2) OPERATING, NAVIGATING, OR BEING IN ACTUAL PHYSICAL**
25 **CONTROL OF ANY MOTOR VEHICLE, AIRCRAFT, OR BOAT WHILE UNDER THE**
26 **INFLUENCE OF MARIJUANA OR CANNABIS;**

27 **(3) SMOKING MARIJUANA OR CANNABIS IN ANY PUBLIC PLACE;**

28 **(4) SMOKING MARIJUANA OR CANNABIS IN A MOTOR VEHICLE; OR**

29 **(5) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,**
30 **SMOKING MARIJUANA OR CANNABIS ON A PRIVATE PROPERTY THAT:**

1 (I) 1. IS RENTED FROM A LANDLORD; AND

2 2. IS SUBJECT TO A POLICY THAT PROHIBITS THE
3 SMOKING OF MARIJUANA OR CANNABIS ON THE PROPERTY; OR

4 (II) IS SUBJECT TO A POLICY THAT PROHIBITS THE SMOKING OF
5 MARIJUANA OR CANNABIS ON THE PROPERTY OF AN ATTACHED DWELLING ADOPTED
6 BY:

7 1. THE BOARD OF DIRECTORS OF THE COUNCIL OF UNIT
8 OWNERS OF A CONDOMINIUM REGIME; OR

9 2. THE GOVERNING BODY OF A HOMEOWNERS
10 ASSOCIATION.

11 (B) THE PROVISIONS OF SUBSECTION (A)(5) OF THIS SECTION DO NOT
12 APPLY TO VAPORIZING CANNABIS.

13 (C) THIS SUBTITLE MAY NOT BE CONSTRUED TO PROVIDE IMMUNITY TO A
14 PERSON THAT VIOLATES THE PROVISIONS OF THIS SUBTITLE FROM CRIMINAL
15 PROSECUTION FOR A VIOLATION OF ANY LAW PROHIBITING OR REGULATING THE
16 USE, POSSESSION, DISPENSING, DISTRIBUTION, OR PROMOTION OF CONTROLLED
17 DANGEROUS SUBSTANCES, DANGEROUS DRUGS, DETRIMENTAL DRUGS, OR
18 HARMFUL DRUGS, OR ANY CONSPIRACY OR ATTEMPT TO COMMIT ANY OF THOSE
19 OFFENSES.

20 (D) THIS SUBTITLE MAY NOT BE CONSTRUED TO REQUIRE A HOSPITAL,
21 MEDICAL FACILITY, OR HOSPICE PROGRAM TO REPORT TO THE DIVISION ANY
22 DISCIPLINARY ACTION TAKEN BY THE HOSPITAL, MEDICAL FACILITY, OR HOSPICE
23 PROGRAM AGAINST A CERTIFYING PROVIDER, INCLUDING THE REVOCATION OF
24 PRIVILEGES, AFTER THE REGISTRATION OF THE CERTIFYING PROVIDER BY THE
25 DIVISION.

26 (E) THIS SUBTITLE MAY NOT BE CONSTRUED TO PROHIBIT A PERSON FROM
27 BEING CONCURRENTLY LICENSED BY THE DIVISION AS A GROWER, A DISPENSARY,
28 OR A PROCESSOR.

29 13-3317.

30 (A) NOTWITHSTANDING § 12-315 OF THE STATE GOVERNMENT ARTICLE, A
31 STATE EMPLOYEE WHO INCURS COUNSEL FEES IN CONNECTION WITH A FEDERAL
32 CRIMINAL INVESTIGATION OR PROSECUTION SOLELY RELATED TO THE EMPLOYEE'S

1 GOOD FAITH DISCHARGE OF PUBLIC RESPONSIBILITIES UNDER THIS SUBTITLE IS
2 ELIGIBLE FOR REIMBURSEMENT OF COUNSEL FEES AS AUTHORIZED BY § 12-314 OF
3 THE STATE GOVERNMENT ARTICLE.

4 (B) THE GOVERNOR MAY SUSPEND IMPLEMENTATION OF THIS SUBTITLE
5 ON MAKING A DETERMINATION THAT THERE IS A REASONABLE CHANCE OF FEDERAL
6 PROSECUTION OF STATE EMPLOYEES FOR INVOLVEMENT WITH IMPLEMENTATION
7 OF THIS SUBTITLE.

8 13-3318.

9 ON OR BEFORE SEPTEMBER 1, 2017, THE DIVISION SHALL ADOPT
10 REGULATIONS:

11 (1) REPEALING ANY REGULATIONS RELATED TO THE COMMISSION;
12 AND

13 (2) IMPLEMENTING THE PROVISIONS OF THIS SUBTITLE.

14 **Article – State Finance and Procurement**

15 6-226.

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

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

24 73. Natalie M. LaPrade Medical Cannabis [Commission]
25 DIVISION Fund;

26 SECTION 3. AND BE IT FURTHER ENACTED, That:

27 (a) All the functions, powers, duties, equipment, assets, liabilities, and employees
28 of the Natalie M. LaPrade Medical Cannabis Commission shall be transferred to the
29 Medical Cannabis Division in the Department of Health and Mental Hygiene.

30 (b) Within 30 days after the effective date of this Act, the Department of Health
31 and Mental Hygiene shall:

(1) take any action necessary to ensure that the Medical Cannabis Division and the Natalie M. LaPrade Medical Cannabis Licensing Unit are operational; and

(2) assign the staff necessary, including contractual staff, to the Medical Cannabis Division to support the work of the Division and the Natalie M. LaPrade Medical Cannabis Licensing Unit.

(c) Any actions performed by the Natalie M. LaPrade Medical Cannabis Commission before the enactment of this Act, including the ranking of applicants for a medical cannabis grower, processor, or dispensary license and the issuance or preapproval of a medical cannabis grower, processor, or dispensary license, shall be given full force and effect by the Medical Cannabis Division established under Section 2 of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That the terms of the initial members of the Natalie M. LaPrade Medical Cannabis Licensing Unit shall expire as follows:

(1) three members in 2019;

(2) three members in 2020; and

(3) three members in 2021.

SECTION 5. 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.

SECTION 6. AND BE IT FURTHER ENACTED, That 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.