

HOUSE BILL 2

J1

EMERGENCY BILL
ENROLLED BILL

(8lr0679)

— Health and Government Operations/Finance —

Introduced by **Delegate Glenn**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

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

3 FOR the purpose of altering the definition of “grower” for purposes of certain provisions of
4 law governing medical cannabis; declaring the intent of the General Assembly with
5 regard to the State’s medical cannabis programs; ~~requiring~~ altering the information
6 that the Natalie M. LaPrade Medical Cannabis Commission is required to maintain
7 on the Commission’s website; requiring the Commission to conduct certain outreach
8 to certain small, minority, and women business owners and entrepreneurs for certain
9 purposes; ~~authorizing~~ requiring the Commission to make grants to certain
10 educational and business development organizations for certain purposes; requiring
11 the Commission to partner with the Department of Labor, Licensing, and Regulation
12 to identify certain employment opportunities; ~~altering the membership of the~~
13 ~~Commission~~; ~~providing that the certain appointments made to the Commission are~~
14 ~~subject to the advice and consent of the Senate of Maryland~~; requiring the
15 Commission, the Department of Labor, Licensing, and Regulation, and certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 entities to comply with federal and State laws in performing certain actions;
2 prohibiting the Commission from retaining the services of certain persons for certain
3 purposes; establishing certain qualifications for appointed members of the
4 Commission; prohibiting a member of the Commission from having certain interests
5 in certain licensees, having a certain relationship to a person who holds a certain
6 license, being a certain official, receiving or sharing in certain receipts or proceeds,
7 or having a certain interest in certain contracts; requiring the membership of the
8 Commission, to the extent practicable and consistent with federal and State law, to
9 reflect the racial, ethnic, and gender diversity of the State; requiring a member of
10 the Commission to file a certain disclosure statement; ~~providing that the terms of~~
11 ~~the appointed members of the Commission are staggered as required by the terms~~
12 ~~provided for members on a certain date;~~ providing that appointed members of the
13 Commission are entitled to a certain salary and reimbursement for certain expenses;
14 requiring that an appointed member of the Commission be paid at certain intervals;
15 providing that the Secretary of Health, or the Secretary's designee, is entitled to
16 certain reimbursement; authorizing the Governor to remove a member of the
17 Commission for just cause; requiring the Governor to appoint, in a certain manner,
18 an executive director of the Commission with the advice and consent of the Senate
19 of Maryland; requiring the executive director to serve at the pleasure of the
20 Commission; establishing the Natalie M. LaPrade Medical Cannabis Compassionate
21 Use Fund; requiring the Maryland Department of Health to administer the Fund
22 and set certain fees; prohibiting the Commission from imposing certain fees on
23 certain licensed medical cannabis growers, processors, and dispensaries under
24 certain circumstances; providing that the Fund is a special, nonlapsing fund that is
25 not subject to a certain provision of law; providing for the purpose of the Fund;
26 requiring the State Treasurer to hold the Fund separately and the Comptroller to
27 account for the Fund; requiring the Fund to be invested and reinvested in a certain
28 manner; providing that interest earnings of the Fund shall be retained to the credit
29 of the Fund; exempting the Fund from a certain provision of law requiring interest
30 earnings on State money to accrue to the General Fund of the State; providing that
31 the Fund is subject to a certain audit; requiring the Comptroller to pay out money
32 from the Fund as directed by the Department; requiring the Commission, in
33 consultation with the Maryland Department of Health, to report to the General
34 Assembly, on or before a certain date, on certain anticipated revenues, the amount
35 of certain fees and on which licensees the fees should be assessed in order to generate
36 certain revenues, the use of any other funding mechanisms to implement a certain
37 program, and certain anticipated savings; authorizing the Commission to hire a
38 certain actuary for a certain purpose; prohibiting any part of the Fund from reverting
39 or being credited to certain funds; providing that expenditures from the Fund may
40 be made only in accordance with the State budget; requiring the Maryland
41 Department of Health, in consultation with the Commission, to establish a certain
42 program to allow certain individuals to obtain medical cannabis from certain
43 dispensaries at no cost or a reduced cost and to reimburse certain dispensaries from
44 a certain Fund; requiring the Maryland Department of Health to adopt certain
45 regulations; prohibiting a constitutional officer or a secretary of a principal
46 department of the Executive Branch of State government, except under certain
47 circumstances, from being an owner or an employee of a certain business entity that

1 holds a certain license or from having an official relationship to a certain business
2 entity; prohibiting former members of the General Assembly from being an owner or
3 employee of, or having a certain relationship with, certain entities for a certain period
4 of time; requiring the Commission, in consultation with certain entities, to evaluate
5 a certain study of the medical cannabis industry, make a certain determination
6 relating to certain business participation in the medical cannabis industry, evaluate
7 certain race-neutral programs and other methods, and submit certain emergency
8 regulations; authorizing the Commission to report to the General Assembly certain
9 information that the Commission determines to be necessary to the consideration,
10 development, or implementation of certain remedial measures; requiring a person
11 that applies for a certain medical cannabis grower, processor, or dispensary license
12 to submit, with a certain application, a certain affidavit; altering the number of
13 medical cannabis growers that may be licensed by the Commission; altering the
14 persons to which a medical cannabis grower is licensed to provide medical cannabis;
15 requiring the Commission to rescind a certain applicant's Stage One preapproval
16 under certain circumstances; requiring that the maximum number of medical
17 cannabis grower licenses be reduced by a certain number under certain
18 circumstances; altering a certain illustrative list of certain strains of cannabis;
19 authorizing the Commission to license a certain number of processors; requiring the
20 Commission to rescind a certain processor applicant's Stage One preapproval under
21 certain circumstances; requiring that the maximum number of medical cannabis
22 processor licenses be reduced by a certain number under certain circumstances;
23 ~~requiring~~ authorizing the Commission to report to the General Assembly, ~~on or~~
24 ~~before~~ beginning on a certain date, on the number of ~~grower and processor~~ grower,
25 processor, and dispensary licenses necessary to meet a demand for medical cannabis
26 by certain individuals; ~~prohibiting the Commission from submitting a certain report~~
27 ~~before a certain date;~~ ~~authorizing the Commission to submit a certain report during~~
28 ~~a certain time period only under certain circumstances;~~ requiring the Commission,
29 before determining to submit a certain report, to provide the Legislative Policy
30 Committee at least a certain period of time to submit comments to the Commission;
31 requiring the Commission, to the extent permitted by federal and State law, to seek
32 to achieve certain diversity when licensing certain growers, processors, and
33 dispensaries; requiring the Commission to encourage applicants who are small,
34 minority, or women-owned business entities to apply for licensure; authorizing the
35 Commission, except under certain circumstances, to register as an agent of certain
36 licensed entities an individual who has been convicted of a certain offense; altering
37 the period of time for which certain medical cannabis grower, dispensary, and
38 processor licenses are valid; altering certain reporting requirements for certain
39 medical cannabis growers; prohibiting certain medical cannabis growers and medical
40 cannabis grower agents from being penalized or arrested under State law for certain
41 actions; requiring certain dispensaries and processors, beginning on a certain date,
42 to annually report certain information to the Commission; altering the information
43 that the Commission must report to the Governor and the General Assembly;
44 altering the actions for which certain processors and processor agents may not be
45 penalized or arrested under State law; authorizing the holder of a medical cannabis
46 grower, processor, or dispensary license to sell or transfer ownership of the license
47 under certain circumstances; authorizing the Commission to rescind the Stage One

1 preapproval of certain applicants under certain circumstances; authorizing the
2 Commission to extend the time frame for certain applicants to become operational
3 under certain circumstances; altering the membership of the Commission; providing
4 that certain appointments made to the Commission are subject to the advice and
5 consent of the Senate; providing that the terms of the appointed members of the
6 Commission are staggered as required by the terms provided for members on a
7 certain date; requiring the terms of certain members of the Commission to terminate
8 on a certain date; declaring the intent of the General Assembly relating to continuity
9 within the membership of the Commission; specifying the terms of certain initial
10 members of the Commission; prohibiting the Commission, except under certain
11 circumstances, from reviewing, evaluating, or ranking an application for certain
12 licenses or ~~awarding~~ granting Stage One preapproval for certain additional licenses
13 until certain regulations are adopted; declaring the intent of the General Assembly
14 as to the date by which the Commission should submit certain regulations; requiring
15 the Commission to report, under certain circumstances, to certain committees of the
16 General Assembly on certain matters; requiring the Commission, under certain
17 circumstances, to accept certain applications for licensure, allow certain persons who
18 previously applied for licensure to amend, if necessary, and resubmit or withdraw
19 certain applications, and resume reviewing, evaluating, and ranking applications for
20 certain licenses and awarding certain additional licenses; providing that the
21 Commission, under certain circumstances, may waive a certain initial application
22 fee for a certain person, but may charge a certain fee for the ~~submission~~ resubmission
23 of ~~an amended~~ a certain application; prohibiting the Commission from being
24 required to consider for licensure under certain provisions of law a certain person
25 except under certain circumstances; ~~authorizing~~ requiring the Commission,
26 notwithstanding certain provisions of this Act, on or before a certain date, to award
27 Stage One preapproval to certain applicants in a certain manner under certain
28 circumstances; requiring an applicant who is granted Stage One preapproval for
29 licensure under certain provisions of this Act to meet certain requirements; requiring
30 the Governor to appropriate certain funds in the aggregate in certain fiscal years to
31 the Natalie M. LaPrade Medical Cannabis Commission Fund for a certain purpose;
32 requiring the Department of Agriculture, in consultation with the Commission, on or
33 before a certain date, to submit emergency regulations that authorize the use of
34 certain crop protection agents; requiring that an approved crop protection agent be
35 applied in a certain manner under certain circumstances; requiring the Commission
36 to develop certain guidelines; authorizing the Commission to remove a crop protection
37 agent from a certain list under certain circumstances; requiring the Commission to
38 submit a certain report to the General Assembly on or before a certain date; requiring
39 the Commission, in consultation with the Maryland Department of Health, to report
40 to the General Assembly on or before a certain date; defining certain terms; making
41 certain conforming and stylistic changes; repealing certain provisions of law made
42 obsolete by this Act; providing for the construction of certain provisions of this Act;
43 applying certain provisions of this Act prospectively; making the provisions of this
44 Act severable; providing for a delayed effective date for certain provisions of this Act;
45 making this Act an emergency measure; and generally relating to the Natalie M.
46 LaPrade Medical Cannabis Commission.

1 BY repealing and reenacting, without amendments,

2 Article – Health – General
3 Section 13-3301(a), ~~13-3307(a)~~, and 13-3309(a)
4 Annotated Code of Maryland
5 (2015 Replacement Volume and 2017 Supplement)

6 BY repealing and reenacting, with amendments,

7 Article – Health – General
8 Section 13-3301(h), 13-3302, 13-3303, 13-3305, 13-3306(a), ~~13-3307(e) and (d)~~
9 13-3307(a), (c), and (d), 13-3308(d), 13-3309(c), (d), and (e), 13-3310(d), and
10 13-3316
11 Annotated Code of Maryland
12 (2015 Replacement Volume and 2017 Supplement)

13 BY adding to

14 Article – Health – General
15 Section 13-3301.1, 13-3303.1, 13-3305.1, ~~and 13-3305.2~~ 13-3305.2, 13-3305.3,
16 13-3306(h), and 13-3311.1
17 Annotated Code of Maryland
18 (2015 Replacement Volume and 2017 Supplement)

19 ~~BY repealing and reenacting, with amendments,~~

20 ~~Article – Health – General~~
21 ~~Section 13-3302, 13-3303, 13-3305, 13-3306(a), 13-3307(e), 13-3308(d), 13-3309(e)~~
22 ~~and (d), 13-3310(d), and 13-3316~~
23 ~~Annotated Code of Maryland~~
24 ~~(2015 Replacement Volume and 2017 Supplement)~~

25 ~~BY repealing and reenacting, without amendments,~~

26 ~~Article – Health – General~~
27 ~~Section 13-3307(a) and 13-3309(a)~~
28 ~~Annotated Code of Maryland~~
29 ~~(2015 Replacement Volume and 2017 Supplement)~~

30 BY repealing and reenacting, without amendments,

31 Article – State Finance and Procurement
32 Section 6-226(a)(2)(i)
33 Annotated Code of Maryland
34 (2015 Replacement Volume and 2017 Supplement)

35 BY repealing and reenacting, with amendments,

36 Article – State Finance and Procurement
37 Section 6-226(a)(2)(ii)101. and 102.
38 Annotated Code of Maryland
39 (2015 Replacement Volume and 2017 Supplement)

40 BY adding to

1 Article – State Finance and Procurement
 2 Section 6–226(a)(2)(ii)103.
 3 Annotated Code of Maryland
 4 (2015 Replacement Volume and 2017 Supplement)

5 BY repealing and reenacting, with amendments,
 6 Article – Health – General
 7 Section 13–3303(a) through (c)
 8 Annotated Code of Maryland
 9 (2015 Replacement Volume and 2017 Supplement)
 10 (As enacted by Section 1 of this Act)

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

13 **Article – Health – General**

14 13–3301.

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

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

17 (1) [(i)] Cultivates[, manufactures, processes,] OR packages[, or
 18 dispenses] medical cannabis; [or

19 (ii) Processes medical cannabis products;] and

20 (2) Is authorized by the Commission to provide cannabis to a [qualifying
 21 patient, caregiver,] processor, dispensary, or independent testing laboratory.

22 **13–3301.1.**

23 **THE GENERAL ASSEMBLY INTENDS THAT THE PROGRAMS IMPLEMENTED IN**
 24 **ACCORDANCE WITH THIS SUBTITLE YIELD A SUCCESSFUL BUT**
 25 **CONSUMER–FRIENDLY MEDICAL CANNABIS INDUSTRY IN THE STATE TO PROVIDE**
 26 **PATIENTS AFFORDABLE AND ADEQUATE ACCESS TO MEDICAL CANNABIS.**

27 13–3302.

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

29 (b) The Commission is an independent commission that functions within the
 30 Department.

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

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

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

8 (ii) The regulations adopted under subparagraph (i) of this
9 paragraph shall include:

- 10 1. The information to be included on an identification card;
- 11 2. The method through which the Commission will distribute
12 identification cards; and
- 13 3. The method through which the Commission will track
14 identification cards.

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

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

18 (2) Provides contact information for licensed dispensaries;

19 **(3) PROVIDES INFORMATION CONCERNING THE COLLATERAL**
20 **CONSEQUENCES, WITH RESPECT TO FEDERAL LAW, OF REGISTERING AS A**
21 **QUALIFYING PATIENT OR CAREGIVER; AND**

22 **(4) DISCLOSES, WITH THE EXCEPTION OF ANY CONFIDENTIAL OR**
23 **PROPRIETARY INFORMATION:**

24 **(I) THE METHODOLOGY FOR THE RANKING OF APPLICANTS**
25 **FOR LICENSURE UNDER THIS SUBTITLE; AND**

26 **(II) THE RESULTS OF ANY RANKINGS OF APPLICANTS FOR**
27 **LICENSURE UNDER THIS SUBTITLE.**

28 (F) (1) THE COMMISSION SHALL:

29 (I) ~~SHALL CONDUCT~~ CONDUCT ONGOING, THOROUGH, AND
30 COMPREHENSIVE OUTREACH TO SMALL, MINORITY, AND WOMEN BUSINESS OWNERS

1 AND ENTREPRENEURS WHO MAY HAVE AN INTEREST IN APPLYING FOR MEDICAL
2 CANNABIS GROWER, PROCESSOR, OR DISPENSARY LICENSES; AND

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

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

10 (I) DEVELOPING PARTNERSHIPS WITH:

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

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

16 3. THE GOVERNOR'S OFFICE OF SMALL, MINORITY,
17 AND WOMEN BUSINESS AFFAIRS;

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

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

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

27 (3) THE COMMISSION AND THE ENTITIES WITH WHICH THE
28 COMMISSION DEVELOPS PARTNERSHIPS UNDER PARAGRAPH (2)(I) OF THIS
29 SUBSECTION SHALL COMPLY WITH FEDERAL AND STATE LAWS IN PERFORMING THE
30 ACTIONS REQUIRED UNDER PARAGRAPH (2)(II) THROUGH (IV) OF THIS SUBSECTION.

31 (G) (1) THE COMMISSION SHALL PARTNER WITH THE DEPARTMENT OF
32 LABOR, LICENSING, AND REGULATION TO IDENTIFY EMPLOYMENT OPPORTUNITIES

1 WITHIN THE MEDICAL CANNABIS INDUSTRY FOR JOB SEEKERS, DISLOCATED
2 WORKERS, AND EX-OFFENDERS.

3 **(2) IN PERFORMING THE DUTIES REQUIRED UNDER PARAGRAPH (1)**
4 **OF THIS SUBSECTION, THE COMMISSION AND THE DEPARTMENT OF LABOR,**
5 **LICENSING, AND REGULATION SHALL COMPLY WITH FEDERAL AND STATE LAWS.**

6 **(H) IF THE COMMISSION RETAINS A THIRD PARTY TO ASSIST THE**
7 **COMMISSION IN THE EVALUATION OR RANKING OF APPLICATIONS FOR LICENSURE**
8 **UNDER THIS SUBTITLE, THE COMMISSION MAY NOT RETAIN THE SERVICES OF A**
9 **PERSON THAT:**

10 **(1) HAS A DIRECT OR INDIRECT FINANCIAL, OWNERSHIP, OR**
11 **MANAGEMENT INTEREST, INCLUDING OWNERSHIP OF ANY STOCKS, BONDS, OR**
12 **OTHER SIMILAR FINANCIAL INSTRUMENTS, IN:**

13 **(I) ANY STATE-LICENSED MEDICAL CANNABIS GROWER,**
14 **PROCESSOR, OR DISPENSARY; OR**

15 **(II) AN APPLICANT FOR LICENSURE UNDER THIS SUBTITLE; OR**

16 **(2) HAS AN OFFICIAL RELATIONSHIP WITH A PERSON WHO HOLDS A**
17 **LICENSE UNDER THIS SUBTITLE OR AN APPLICANT FOR LICENSURE UNDER THIS**
18 **SUBTITLE.**

19 13-3303.

20 (a) The Commission consists of the following ~~16~~ ~~NINE~~ members:

21 (1) The Secretary of Health, or the Secretary's designee; ~~and~~

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

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

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

28 (iii) Three physicians licensed in the State;

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

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

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

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

7 (viii) One representative of law enforcement;

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

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

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

13 (xii) One representative of the Office of the Comptroller~~†~~

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

16 ~~(3) ONE MEMBER APPOINTED BY THE GOVERNOR FROM A LIST OF~~
17 ~~THREE INDIVIDUALS RECOMMENDED BY THE PRESIDENT OF THE SENATE;~~

18 ~~(4) ONE MEMBER APPOINTED BY THE GOVERNOR FROM A LIST OF~~
19 ~~THREE INDIVIDUALS RECOMMENDED BY THE SPEAKER OF THE HOUSE OF~~
20 ~~DELEGATES; AND~~

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

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

24 (I) BE AT LEAST 25 YEARS OLD;

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

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

28 ~~(IV) HAVE SUBSTANTIAL EXPERIENCE;~~

1 ~~1. AS AN EXECUTIVE WITH FIDUCIARY~~
2 ~~RESPONSIBILITIES FOR A LARGE ORGANIZATION OR FOUNDATION;~~

3 ~~2. IN AN ACADEMIC FIELD RELATING TO HEALTH,~~
4 ~~AGRICULTURE, OR FINANCE; OR~~

5 ~~3. AS A PROFESSIONAL IN A PROFESSION RELATING TO~~
6 ~~HEALTH, AGRICULTURE, OR FINANCE.~~

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

8 (I) HAVE A DIRECT OR INDIRECT FINANCIAL, OWNERSHIP, OR
9 MANAGEMENT INTEREST, INCLUDING OWNERSHIP OF ANY STOCKS, BONDS, OR
10 OTHER SIMILAR FINANCIAL INSTRUMENTS, IN ANY STATE LICENSED MEDICAL
11 CANNABIS GROWER, PROCESSOR, OR DISPENSARY;

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

14 (III) BE AN ELECTED OFFICIAL OF STATE OR LOCAL
15 GOVERNMENT;

16 (IV) RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE
17 RECEIPTS OR PROCEEDS OF ANY STATE LICENSED MEDICAL CANNABIS GROWER,
18 PROCESSOR, OR DISPENSARY; OR

19 (V) HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR THE
20 MANUFACTURE OR SALE OF MEDICAL CANNABIS OR THE PROVISION OF ANY
21 INDEPENDENT CONSULTING SERVICES IN CONNECTION WITH ANY MEDICAL
22 CANNABIS LICENSE.

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

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

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

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

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

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

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

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

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

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

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

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

15 (II) REIMBURSEMENT FOR REASONABLE EXPENSES:

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

18 2. AS PROVIDED IN THE BUDGET OF THE COMMISSION.

19 (2) AN APPOINTED MEMBER OF THE COMMISSION SHALL BE PAID
20 ONCE EVERY 2 WEEKS.

21 [(2)] (3) [Is] THE SECRETARY OF HEALTH, OR THE SECRETARY'S
22 DESIGNEE, IS entitled to reimbursement for expenses under the Standard State Travel
23 Regulations, as provided in the State budget.

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

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

29 (2) ~~THE~~ WITHIN 30 DAYS AFTER RECEIVING A LIST OF THREE NAMES
30 SUBMITTED BY THE COMMISSION, THE GOVERNOR SHALL APPOINT AN EXECUTIVE

1 **DIRECTOR OF THE COMMISSION FROM THE LIST WITH THE ADVICE AND CONSENT**
2 **OF THE SENATE.**

3 **(3) THE EXECUTIVE DIRECTOR SHALL SERVE AT THE PLEASURE OF**
4 **THE COMMISSION.**

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

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

9 (2) The Commission shall administer the Fund.

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

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

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

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

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

20 (8) The Fund consists of:

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

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

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

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

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

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

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

3 **13-3303.1.**

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

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

8 (C) (1) THE DEPARTMENT SHALL:

9 (I) ADMINISTER THE COMPASSIONATE USE FUND; AND

10 (II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, SET
11 FEES IN AN AMOUNT NECESSARY TO PROVIDE REVENUES FOR THE PURPOSES OF
12 THE COMPASSIONATE USE FUND.

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

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

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

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

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

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

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

6 (F) (1) ON OR BEFORE DECEMBER 1, 2018, THE COMMISSION, IN
7 CONSULTATION WITH THE DEPARTMENT, SHALL REPORT TO THE GENERAL
8 ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE,
9 ON:

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

13 ~~(2)~~ (II) THE AMOUNT OF FEES AND THE LICENSEES ON WHICH
14 THOSE FEES SHALL BE ASSESSED IN ORDER TO GENERATE THE NECESSARY
15 REVENUES;

16 ~~(3)~~ (III) THE USE OF ANY OTHER FUNDING MECHANISM TO
17 IMPLEMENT THE PROGRAM; AND

18 ~~(4)~~ (IV) ANY ANTICIPATED SAVINGS IN PRESCRIPTION DRUG COSTS
19 FOR THE MARYLAND MEDICAL ASSISTANCE PROGRAM THAT WOULD RESULT FROM
20 THE PROVISION OF MEDICAL CANNABIS UNDER THIS SUBTITLE.

21 (2) THE COMMISSION MAY HIRE AN INDEPENDENT ACTUARY TO
22 ASSIST THE COMMISSION IN THE PREPARATION OF THE REPORT REQUIRED UNDER
23 PARAGRAPH (1) OF THIS SUBSECTION.

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

26 (1) THE GENERAL FUND OF THE STATE; OR

27 (2) ANY OTHER SPECIAL FUND OF THE STATE.

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

30 (I) (1) THE DEPARTMENT, IN CONSULTATION WITH THE COMMISSION,
31 SHALL ESTABLISH A PROGRAM TO ALLOW ELIGIBLE INDIVIDUALS ENROLLED IN THE

1 MARYLAND MEDICAL ASSISTANCE PROGRAM OR IN THE VETERANS
2 ADMINISTRATION MARYLAND HEALTH CARE SYSTEM TO:

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

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

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

10 13-3305.

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

14 (1) PROVIDERS certified under this subtitle; AND

15 (2) THE ~~DEMAND CONSUMPTION~~ AMOUNT SOLD, BY CONDITION
16 TREATED, AND AVERAGE CONSUMER PRICE FOR MEDICAL CANNABIS PRODUCTS
17 PROVIDED IN ACCORDANCE WITH THIS SUBTITLE.

18 13-3305.1.

19 (A) IN THIS SECTION, "OWNER" INCLUDES ANY TYPE OF OWNER OR
20 BENEFICIARY OF A BUSINESS ENTITY, INCLUDING AN OFFICER, A DIRECTOR, A
21 PRINCIPAL EMPLOYEE, A PARTNER, AN INVESTOR, A STOCKHOLDER, OR A
22 BENEFICIAL OWNER OF THE BUSINESS ENTITY AND, NOTWITHSTANDING ANY OTHER
23 PROVISION OF THIS SUBTITLE, A PERSON HAVING ANY OWNERSHIP INTEREST
24 REGARDLESS OF THE PERCENTAGE OF OWNERSHIP INTEREST.

25 (B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A
26 CONSTITUTIONAL OFFICER OR A SECRETARY OF A PRINCIPAL DEPARTMENT OF THE
27 EXECUTIVE BRANCH OF THE STATE GOVERNMENT MAY NOT:

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

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

1 (C) A CONSTITUTIONAL OFFICER OR A SECRETARY OF A PRINCIPAL
2 DEPARTMENT OF THE EXECUTIVE BRANCH OF THE STATE GOVERNMENT MAY
3 REMAIN AN OWNER OR AN EMPLOYEE OF A BUSINESS ENTITY THAT HOLDS A LICENSE
4 UNDER THIS SUBTITLE IF THE CONSTITUTIONAL OFFICER OR SECRETARY WAS AN
5 OWNER OR EMPLOYEE OF THE BUSINESS ENTITY BEFORE THE CONSTITUTIONAL
6 OFFICER'S ELECTION OR APPOINTMENT OR THE SECRETARY'S APPOINTMENT.

7 (D) A FORMER MEMBER OF THE GENERAL ASSEMBLY, FOR THE ~~2-YEAR~~
8 1-YEAR PERIOD IMMEDIATELY AFTER THE MEMBER LEAVES OFFICE, MAY NOT:

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

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

13 13-3305.2.

14 (A) THE COMMISSION, IN CONSULTATION WITH THE CERTIFICATION
15 AGENCY AS DEFINED IN § 14-301 OF THE STATE FINANCE AND PROCUREMENT
16 ARTICLE, THE GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS
17 AFFAIRS, AND THE OFFICE OF THE ATTORNEY GENERAL, SHALL:

18 (1) EVALUATE A STUDY OF THE MEDICAL CANNABIS INDUSTRY AND
19 MARKET TO DETERMINE WHETHER THERE IS A COMPELLING INTEREST TO
20 IMPLEMENT REMEDIAL MEASURES, INCLUDING THE APPLICATION OF THE STATE
21 MINORITY BUSINESS ENTERPRISE PROGRAM UNDER TITLE 14, SUBTITLE 3 OF THE
22 STATE FINANCE AND PROCUREMENT ARTICLE OR A SIMILAR PROGRAM, TO ASSIST
23 MINORITIES AND WOMEN IN THE MEDICAL CANNABIS INDUSTRY;

24 (2) EVALUATE RACE-NEUTRAL PROGRAMS OR OTHER METHODS
25 THAT MAY BE USED TO ADDRESS THE NEEDS OF MINORITY AND WOMEN APPLICANTS
26 AND MINORITY AND WOMEN-OWNED BUSINESSES SEEKING TO PARTICIPATE IN THE
27 MEDICAL CANNABIS INDUSTRY; AND

28 (3) SUBMIT EMERGENCY REGULATIONS, IN ACCORDANCE WITH
29 TITLE 10, SUBTITLE 1 OF THE STATE GOVERNMENT ARTICLE, TO IMPLEMENT
30 REMEDIAL MEASURES, IF NECESSARY AND TO THE EXTENT PERMITTED BY STATE
31 AND FEDERAL LAW, BASED ON THE FINDINGS OF THE STUDY EVALUATED UNDER
32 ITEM (1) OF THIS ~~SECTION~~ SUBSECTION.

33 (B) THE COMMISSION MAY REPORT TO THE GENERAL ASSEMBLY, IN
34 ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ANY
35 INFORMATION THAT THE COMMISSION DETERMINES TO BE NECESSARY TO THE

1 CONSIDERATION, DEVELOPMENT, OR IMPLEMENTATION OF ANY REMEDIAL
 2 MEASURES REQUIRED UNDER THIS SECTION.

3 13-3305.3.

4 A PERSON THAT APPLIES FOR LICENSURE UNDER THIS SUBTITLE SHALL
 5 SUBMIT WITH THE APPLICATION FOR LICENSURE AN AFFIDAVIT ATTESTING TO:

6 (1) THE NUMBER OF MINORITY AND WOMEN OWNERS OF THE
 7 APPLICANT;

8 (2) THE OWNERSHIP INTEREST OF ANY MINORITY AND WOMEN
 9 OWNERS OF THE APPLICANT;

10 (3) THE NUMBER OF MINORITY AND WOMEN EMPLOYEES OF THE
 11 APPLICANT; AND

12 (4) ANY OTHER INFORMATION CONSIDERED NECESSARY BY THE
 13 COMMISSION.

14 13-3306.

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

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

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

19 AND

20 (iii) ~~Qualifying patients and caregivers; and~~

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

23 (2) (i) [Except as provided in subparagraph (ii) of this paragraph, the]
 24 ~~THE~~ SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE Commission may
 25 license no more than [15] ~~20~~ 22 medical cannabis growers.

26 (II) 1. IF AN APPLICANT FOR LICENSURE THAT RECEIVED
 27 STAGE ONE PREAPPROVAL IN CALENDAR YEAR 2016 FOR A MEDICAL CANNABIS
 28 GROWER LICENSE FAILS TO SATISFY THE REQUIREMENTS FOR LICENSURE
 29 ESTABLISHED BY THE COMMISSION, THE COMMISSION SHALL RESCIND THE
 30 APPLICANT'S STAGE ONE PREAPPROVAL.

1 **2. IF THE COMMISSION RESCINDS THE STAGE ONE**
 2 **PREAPPROVAL FOR A LICENSE OF AN APPLICANT UNDER SUBSUBPARAGRAPH 1 OF**
 3 **THIS SUBPARAGRAPH, THE MAXIMUM NUMBER OF MEDICAL CANNABIS GROWER**
 4 **LICENSES AUTHORIZED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE**
 5 **REDUCED BY ONE MEDICAL CANNABIS GROWER LICENSE.**

6 ~~(ii)~~ **(III)** 1. [Beginning June 1, 2018, the] **SUBJECT TO**
 7 ~~SUBSUBPARAGRAPHS 2 AND 3~~ **SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, ON**
 8 ~~OR BEFORE BEGINNING DECEMBER 1, 2028~~ **2024, THE** Commission [may issue] ~~SHALL~~
 9 **MAY REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE**
 10 **STATE GOVERNMENT ARTICLE, ON** the number of licenses necessary to meet the
 11 demand for medical cannabis by qualifying patients and caregivers issued identification
 12 cards under this subtitle in an affordable, accessible, secure, and efficient manner.

13 ~~2. THE COMMISSION MAY NOT SUBMIT THE REPORT~~
 14 ~~REQUIRED UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH BEFORE~~
 15 ~~DECEMBER 1, 2024.~~

16 ~~3. BEGINNING DECEMBER 1, 2024, BUT BEFORE~~
 17 ~~DECEMBER 1, 2028, THE COMMISSION MAY SUBMIT THE REPORT REQUIRED UNDER~~
 18 ~~SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH ONLY IF THE COMMISSION FIRST~~
 19 ~~OBTAINS THE APPROVAL OF THE LEGISLATIVE POLICY COMMITTEE.~~

20 **2. BEFORE THE COMMISSION DETERMINES TO SUBMIT**
 21 **THE REPORT DESCRIBED UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH,**
 22 **THE COMMISSION SHALL PROVIDE THE LEGISLATIVE POLICY COMMITTEE AT**
 23 **LEAST 30 DAYS TO SUBMIT COMMENTS TO THE COMMISSION.**

24 ~~(iii)~~ **(IV)** The Commission shall establish an application review
 25 process for granting medical cannabis grower licenses in which applications are reviewed,
 26 evaluated, and ranked based on criteria established by the Commission.

27 ~~(iv)~~ **(V)** The Commission may not issue more than one medical
 28 cannabis grower license to each applicant.

29 ~~(v)~~ **(VI)** A grower shall pay an application fee in an amount to be
 30 determined by the Commission consistent with this subtitle.

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

34 (4) Each medical cannabis grower agent shall:

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

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

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

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

10 A. Notify the Commission; and

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

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

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

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

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

21 1. ~~WITHIN EXCEPT AS PROVIDED IN ITEM 2 OF THIS~~
22 ~~SUBPARAGRAPH, WITHIN THE 7-YEAR PERIOD IMMEDIATELY PRECEDING THE DATE~~
23 ~~ON WHICH THE INDIVIDUAL SUBMITTED AN APPLICATION UNDER SUBPARAGRAPH~~
24 ~~(I) OF THIS PARAGRAPH, THE INDIVIDUAL WAS CONVICTED OF THE OFFENSE OR~~
25 ~~SATISFACTORILY COMPLETED THE SENTENCE FOR THE OFFENSE, INCLUDING~~
26 ~~PROBATION, THAT WAS IMPOSED FOR THE CONVICTION; THE INDIVIDUAL~~
27 ~~SUBMITTED AN APPLICATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH~~
28 ~~EARLIER THAN 7 YEARS AFTER THE INDIVIDUAL SATISFIED THE SENTENCE IMPOSED~~
29 ~~FOR THE CONVICTION, INCLUDING PAROLE, PROBATION, OR MANDATORY~~
30 ~~SUPERVISION; OR~~

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

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

3 **(H) A GROWER LICENSED UNDER THIS SECTION OR A MEDICAL CANNABIS**
4 **GROWER AGENT REGISTERED UNDER THIS SECTION MAY NOT BE PENALIZED OR**
5 **ARRESTED UNDER STATE LAW FOR:**

6 **(1) CULTIVATING, POSSESSING, PACKAGING, TRANSFERRING,**
7 **TRANSPORTING, SELLING, OR DISTRIBUTING MEDICAL CANNABIS TO A PROCESSOR**
8 **OR DISPENSARY; OR**

9 **(2) TRANSPORTING THE MEDICAL CANNABIS TO AN INDEPENDENT**
10 **TESTING LABORATORY.**

11 13–3307.

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

13 **(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,**
14 **BEGINNING DECEMBER 1, 2024, THE COMMISSION MAY REPORT TO THE GENERAL**
15 **ASSEMBLY, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE,**
16 **ON THE NUMBER OF LICENSES NECESSARY TO MEET THE DEMAND FOR MEDICAL**
17 **CANNABIS BY QUALIFYING PATIENTS AND CAREGIVERS ISSUED IDENTIFICATION**
18 **CARDS UNDER THIS SUBTITLE IN AN AFFORDABLE, ACCESSIBLE, SECURE, AND**
19 **EFFICIENT MANNER.**

20 **(II) BEFORE THE COMMISSION DETERMINES TO SUBMIT THE**
21 **REPORT DESCRIBED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE**
22 **COMMISSION SHALL PROVIDE THE LEGISLATIVE POLICY COMMITTEE AT LEAST 30**
23 **DAYS TO SUBMIT COMMENTS TO THE COMMISSION.**

24 (c) **(1)** The Commission shall:

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

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

31 **(III) ENCOURAGE APPLICANTS WHO QUALIFY AS A MINORITY**
32 **BUSINESS ENTERPRISE, AS DEFINED IN § 14–301 OF THE STATE FINANCE AND**

1 **PROCUREMENT ARTICLE, OR WHO ARE SMALL, MINORITY, OR WOMEN-OWNED**
 2 **BUSINESS ENTITIES TO APPLY FOR LICENSURE AS DISPENSARIES.**

3 **(2) BEGINNING JUNE 1, 2018, A DISPENSARY LICENSED UNDER THIS**
 4 **SUBTITLE SHALL REPORT ANNUALLY TO THE COMMISSION ON:**

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

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

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

11 **(d) (1) A dispensary license is valid for [4] 6 years on initial licensure.**

12 **(2) A dispensary license is valid for [2] 4 years on renewal.**

13 13-3308.

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

16 **(1) ~~WITHIN EXCEPT AS PROVIDED IN ITEM (2) OF THIS SUBSECTION,~~**
 17 **~~WITHIN THE 7-YEAR PERIOD IMMEDIATELY PRECEDING THE DATE ON WHICH THE~~**
 18 **~~INDIVIDUAL SUBMITTED AN APPLICATION UNDER SUBSECTION (B) OF THIS~~**
 19 **~~SECTION, THE INDIVIDUAL WAS CONVICTED OF THE OFFENSE OR SATISFACTORILY~~**
 20 **~~COMPLETED THE SENTENCE FOR THE OFFENSE, INCLUDING PROBATION, THAT WAS~~**
 21 **~~IMPOSED FOR THE CONVICTION; THE INDIVIDUAL SUBMITTED AN APPLICATION~~**
 22 **UNDER SUBSECTION (B) OF THIS SECTION EARLIER THAN 7 YEARS AFTER THE**
 23 **INDIVIDUAL SATISFIED THE SENTENCE IMPOSED FOR THE CONVICTION, INCLUDING**
 24 **PAROLE, PROBATION, OR MANDATORY SUPERVISION; OR**

25 **(2) THE INDIVIDUAL HAS BEEN CONVICTED OF A VIOLATION OF §**
 26 **5-612 OR § 5-613 OF THE CRIMINAL LAW ARTICLE, REGARDLESS OF WHETHER THE**
 27 **INDIVIDUAL HAS SATISFACTORILY COMPLETED THE SENTENCE FOR THE OFFENSE;**
 28 **OR**

29 **(3) THE COMMISSION FINDS A SUBSTANTIAL REASON TO DENY THE**
 30 **REGISTRATION.**

31 13-3309.

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

2 (c) (1) ~~(I) THE SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,~~
3 ~~THE COMMISSION MAY LICENSE NO MORE THAN 20 25 30 28 PROCESSORS.~~

4 (II) 1. IF AN APPLICANT FOR LICENSURE THAT RECEIVED
5 STAGE ONE PREAPPROVAL IN CALENDAR YEAR 2016 FOR A MEDICAL CANNABIS
6 PROCESSOR LICENSE FAILS TO SATISFY THE REQUIREMENTS FOR LICENSURE
7 ESTABLISHED BY THE COMMISSION, THE COMMISSION SHALL RESCIND THE
8 APPLICANT'S STAGE ONE PREAPPROVAL.

9 2. IF THE COMMISSION RESCINDS THE STAGE ONE
10 PREAPPROVAL FOR A LICENSE OF AN APPLICANT UNDER SUBSUBPARAGRAPH 1 OF
11 THIS SUBPARAGRAPH, THE MAXIMUM NUMBER OF MEDICAL CANNABIS PROCESSOR
12 LICENSES AUTHORIZED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE
13 REDUCED BY THE NUMBER OF MEDICAL CANNABIS PROCESSOR LICENSES
14 RESCINDED BY THE COMMISSION.

15 (2) (I) SUBJECT TO ~~SUBPARAGRAPHS (II) AND (III)~~
16 ~~SUBPARAGRAPH (II) OF THIS PARAGRAPH, ON OR BEFORE BEGINNING DECEMBER~~
17 ~~1, 2028 2024, THE COMMISSION SHALL MAY REPORT TO THE GENERAL ASSEMBLY,~~
18 ~~IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE~~
19 ~~NUMBER OF LICENSES NECESSARY TO MEET THE DEMAND FOR MEDICAL CANNABIS~~
20 ~~BY QUALIFYING PATIENTS AND CAREGIVERS ISSUED IDENTIFICATION CARDS UNDER~~
21 ~~THIS SUBTITLE IN AN AFFORDABLE, ACCESSIBLE, SECURE, AND EFFICIENT MANNER.~~

22 ~~(II) THE COMMISSION MAY NOT SUBMIT THE REPORT~~
23 ~~REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BEFORE DECEMBER 1,~~
24 ~~2024.~~

25 ~~(III) BEGINNING DECEMBER 1, 2024, BUT BEFORE DECEMBER 1,~~
26 ~~2028, THE COMMISSION MAY SUBMIT THE REPORT REQUIRED UNDER~~
27 ~~SUBPARAGRAPH (I) OF THIS PARAGRAPH ONLY IF THE COMMISSION FIRST OBTAINS~~
28 ~~THE APPROVAL OF THE LEGISLATIVE POLICY COMMITTEE.~~

29 (II) BEFORE THE COMMISSION DETERMINES TO SUBMIT THE
30 REPORT DESCRIBED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE
31 COMMISSION SHALL PROVIDE THE LEGISLATIVE POLICY COMMITTEE AT LEAST 30
32 DAYS TO SUBMIT COMMENTS TO THE COMMISSION.

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

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

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

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

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

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

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

15 **3. THE NUMBER OF MINORITY AND WOMEN EMPLOYEES**
 16 **OF THE PROCESSOR.**

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

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

19 (e) A processor licensed under this section or a processor agent registered under
 20 § 13-3310 of this subtitle may not be penalized or arrested under State law for:

21 **(1) [acquiring] ACQUIRING, possessing, processing, PACKAGING,**
 22 **LABELING, transferring, transporting, selling, OR distributing[, or dispensing] MEDICAL**
 23 **cannabis[.] OR products containing MEDICAL cannabis[, related supplies, or educational**
 24 **materials] TO A DISPENSARY for use by [a licensee under this subtitle or] a qualifying**
 25 **patient or a caregiver; OR**

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

28 13-3310.

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

1 (1) ~~WITHIN~~ EXCEPT AS PROVIDED IN ITEM (2) OF THIS SUBSECTION,
 2 ~~WITHIN THE 7 YEAR PERIOD IMMEDIATELY PRECEDING THE DATE ON WHICH THE~~
 3 ~~INDIVIDUAL SUBMITTED AN APPLICATION UNDER SUBSECTION (B) OF THIS~~
 4 ~~SECTION, THE INDIVIDUAL WAS CONVICTED OF THE OFFENSE OR SATISFACTORILY~~
 5 ~~COMPLETED THE SENTENCE FOR THE OFFENSE, INCLUDING PROBATION, THAT WAS~~
 6 ~~IMPOSED FOR THE CONVICTION;~~ THE INDIVIDUAL SUBMITTED AN APPLICATION
 7 UNDER SUBSECTION (B) OF THIS SECTION EARLIER THAN 7 YEARS AFTER THE
 8 INDIVIDUAL SATISFIED THE SENTENCE IMPOSED FOR THE CONVICTION, INCLUDING
 9 PAROLE, PROBATION, OR MANDATORY SUPERVISION; ~~OR~~

10 (2) THE INDIVIDUAL HAS BEEN CONVICTED OF A VIOLATION OF §
 11 5-612 OR § 5-613 OF THE CRIMINAL LAW ARTICLE, REGARDLESS OF WHETHER THE
 12 INDIVIDUAL HAS SATISFACTORILY COMPLETED THE SENTENCE FOR THE OFFENSE;
 13 OR

14 (3) THE COMMISSION FINDS A SUBSTANTIAL REASON TO DENY THE
 15 REGISTRATION.

16 13-3311.1.

17 (A) (1) THE HOLDER OF A MEDICAL CANNABIS GROWER, PROCESSOR, OR
 18 DISPENSARY LICENSE MAY SELL OR TRANSFER OWNERSHIP OF THE LICENSE IF THE
 19 LICENSEE WAS PHYSICALLY AND ACTIVELY ENGAGED IN THE CULTIVATION,
 20 PROCESSING, OR DISPENSING OF MEDICAL CANNABIS FOR AT LEAST 2 YEARS
 21 IMMEDIATELY PRECEDING THE SALE OR TRANSFER OF THE OWNERSHIP OF THE
 22 LICENSE.

23 (2) NOTHING IN PARAGRAPH (1) OF THIS SUBSECTION MAY BE
 24 CONSTRUED TO LIMIT THE ABILITY OF THE COMMISSION TO ENFORCE THIS
 25 SUBTITLE.

26 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
 27 COMMISSION MAY RESCIND THE STAGE ONE PREAPPROVAL OF AN APPLICANT IF
 28 THE FACILITY OF THE APPLICANT IS NOT OPERATIONAL WITHIN ~~6~~ 12 MONTHS AFTER
 29 ISSUANCE OF THE ~~LICENSE~~ STAGE ONE PREAPPROVAL DUE TO A LACK OF A GOOD
 30 FAITH EFFORT BY THE APPLICANT TO BECOME OPERATIONAL.

31 (2) IF THE APPLICANT CAN DEMONSTRATE TO THE COMMISSION
 32 THAT THE FAILURE TO BECOME OPERATIONAL UNDER PARAGRAPH (1) OF THIS
 33 SUBSECTION WAS DUE TO UNFORESEEN HARDSHIP BEYOND THE CONTROL OF THE
 34 APPLICANT, THE COMMISSION MAY EXTEND THE TIME FRAME TO BECOME
 35 OPERATIONAL FOR AN ADDITIONAL ~~6~~ 12 MONTHS BEFORE RESCINDING THE STAGE
 36 ONE PREAPPROVAL.

1 13-3316.

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

4 **Article – State Finance and Procurement**

5 6-226.

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

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

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

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

16 **103. THE NATALIE M. LAPRADE MEDICAL CANNABIS**
17 **COMPASSIONATE USE FUND.**

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

20 **Article – Health – General**

21 13-3303.

22 (a) The Commission consists of the following [16] 13 members:

23 (1) The Secretary of Health, or the Secretary’s designee; and

24 (2) The following [15] 5 members, appointed by the Governor **WITH THE**
25 **ADVICE AND CONSENT OF THE SENATE:**

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

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

1 ~~[(iii)] (I)~~ [Three physicians licensed in the State] TWO
2 ~~CERTIFYING PROVIDERS~~ LICENSED NONCERTIFIED PROVIDERS WHO ARE
3 PHYSICIANS, DENTISTS, PODIATRISTS, NURSE PRACTITIONERS, OR NURSE
4 MIDWIVES;

5 ~~[(iv)] (II)~~ One nurse OR OTHER HEALTH CARE PROVIDER licensed
6 in the State who has experience in hospice care, nominated by a State [research institution
7 or] HOSPICE trade association;

8 ~~[(v)] (III)~~ One pharmacist licensed in the State, nominated by a
9 State research institution or trade association; AND

10 ~~[(vi)] (IV)~~ One scientist who has experience in the science of
11 cannabis, nominated by a State research institution;

12 ~~[(vii)]~~ One representative of the Maryland State's Attorneys'
13 Association;

14 ~~[(viii)]~~ One representative of law enforcement;

15 ~~[(ix)]~~ An attorney who is knowledgeable about medical cannabis laws
16 in the United States;

17 ~~[(x)]~~ An individual with experience in horticulture, recommended by
18 the Department of Agriculture;

19 ~~[(xi)]~~ One representative of the University of Maryland Extension; and

20 ~~[(xii)]~~ One representative of the Office of the Comptroller].

21 **(3) FOUR MEMBERS APPOINTED BY THE GOVERNOR WITH THE**
22 **ADVICE AND CONSENT OF THE SENATE;**

23 **(4) ONE MEMBER APPOINTED BY THE GOVERNOR FROM A LIST OF**
24 **THREE INDIVIDUALS RECOMMENDED BY THE PRESIDENT OF THE SENATE;**

25 **(5) ONE MEMBER APPOINTED BY THE GOVERNOR FROM A LIST OF**
26 **THREE INDIVIDUALS RECOMMENDED BY THE SPEAKER OF THE HOUSE OF**
27 **DELEGATES; AND**

28 **(6) ONE MEMBER APPOINTED BY THE GOVERNOR FROM EITHER OF**
29 **THE TWO LISTS DESCRIBED IN ITEMS (4) AND (5) OF THIS SUBSECTION.**

30 (b) (1) An appointed member of the Commission shall:

1 (i) Be at least 25 years old;

2 (ii) Be a resident of the State who has resided in the State for at least
3 the immediately preceding 5 years; [and]

4 (iii) Be a qualified voter of the State; AND

5 (IV) WITH RESPECT TO A MEMBER APPOINTED UNDER
6 SUBSECTION (A)(3), (4), (5), OR (6) OF THIS SECTION, HAVE SUBSTANTIAL
7 EXPERIENCE:

8 1. AS AN EXECUTIVE WITH FIDUCIARY
9 RESPONSIBILITIES FOR A LARGE ORGANIZATION OR FOUNDATION;

10 2. IN AN ACADEMIC FIELD RELATING TO HEALTH,
11 AGRICULTURE, FINANCE, OR ADDICTION TREATMENT; OR

12 3. AS A PROFESSIONAL IN A PROFESSION RELATING TO
13 HEALTH, AGRICULTURE, FINANCE, OR ADDICTION TREATMENT.

14 (2) A member of the Commission may not:

15 (i) Have a direct or indirect financial, ownership, or management
16 interest, including ownership of any stocks, bonds, or other similar financial instruments,
17 in any State licensed medical cannabis grower, processor, or dispensary;

18 (ii) Have an official relationship to a person who holds a license
19 under this subtitle;

20 (iii) Be an elected official of State or local government;

21 (iv) Receive or share in, directly or indirectly, the receipts or proceeds
22 of any State licensed medical cannabis grower, processor, or dispensary; or

23 (v) Have a beneficial interest in any contract for the manufacture or
24 sale of medical cannabis or the provision of any independent consulting services in
25 connection with any medical cannabis license.

26 (3) To the extent practicable and consistent with federal and State law, the
27 membership of the Commission shall reflect the racial, ethnic, and gender diversity of the
28 State.

29 (4) A member of the Commission shall file a financial disclosure statement
30 with the State Ethics Commission in accordance with Title 5, Subtitle 6 of the General
31 Provisions Article.

1 (c) (1) The term of a member is 4 years.

2 (2) The terms of the appointed members are staggered as required by the
3 terms provided for members on October 1, [2013] 2019.

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

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

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

9 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That, to implement the change
10 in the composition of the Natalie M. LaPrade Medical Cannabis Commission under §
11 13–3303 of the Health – General Article, as enacted by Section ~~1~~ 2 of this Act, the terms of
12 all members serving on the Commission before the effective date of Section 2 of this Act
13 shall terminate ~~June 1, 2018~~ October 1, 2019.

14 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That it is the intent of the
15 General Assembly that, in filling the five positions provided for in § 13–3303(a)(2) of the
16 Health – General Article, as enacted by Section ~~1~~ 2 of this Act, the Governor may reappoint
17 a member of the Commission who served before ~~of~~ the effective date of Section 2 of this Act
18 in order to ensure a level of continuity within the membership of the Natalie M. LaPrade
19 Medical Cannabis Commission.

20 SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That the terms of the ~~eight~~ 12
21 initial members of the Natalie M. LaPrade Medical Cannabis Commission provided for in
22 § 13–3303(a)(2) through ~~(5)~~ (6) of the Health – General Article, as enacted by Section ~~1~~ 2 of
23 this Act, shall expire as follows:

24 (1) ~~two~~ three members in ~~2020~~ 2021;

25 (2) ~~two~~ three members in ~~2021~~ 2022;

26 (3) ~~two~~ three members in ~~2022~~ 2023; and

27 (4) ~~two~~ three members in ~~2023~~ 2024.

28 SECTION ~~5~~ 6. AND BE IT FURTHER ENACTED, That the Natalie M. LaPrade
29 Medical Cannabis Commission may not review, evaluate, or rank an application for a
30 license under Title 13, Subtitle 33 of the Health – General Article or ~~award any additional~~
31 ~~licenses~~ grant Stage One preapproval for licensure under Title 13, Subtitle 33 of the Health
32 – General Article until the regulations required under § 13–3305.2 of the Health – General
33 Article, as enacted by Section 1 of this Act, have been adopted.

1 SECTION 7. AND BE IT FURTHER ENACTED, That:

2 (a) It is the intent of the General Assembly that the Natalie M. LaPrade Medical
3 Cannabis Commission submit the emergency regulations described under § 13–3305.2(a)(3)
4 of the Health – General Article, as enacted by Section 1 of this Act, on or before June 1,
5 2018.

6 (b) Until the submission of the emergency regulations described under §
7 13–3305.2(a)(3) of the Health – General Article, as enacted by Section 1 of this Act, the
8 Commission shall report, in accordance with § 2–1246 of the State Government Article, at
9 least once every 30 days to the following committees of the General Assembly on the
10 progress towards submitting the emergency regulations:

11 (1) the Joint Committee on Administrative, Executive, and Legislative
12 Review;

13 (2) the Senate Finance Committee; and

14 (3) the House Health and Government Operations Committee.

15 ~~SECTION 6. 8.~~ SECTION 8. AND BE IT FURTHER ENACTED, That, following:

16 (a) Following the adoption of any regulations in accordance with ~~§ 13–3305.2~~ §
17 13–3305.2(a)(3) of the Health – General Article, as enacted by Section 1 of this Act, the
18 Natalie M. LaPrade Medical Cannabis Commission:

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

22 (2) shall allow a person who previously applied for licensure under Title
23 13, Subtitle 33 of the Health – General Article to amend, if necessary, and resubmit the
24 person’s application or to withdraw the person’s application entirely;

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

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

33 (b) The Natalie M. LaPrade Medical Cannabis Commission may not be required
34 to consider for a license under Title 13, Subtitle 33 of the Health – General Article a person
35 who previously applied for licensure and who was not awarded a license unless the person

1 resubmits the application as allowed under subsection (a)(2) of this section and pays any
 2 fee charged under subsection (a)(3) of this section.

3 SECTION 9. AND BE IT FURTHER ENACTED, That:

4 (a) (1) Notwithstanding Section 6 of this Act, ~~if on or before June 1, 2018, the~~
 5 Natalie M. LaPrade Medical Cannabis Commission ~~rescinds or revokes the Stage One~~
 6 ~~preapproval of an applicant for licensure that received Stage One preapproval in calendar~~
 7 ~~year 2016, the Commission may grant Stage One preapproval for licensure to an applicant~~
 8 ~~in accordance with the numerical selection sequence for additional license preapprovals~~
 9 ~~that the Commission unanimously adopted during the Commission's public meetings held~~
 10 ~~in calendar year 2016 shall grant Stage One preapproval for two medical cannabis grower~~
 11 ~~licenses from the medical cannabis grower license applications that were initially ranked by~~
 12 ~~the Regional Economic Studies Institute in July 2016.~~

13 (2) The Commission's grant of Stage One preapproval for two cannabis
 14 grower licenses under paragraph (1) of this subsection shall be done in accordance with the
 15 numerical selection sequence for additional grower license preapprovals that the
 16 Commission unanimously adopted during the Commission's August 5, 2016, public meeting.

17 (3) An applicant who is granted Stage One preapproval for a medical
 18 cannabis grower license under paragraph (1) of this subsection shall meet the requirements
 19 established by the Commission for final approval of a medical cannabis grower license.

20 (4) (i) If an applicant that is granted Stage One preapproval for a
 21 medical cannabis grower license under paragraph (1) of this subsection fails to meet the
 22 requirements established by the Commission for final approval of a medical cannabis grower
 23 license:

24 1. the Commission shall rescind the applicant's Stage One
 25 preapproval; and

26 2. the maximum number of medical cannabis grower licenses
 27 authorized under § 13-3306(a)(2)(i) of the Health – General Article, as enacted by Section 1
 28 of this Act, shall be reduced by the same number of Stage One preapprovals rescinded by the
 29 Commission under item 1 of this subparagraph.

30 (ii) Any reduction in the maximum number of medical cannabis
 31 grower licenses under subparagraph (i)2 of this paragraph shall be in addition to any other
 32 reduction required under § 13-3306(a)(2)(ii) of the Health – General Article, as enacted by
 33 Section 1 of this Act.

34 (b) Notwithstanding Section 6 of this Act, on or before June 1, 2018, the Natalie
 35 M. LaPrade Medical Cannabis Commission ~~may~~ shall:

1 (1) grant a person Stage One preapproval for licensure as a medical
2 cannabis grower under § 13–3306 of the Health – General Article, as enacted by Section 1
3 of this Act, if the person:

4 (i) is licensed as a processor under § 13–3309 of the Health –
5 General Article, as enacted by Section 1 of this Act; and

6 (ii) applied for a medical cannabis grower license and was initially
7 ranked among the top 30 grower applicants by the Regional Economic Studies Institute in
8 July 2016; and

9 (2) grant a person Stage One preapproval for licensure as a processor under
10 § 13–3309 of the Health – General Article, as enacted by Section 1 of this Act, if the person:

11 (i) is licensed as a medical cannabis grower under § 13–3306 of the
12 Health – General Article, as enacted by Section 1 of this Act; and

13 (ii) applied for a processor license and was ranked among the top 30
14 processor applicants by the Commission in August 2016.

15 (c) An applicant who is granted Stage One preapproval for a license under
16 subsection ~~(a) or~~ (b) of this section shall meet the requirements established by the
17 Commission for final approval of licensure, including any new date set by the Commission
18 for the applicant to become operational.

19 SECTION 10. AND BE IT FURTHER ENACTED, That, in fiscal year 2019 and fiscal
20 year 2020, the Governor shall appropriate at least ~~\$1,800,000~~ \$1,000,000, in the aggregate,
21 to the Natalie M. LaPrade Medical Cannabis Commission Fund for the purpose of
22 reviewing, evaluating, and ranking applications for licensure under Title 13, Subtitle 33 of
23 the Health – General Article in accordance with Section 6 of this Act.

24 SECTION 11. AND BE IT FURTHER ENACTED, That:

25 (a) Subject to subsection (b) of this section, on or before June 1, 2018, in order to
26 ~~ensure~~ provide for both patient safety and the reliable supply of medical cannabis, the
27 Department of Agriculture, in consultation with the Natalie M. LaPrade Medical Cannabis
28 Commission, shall submit emergency regulations, in accordance with Title 10, Subtitle 1 of
29 the State Government Article, that ~~permit~~ allow the registration and use of crop protection
30 agents in the ~~growing~~ cultivation of medical cannabis as part of an integrated pest
31 management plan.

32 (b) The regulations submitted in accordance with subsection (a) of this section
33 shall authorize the use of any crop protection agent that is labeled for use in a greenhouse
34 environment and is:

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

4 (2) ~~permitted for use on tobacco by~~ included in the list of products that the
 5 United States Environmental Protection Agency has exempted from the food residue
 6 tolerance requirements listed in 40 C.F.R. 180;

7 (3) permitted by the United States Environmental Protection Agency to be
 8 labeled as meeting the criteria for organic food production as defined in the United States
 9 Department of Agriculture's National Organic Program regulations; or

10 (4) ~~specifically labeled~~ allowed by the United States Environmental
 11 Protection Agency ~~as permitted for~~ for a use that is broad enough to include use on cannabis.

12 (c) If an approved crop protection agent is used in the cultivation of medical
 13 cannabis, the approved crop protection agent shall be applied in a manner consistent with
 14 State and federal application requirements.

15 (d) In the interest of promoting patient safety, the Natalie M. LaPrade Medical
 16 Cannabis Commission:

17 (1) shall develop guidance that does not adversely affect the affordability of
 18 medical cannabis for registered independent testing laboratories to follow when analyzing
 19 medical cannabis; and

20 (2) may remove a crop protection agent from the list of approved crop
 21 protection agents if there is reasonable, documented evidence that the crop protection agent
 22 has the potential to cause harm to patients.

23 SECTION 12. AND BE IT FURTHER ENACTED, That, on or before January 1,
 24 2019, the Natalie M. LaPrade Medical Cannabis Commission shall report to the General
 25 Assembly, in accordance with § 2-1246 of the State Government Article, on potential rules
 26 and regulations governing marketing and advertising practices of entities licensed and
 27 certified by the Commission.

28 SECTION ~~7. 12.~~ 13. AND BE IT FURTHER ENACTED, That, on or before January
 29 1, 2019, the Natalie M. LaPrade Medical Cannabis Commission, in consultation with the
 30 Maryland Department of Health, shall report to the General Assembly, in accordance with
 31 § 2-1246 of the State Government Article, on the treatment of an opioid use disorder by
 32 using medical cannabis.

33 SECTION ~~8. 13.~~ 14. AND BE IT FURTHER ENACTED, That any remedial
 34 measures adopted in regulation in accordance with § 13-3305.2 of the Health – General
 35 Article, as enacted by Section 1 of this Act, shall be construed to apply only prospectively
 36 and may not be applied or interpreted to have any effect on or application to a medical

1 cannabis grower, processor, or dispensary awarded Stage One ~~pre-approval~~ preapproval
2 before the effective date of this Act.

3 SECTION ~~9, 14,~~ 15. AND BE IT FURTHER ENACTED, That, if any provision of this
4 Act or the application thereof to any person or circumstance is held invalid for any reason
5 in a court of competent jurisdiction, the invalidity does not affect other provisions or any
6 other application of this Act that can be given effect without the invalid provision or
7 application, and for this purpose the provisions of this Act are declared severable.

8 SECTION ~~15,~~ 16. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
9 take effect October 1, 2019.

10 SECTION ~~10, 16,~~ 17. AND BE IT FURTHER ENACTED, That, except as provided
11 in Section ~~15~~ 16 of this Act, this Act is an emergency measure, is necessary for the
12 immediate preservation of the public health or safety, has been passed by a yea and nay
13 vote supported by three-fifths of all the members elected to each of the two Houses of the
14 General Assembly, and shall take effect from the date it is enacted.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.