

HB 800 -- MEDICAL MARIJUANA

SPONSOR: Hinson

This bill creates the Missouri Compassionate Care Act. The bill provides a licensure process for medical cannabis centers and medical cannabis cultivation and production facilities, which may possess, cultivate, and dispense cannabis to assist patients with certain debilitating medical conditions. A business must hold both a medical cannabis center license and a medical cannabis cultivation and production facility license. In addition, the business must have local licenses in order to be issued state licenses, and needs state and local licenses to engage in the activities provided under the bill. The licenses are valid for two years.

A medical cannabis center license allows the licensee to sell medical cannabis that was grown in the licensee's cultivation and production facility and medical cannabis-infused products. The cannabis for medical cannabis-infused products does not need to be grown in its facility, but only cannabis-infused products produced in a licensee's cultivation and production facility may be sold by the licensee's medical cannabis center. A licensee may not purchase more than 30% of its total on-hand inventory from other licensees and may not sell more than 30% of its inventory to other licensees.

Under this bill, the Division of Alcohol and Tobacco Control is designated as the state licensing authority. This bill provides that the division may only employ one full-time employee for each 10 medical cannabis centers that are licensed or applying for licensure, except additional temporary staff may be employed to conduct background checks during the first year of implementation. The division is required to establish rules for the regulation and control of the cultivation, manufacture, distribution, and sale of medical cannabis, except the rules may not fix prices. Also, the division must develop forms, licenses, identification cards, and applications necessary for the administration of the bill, and must report each year to the Governor. By January 1, 2016, the division must ask the federal Drug Enforcement Administration to consider rescheduling medical cannabis from a Schedule I controlled substance to a Schedule II controlled substance.

This bill allows a municipality or county to designate a local licensing authority that may issue licenses to medical cannabis centers and cultivation and production facilities. Applicants for a local license must file plans and specifications for the interior of the building or a plot plan and a detailed sketch if the building does not exist yet. The licensing authority must hold

public hearings on the licenses. This bill provides requirements for those hearings. A local licensing authority or applicant for a local license may ask the division to conduct a concurrent review of the license application.

The local licensing authority may refuse to issue a license for good cause, subject to judicial review. This bill specifies factors the local licensing authority may consider before issuing a decision on an application. The decision must be issued within 30 days after the public hearing or completion of the application investigation. After approval, a license may not be issued until the building is ready for occupancy, is equipped with the materials needed to comply with the bill, and has been inspected by the local licensing authority. The local licensing authority must notify the state licensing authority of approvals.

Under this bill, the division may issue up to 30 state licenses for medical cannabis centers and 30 state licenses for medical cannabis cultivation and production facilities. The licenses must be geographically dispersed to provide statewide access. An applicant for a medical cannabis center license may be approved for two additional licenses that do not count toward the statewide limit if necessary to provide statewide access.

This bill specifies requirements for applicants of a state license. Applicants must be at least 21 years of age and may not be a licensed physician making patient recommendations. This bill specifies when the division may deny an application for state licensure and provides a hearing before the Administrative Hearing Commission to applicants who have been denied. The division must complete a fingerprint-based criminal background check on applicants.

This bill prohibits the division and the local licensing authority from issuing a license if the location is the same as or within 1,000 feet of a location that has previously been denied, it has not been established if the applicant is entitled to possession of the premises, if the location is in an area not zoned for such activities, or if the building in which medical cannabis is to be sold is within 1,000 feet of a school, an alcohol or drug treatment facility, college or seminary campus, or a residential child care facility.

Counties and municipalities may enact reasonable regulations or restrictions on licenses of medical cannabis centers and cultivation and production facilities based on zoning, health, safety, and public welfare laws.

This bill requires a medical cannabis center or cultivation and

production facility to provide the division with certain information regarding owners, officers, and employees of the licensee, and anyone with a direct or indirect financial interest in the licensee, including fingerprints for criminal background checks. In addition, this bill places limitations on licensees in regard to transfers of ownership and management and movement of locations.

The division must notify the licensee of the expiration date 90 days prior to the expiration of the license. If complaints have been filed against licensee or there is a history of violations, the local licensing authority may hold a hearing on a license renewal. This bill provides requirements for licensees to renew their licenses. A license may be revoked or not renewed if it is determined that the licensed premises have been inactive without good cause for a year.

The licensees must collect sales tax on all sales made under the licensed activities.

This bill allows state-chartered banks and credit unions to loan money for the operation of a licensed business.

Labeling and packaging, testing, storage, and processing requirements for cannabis and cannabis-infused products are provided under this bill. This bill prohibits certain relationships between testing laboratories and licensees. Also, provided are requirements for the sanitation and cleanliness of the facilities.

This bill creates the Medical Cannabis License Cash Fund, which consists of all money collected by the division under this bill. It is a dedicated fund to be used for the administration of the bill. Also created is an account within the fund for moneys collected by the Department of Health and Senior Services that is to be used for the issuance of registry identification cards to patients and caregivers for the use of medical cannabis.

Applicants for a medical cannabis center and cultivation and production facility license must pay a fee of \$12,500 for each license. The division sets the fees for licenses renewals, applications to change location or transfer ownership, and testing facility licenses, but the fees must reflect the actual costs to the division in the administration and enforcement of the program. In addition, the division must establish a fee to be paid at the time of service of any subpoena upon the division plus a fee for meals and miles for state officers and employees billing in response to a subpoena. The local licensing authorities may establish licensing fees that do not exceed 10% of the state's fee.

This bill provides procedures for sanctions against licensees, including revocation and suspension. The procedures require notice and an opportunity for a hearing. Requirements for record-keeping and procedures for auditing and inspecting the licensees are also provided.

This bill creates several Class A misdemeanors relating to medical cannabis. This bill allows a licensee that has reasonable cause to believe a person is exhibiting a fraudulent patient registry identification card in an attempt to obtain medical cannabis to confiscate the card.

Under this bill, the Department of Health and Senior Services must establish rules to ensure that patients are not subject to criminal prosecution for their use of medical cannabis and are able to establish an affirmative defense to their use of medical cannabis, prevent persons who do not suffer from legitimate debilitating medical conditions from selling, possessing, producing, using, or transporting cannabis in violation of state and federal laws, establish a confidential registry of patients who have applied for and are entitled to receive a registry identification card and develop application forms for the cards, verify medical information of applicants for a registry card, and establish a waiver process to allow a homebound patient who is on the registry to have a primary caregiver transport the patient's medical cannabis from a licensed medical cannabis center to the patient, among other rules.

This bill allows licensed physicians, who have a relationship with a patient seeking to have access to medical cannabis, to certify that the patient has a debilitating medical condition and may benefit from the use of medical cannabis. This bill specifies a list of debilitating medical conditions that allow a patient, who meets the other requirements of the bill, to receive a registry identification card to access medical cannabis. Any Missouri resident may petition the department to add conditions or treatments to the statutory list of debilitating medical conditions.

This bill prohibits physicians from offering any form of pecuniary remuneration to a primary caregiver, distributor, or any other provider of medical cannabis, offering a discount or any other thing of value to a patient who uses or agrees to use a particular primary caregiver, distributor, or other provider of medical cannabis to procure medical cannabis, examining a patient at a location where medical cannabis is sold or distributed, or holding an economic interest in an enterprise that provides or distributes medical cannabis. The department must conduct a hearing when there is reasonable cause to believe a physician has violated any of the

above. Upon a finding of unprofessional conduct by the State Board of Medical Examiners or a finding of a violation by the department, the department must restrict a physician's authority to recommend the use of medical cannabis.

This bill also places restrictions on patients and primary caregivers, including limitations on where medical cannabis may be used or possessed.

Patients and primary caregivers must have their registry identification cards in their possession at all times they are in possession of any form of medical cannabis and produce the cards upon request of a law enforcement officer. The department may deny a patient's application for a registry identification card or revoke the card if the department determines that the physician who diagnosed the patient's debilitating medical condition, the patient, or the primary caregiver violated the statutes or department's rules. A registry identification card is valid for one year. This bill specifies fees that the department may establish. The division may suspend a license, and the department may suspend a registry identification card, pending further proceedings to protect the public health, safety, or welfare.