HOUSE BILL 1101


Introduced and read first time: February 8, 2013
Assigned to: Health and Government Operations and Judiciary

Committee Report: Favorable with amendments
House action: Adopted with floor amendments
Read second time: March 20, 2013

CHAPTER ______

AN ACT concerning

Medical Marijuana – Academic Medical Centers

Medical Marijuana – Academic Medical Centers –

Natalie M. LaPrade Medical Marijuana Commission

FOR the purpose of establishing the Natalie M. LaPrade Medical Marijuana Commission; providing that the Commission is an independent commission that functions within the Department of Health and Mental Hygiene; providing for the purpose and the membership of the Commission; providing for the terms of the members of the Commission; requiring the Governor to designate the chair of the Commission; providing that a member of the Commission may not receive certain compensation but is entitled to certain reimbursement; authorizing the Commission to employ a certain staff; establishing the Natalie M. LaPrade Medical Marijuana Commission Fund; requiring the Commission to administer the Fund; providing that the Fund is a special continuing, nonlapsing fund that is not subject to a certain provision of law; requiring the State Treasurer to hold the Fund and the State Comptroller to account for the Fund; requiring the Fund

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.
Underlining indicates amendments to bill.
Strikeout indicates matter stricken from the bill by amendment or deleted from the law by amendment.
to be invested and reinvested in a certain manner and the investment earnings
be retained to the credit of the Fund; requiring the Fund to be subject to a
certain audit; requiring the Comptroller to pay out money from the Fund as
directed by the Commission; providing that the Fund consists of certain money;
prohibiting any part of the Fund from reverting or being credited to the General
Fund of the State or any other special fund of the State; providing that
expenditures from the Fund may be made only in accordance with the State
budget; requiring the Commission to issue a certain request for applications at
least annually; requiring a certain application submitted by an academic
medical center to include certain information; requiring the Commission to set
certain application and renewal fees; requiring the Commission to establish a
certain application review process; requiring certain reviewers to review, evaluate, and rate certain applications and to make certain recommendations;
authorizing the Commission to grant a certain approval; limiting the number of
programs that the Commission may approve to operate at one time; requiring
certain academic medical centers to provide certain data on a certain basis to
the Department of Health and Mental Hygiene Commission; requiring the
Commission to make certain data available to law enforcement in a
certain manner; providing that an academic medical center operating a certain
program may obtain marijuana only from certain sources; subjecting an
academic medical center to certain requirements if an academic medical center
utilizes caregivers as part of a certain program; requiring certain academic
medical centers to provide a certain annual report to the Commission; requiring
a certain academic medical center to apply annually to the Commission for a
certain renewal in accordance with certain procedures; providing that certain
academic medical centers are subject to certain inspection by the Commission;
authorizing the Commission to rescind approval of certain programs under
certain circumstances; requiring the Commission to provide a certain report to
the Governor and General Assembly on or before a certain date each year;
requiring the Department Commission to license medical marijuana growers for
a certain purpose; limiting the number of medical marijuana growers that the
Commission may license; providing that certain entities may provide marijuana
only to certain academic medical centers; requiring the Department
Commission to establish certain security and manufacturing requirements;
authorizing the Department Commission to inspect certain growers; authorizing
the Department Commission to impose certain penalties or rescind certain
licenses; exempting certain persons from certain penalties when acting in
accordance with this Act; providing that a person may not distribute, possess, manufacture, or use certain marijuana; providing for certain penalties;
providing for the construction of this Act; authorizing the State to pay for the
defense of certain State employees under certain circumstances; authorizing the
Governor to suspend implementation of the Act under certain circumstances;
establishing that a certain requirement that certain interest accrue to the
General Fund of the State does not apply to the Natalie M. LaPrade Medical
Marijuana Commission Fund; during a certain fiscal year, requiring the
Commission to develop certain policies, procedures, regulations, and guidelines
for implementation of the Act; requiring the Commission to provide a certain
report to the Governor and General Assembly on or before a certain date;
defining certain terms; and generally relating to marijuana for medical use.

BY adding to
Article – Health – General
Section 13–3101 through 13–3111 to be under the new subtitle
“Subtitle 31. Medical Marijuana”
Annotated Code of Maryland
(2009 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2009 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)69. and 70.
Annotated Code of Maryland
(2009 Replacement Volume and 2012 Supplement)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)71.
Annotated Code of Maryland
(2009 Replacement Volume and 2012 Supplement)

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

Article – Health – General

SUBTITLE 31. MEDICAL MARIJUANA NATALIE M. LAPRADE MEDICAL
MARIJUANA COMMISSION.

13–3101.

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

(B) “ACADEMIC MEDICAL CENTER” MEANS A HOSPITAL THAT:

(1) OPERATES A MEDICAL RESIDENCY PROGRAM FOR
PHYSICIANS; AND
(2) Conducts research that is overseen by the Federal Department of Health and Human Services and involves human subjects.

(C) “Commission” means the Natalie M. LaPrade Medical Marijuana Commission established under this subtitle.

(D) “Fund” means the Natalie M. LaPrade Medical Marijuana Commission Fund established under §13–3103 of this subtitle.

(E) “Program” means an investigational use-type program overseen by an academic medical center through which marijuana is made available to patients for medical use.

13–3102.

(A) There is a Natalie M. LaPrade Medical Marijuana Commission.

(B) The Commission is an independent commission that functions within the Department.

(C) The purpose of the Commission is to:

(1) Develop requests for applications for academic medical centers to operate programs in accordance with this subtitle;

(2) Approve or deny applications for programs;

(3) Approve or deny applications for renewal of programs; and

(4) Monitor and oversee programs approved for operation under this subtitle.

13–3103.

(A) The Commission consists of the following 12 members:

(1) The Secretary of Health and Mental Hygiene, or the Secretary’s designee; and
(2) The following 11 members, appointed by the Governor:

(i) One member of the public who supports the use of marijuana for medical purposes and who is or was a patient who found relief from the use of medical marijuana;

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

(iii) Three physicians licensed in the State who specialize in addiction, pain, oncology, neurology, or clinical research;

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

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

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

(vii) One representative of the Maryland State’s Attorneys’ Association;

(viii) One representative of the Maryland Chiefs of Police; and

(ix) An attorney who is knowledgeable about medical marijuana laws in the United States.

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

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

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

(4) A member may not serve more than three consecutive full terms.
(5) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(c) The Governor shall designate the chair from among the members of the Commission.

(d) A majority of the full authorized membership of the Commission is a quorum.

(e) A member of the Commission:

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

(2) Is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The Commission may employ a staff, including contractual staff, in accordance with the State budget.

(g) (1) There is a Natalie M. LaPrade Medical Marijuana Commission Fund.

(2) The Commission shall administer the Fund.

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

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

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

(6) The Fund shall be subject to an audit by the Office of Legislative Audits as provided for in § 2–1220 of the State Government Article.
(7) The Comptroller shall pay out money from the Fund as directed by the Commission.

(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 Commission for the acceptance of donations or gifts to the Fund.

(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.

13–3104.

(a) The Commission shall issue at least annually a request for applications for academic medical centers to operate medical marijuana compassionate use programs.

(b) An application submitted by an academic medical center to operate a program under this subtitle shall:

(1) Specify the medical conditions to be treated under the program to be operated by the academic medical center, proposed on the basis of evidence;

(2) Specify the criteria by which the academic medical center will include and exclude patients from participation in the program;

(3) Specify how patients will be assessed for addiction before and during treatment using marijuana through the program;
(4) Describe the source of the marijuana to be used in a program and include scientific details of the type of marijuana to be used in the program;

(5) Specify the length of treatment and dosage permitted under the program;

(6) Describe how health care providers will be eligible to participate in the program and what training they will receive;

(7) Include a description of whether and how caregivers will interact with patients participating in the program;

(8) Demonstrate approval of the program by the academic medical center’s institutional review board;

(9) Describe the plan for defining and monitoring the success or failure of treatment using marijuana through the program;

(10) Include a plan for monitoring aggregate data and outcomes and publishing results from the program, as appropriate;

(11) Include a description of the sources of funding for the program, including any research grants;

(12) Describe any required training for health care providers and patients participating in the program on diversion-related issues;

(13) Describe steps the academic medical center will take to prevent and monitor for diversion and address violations of its diversion policy;

(14) Describe how the program will dispose of any unused marijuana; and

(15) Describe how the academic medical center and the program will meet any other criteria established by the Commission related to diversion or other aspects of programs overseen by the Commission.
(C) The Commission shall set application fees and renewal fees that cover its expenses in reviewing and approving applications and providing oversight to programs.

13–3105.

(A) The Commission shall establish an application review process that includes reviewers with expertise in scientific research and analysis, medical training, and law enforcement.

(B) The reviewers shall:

1. Review, evaluate, and rate applications for medical marijuana compassionate use programs submitted by academic medical centers based on the procedures and guidelines established by the Commission; and

2. Make recommendations to the Commission, based on the ratings awarded to proposals by the reviewers, for approval of applications from medical marijuana compassionate use programs.

(C) The Commission may grant a 1-year approval to a program, which may be renewed by the Commission.

(D) The Commission may approve no more than five programs to operate at one time.

13–3106.

(A) (1) An academic medical center approved to operate a program under this subtitle shall provide to the Department Commission updated data each day on patients and caregivers participating in each program overseen by the academic medical center.

(2) The Department Commission shall make the data available in real time to law enforcement.

(B) An academic medical center operating a program approved under this subtitle may use marijuana obtained only from:

1. The federal government; or
(2) A medical marijuana grower licensed under this subtitle.

(C) If an academic medical center utilizes caregivers as part of a program approved under this subtitle, the academic medical center shall:

(1) Limit the number of patients a caregiver is allowed to serve to no more than five; and

(2) Limit the number of caregivers that serve a particular patient to no more than two.

(D) An academic medical center operating a program approved under this subtitle shall report annually to the Commission, in the form specified by the Commission, on:

(1) The number of patients served through the program;

(2) The county of residence of the patients served by the program;

(3) The conditions treated under the program;

(4) Any outcomes data on the results of treatment through the program; and

(5) Any research studies conducted under the program.

(E) An academic medical center operating a program approved under this subtitle shall apply annually to the Commission for renewal of approval of the program, in accordance with any procedures established by the Commission.

(F) An academic medical center operating a program approved under this subtitle is subject to inspection by the Commission to ensure that the program is operating according to the conditions of approval established by the Commission.

(G) The Commission may rescind approval of a program if the Commission finds that the program is not in compliance with the conditions of approval established by the Commission.

13–3107.
ON OR BEFORE JANUARY 1 EACH YEAR, THE COMMISSION SHALL REPORT
TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE
GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON PROGRAMS APPROVED
TO OPERATE UNDER THIS SUBTITLE.

13–3108.

(A) (1) THE DEPARTMENT COMMISSION SHALL LICENSE MEDICAL
MARIJUANA GROWERS TO OPERATE IN THE STATE TO PROVIDE MARIJUANA TO
PROGRAMS APPROVED FOR OPERATION UNDER THIS SUBTITLE.

(2) THE COMMISSION MAY LICENSE NO MORE THAN FIVE
MEDICAL MARIJUANA GROWERS FOR EACH APPROVED PROGRAM.

(B) AN ENTITY LICENSED TO GROW MARIJUANA UNDER THIS SECTION
MAY PROVIDE MARIJUANA ONLY TO AN ACADEMIC MEDICAL CENTER APPROVED
TO OPERATE A PROGRAM UNDER THIS SUBTITLE.

(C) THE DEPARTMENT COMMISSION SHALL ESTABLISH
REQUIREMENTS FOR SECURITY AND THE MANUFACTURING PROCESS THAT A
GROWER MUST MEET IN ORDER TO OBTAIN A LICENSE UNDER THIS SECTION,
INCLUDING A REQUIREMENT FOR A PRODUCT–TRACKING SYSTEM.

(D) THE DEPARTMENT COMMISSION MAY INSPECT GROWERS LICENSED
UNDER THIS SECTION TO ENSURE COMPLIANCE WITH THIS SECTION.

(E) THE DEPARTMENT COMMISSION MAY IMPOSE PENALTIES OR
RESCIND THE LICENSE OF A GROWER THAT DOES NOT MEET THE STANDARDS
FOR LICENSURE SET BY THE DEPARTMENT COMMISSION.

13–3109.

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

(1) A PATIENT ENROLLED IN A PROGRAM APPROVED UNDER THIS
SUBTITLE WHO IS IN POSSESSION OF AN AMOUNT OF MARIJUANA AUTHORIZED
UNDER THE PROGRAM;
(2) A grower licensed under § 13–3108 of this subtitle or an employee of the licensed grower who is acting in accordance with the terms of the license; or

(3) An academic medical center, an employee of the academic medical center, or any other person associated with the operation of a program approved under this subtitle for activities conducted in accordance with the program approved under this subtitle.

(B) (1) A person may not distribute, possess, manufacture, or use marijuana that has been diverted from a program approved under this subtitle or from a patient who is enrolled in a program approved under this subtitle.

(2) A person who violates this subsection is guilty of a felony and on conviction is subject to imprisonment not exceeding 5 years or a fine not exceeding $10,000 or both.

(3) The penalty under this subsection is in addition to any penalties that a person may be subject to for manufacture, possession, or distribution of marijuana under the Criminal Law Article.

13–3110.

(A) This subtitle may not be construed to authorize any individual to engage in, and does not prevent the imposition of any civil, criminal, or other penalties for, the following:

(1) Undertaking any task under the influence of marijuana, when doing so would constitute negligence or professional malpractice;

(2) Operating, navigating, or being in actual physical control of any motor vehicle, aircraft, or boat while under the influence of marijuana;

(3) Smoking marijuana in any public place;

(4) Smoking marijuana in a motor vehicle; or

(5) Smoking marijuana on a private property that:
(I) 1. IS RENTED FROM A LANDLORD; AND

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

(II) IS SUBJECT TO A POLICY THAT PROHIBITS THE SMOKING OF MARIJUANA ON THE PROPERTY OF AN ATTACHED DWELLING ADOPTED BY ONE OF THE FOLLOWING ENTITIES:

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

2. THE GOVERNING BODY OF A HOMEOWNERS ASSOCIATION.

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

13–311.

(A) NOTWITHSTANDING § 12–315 OF THE STATE GOVERNMENT ARTICLE, A STATE EMPLOYEE WHO INCURS COUNSEL FEES IN CONNECTION WITH A FEDERAL CRIMINAL INVESTIGATION OR PROSECUTION SOLELY RELATED TO THE EMPLOYEE’S GOOD FAITH DISCHARGE OF PUBLIC RESPONSIBILITIES UNDER THIS SUBTITLE IS ELIGIBLE FOR REIMBURSEMENT OF COUNSEL FEES AS AUTHORIZED BY § 12–314 OF THE STATE GOVERNMENT ARTICLE.

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

Article – State Finance and Procurement

6–226.

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

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

   69. the Maryland Legal Services Corporation Fund; [and]
   70. Mortgage Loan Servicing Practices Settlement Fund;

AND

71. NATALIE M. LA PRADE MEDICAL MARIJUANA

SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial
members of the Medical Marijuana Commission, established under Section 1 of this
Act, shall expire as follows:

   (1) four in 2015;
   (2) four in 2016; and
   (3) four in 2017.

SECTION 3. AND BE IT FURTHER ENACTED, That during fiscal year 2014,
the Commission shall develop policies, procedures, regulations, and guidelines for
implementation of this Act, including:

   (a) the request for proposals;
   (b) the application review process;
   (c) the application renewal process;
   (d) the inspection process;
   (e) data requirements for participating programs;
   (f) the annual report format; and
   (g) the Commission’s requirements for licensing, including security and the
       product-tracking system.

SECTION 4. AND BE IT FURTHER ENACTED, That on or before December 1,
2013, the Commission shall report to the Governor and, in accordance with § 2–1246 of
the State Government Article, the General Assembly, on sources of funding for the
implementation of the provisions of Section 1 of this Act and suggested fees to support
the implementation of this Act beginning July 1, 2014.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take
effect October 1, 2013.

Approved:

______________________________________________
Governor.

______________________________________________
Speaker of the House of Delegates.

______________________________________________
President of the Senate.