SPONSOR: Rep. Osienski

HOUSE OF REPRESENTATIVES
152nd GENERAL ASSEMBLY

HOUSE AMENDMENT NO. 1
TO
HOUSE BILL NO. 408

AMEND House Bill No. 408 by inserting after line 6 the following:

"§ 1335B. Conversion license for retail marijuana stores.

(a) If a conversion license to operate a retail marijuana store is granted to a compassion center under § 1335A of this title, the licensee and any successor licensee must, in addition to complying with any other requirements for the operation of a retail marijuana store under this title or regulations promulgated by the Commissioner, do the following:

(1) Continue to operate the former compassion center as a medical dispensing location.

(2) Prioritize the distribution of marijuana and marijuana products to qualifying patients, including suspending recreational marijuana and recreational marijuana product sales to consumers in the event of a shortage of marijuana or marijuana products.

(3) Maintain or increase the diversity of medical marijuana products available.

(4) Provide to the Commissioner a product list with the maximum prices to be offered for all marijuana or marijuana products, and provide an updated list within 7 days when a new product is offered or the maximum price for any marijuana or marijuana product offered by the licensee is increased.

(b) The licensee must agree and abide by the agreement to continue medical marijuana operations, maintain an adequate and diverse supply, and maintain justifiable pricing with respect to medical marijuana and medical marijuana products.

(c) Failure to abide by subsections (a) or (b) of this section is a violation of this chapter for which the Commissioner may fine the licensee or take any other action against the license authorized under § 1361 of this title.

§ 1335C. Conversion license for marijuana cultivation facilities.

(a) If a conversion license to operate a marijuana cultivation facility is granted to a compassion center under § 1335A of this title, the licensee and any successor licensee must, in addition to complying with any other requirements for the operation of a marijuana cultivation facility under this title or regulations promulgated by the Commissioner, provide monthly wholesale pricing information to the Commissioner.

(b) Failure to abide by this section is a violation of this chapter for which the Commissioner may fine the licensee or take any other action against the license authorized under § 1361 of this title.

§ 1335D. Conversion license for marijuana product manufacturing facility.

(a) If a conversion license to operate a marijuana product manufacturing facility is granted to a compassion center under § 1335A of this title, the licensee and any successor licensee must, in addition to complying with any other requirements for the operation of a marijuana product manufacturing facility under this title or regulations promulgated by the Commissioner, provide monthly wholesale pricing information to the Commissioner.

(b) Failure to abide by this section is a violation of this chapter for which the Commissioner may fine the licensee or take any other action against the license authorized under § 1361 of this title.".

FURTHER AMEND House Bill No. 408 by deleting line 19 in its entirety and inserting in lieu thereof the following:

"b. If the conversion license sought is for a cultivation facility, the base conversion license fee is $200,000, which may be paid in quarterly installments over 12 months.".

FURTHER AMEND House Bill No. 408 on line 48 by deleting "48 months" and inserting in lieu thereof "24 months".

FURTHER AMEND House Bill No. 408 by deleting line 22 in its entirety and inserting in lieu thereof the following:

"(7) If the conversion license sought is for a retail facility, the applicant has submitted a signed attestation that the applicant will serve medical cardholders in accordance with Chapter 49A of Title 16, including a commitment to doing the following:

a. Selling tax-free marijuana to qualifying patients directly or through designated caregivers.

b. Selling up to 3 ounces of marijuana in any 14-day period to qualifying patients directly or through designated caregivers and up to a total of 6 ounces per month.

c. Providing home delivery to qualifying patients.

(8) The applicant meets all other requirements set forth in this title or by regulation for each requested license.".

SYNOPSIS

This Amendment to House Bill No. 408 makes the following changes to the provisions contained in House Bill No. 408:

(1) It increases the fee for cultivation conversion licenses from $100,000 to $200,000.

(2) It removes a 5% discount for up-front payment of the conversion license fee.

(3) It changes the conversion license expiration period from 48 months to 24 months.

(4) It requires applicants seeking a conversion license to operate a retail facility to provide an attestation that they will serve medical cardholders in accordance with the Medical Marijuana Act.

(5) It provides additional criteria that conversion licensees must meet to operate a retail facility, which include continuing to operate the facility as a medical dispensing location, prioritizing the distribution of marijuana products to qualifying patients, maintaining or increasing the diversity of medical marijuana products available, providing product and pricing information to the Commissioner within 7 days of increasing the maximum price for any marijuana or marijuana product or a new product is being offered, and abide by an agreement to continue medical marijuana operations and to maintain an adequate and diverse supply as well as justifiable pricing with respect to medical marijuana and medical marijuana products.

(6) It requires conversion licensees with cultivation or manufacturing conversion licenses to provide monthly wholesale pricing information to the Commissioner.