1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

A bill to be entitled An act relating to applicants for licensure as a medical marijuana treatment center; amending s. 381.986, F.S.; authorizing a joint venture partner of specified applicants to be licensed as a medical marijuana treatment center and receive maximum points for its diversity plan; requiring the Department of Health to license specified applicants that are recognized class members of specified class actions; providing that the rights of such recognized class members inures to its successors or assignees; authorizing an applicant for licensure as a medical marijuana treatment center to demonstrate that such applicant has maintained a bona fide business in the agriculture industry for a certain amount of time before submitting the application; revising diversity plan requirements for applicants; providing an effective date. Be It Enacted by the Legislature of the State of Florida: Section 1. Paragraphs (a) and (b) of subsection (8) of section 381.986, Florida Statutes, are amended to read: 381.986 Medical use of marijuana.-MEDICAL MARIJUANA TREATMENT CENTERS.-

Page 1 of 9

(a) The department shall license medical marijuana treatment centers to ensure reasonable statewide accessibility and availability as necessary for qualified patients registered in the medical marijuana use registry and who are issued a physician certification under this section.

26

27

28

29

30

31

32

33

34

35

3637

38

39

40

41

42

43

44

45

46

47

48

49

50

- As soon as practicable, but no later than July 3, 2017, the department shall license as a medical marijuana treatment center any entity that holds an active, unrestricted license to cultivate, process, transport, and dispense low-THC cannabis, medical cannabis, and cannabis delivery devices, under former s. 381.986, Florida Statutes 2016, before July 1, 2017, and which meets the requirements of this section. In addition to the authority granted under this section, these entities are authorized to dispense low-THC cannabis, medical cannabis, and cannabis delivery devices ordered pursuant to former s. 381.986, Florida Statutes 2016, which were entered into the compassionate use registry before July 1, 2017, and are authorized to begin dispensing marijuana under this section on July 3, 2017. The department may grant variances from the representations made in such an entity's original application for approval under former s. 381.986, Florida Statutes 2014, pursuant to paragraph (e).
- 2. The department shall license as medical marijuana treatment centers 10 applicants that meet the requirements of this section, under the following parameters:
 - a. As soon as practicable, but no later than August 1,

Page 2 of 9

2017, the department shall license any applicant whose application was reviewed, evaluated, and scored by the department and which was denied a dispensing organization license by the department under former s. 381.986, Florida Statutes 2014; which had one or more administrative or judicial challenges pending as of January 1, 2017, or had a final ranking within one point of the highest final ranking in its region under former s. 381.986, Florida Statutes 2014; which meets the requirements of this section; and which provides documentation to the department that it has the existing infrastructure and technical and technological ability to begin cultivating marijuana within 30 days after registration as a medical marijuana treatment center.

b. As soon as practicable, the department shall license one applicant that is a recognized class member of Pigford v. Glickman, 185 F.R.D. 82 (D.D.C. 1999), or In Re Black Farmers Litig., 856 F. Supp. 2d 1 (D.D.C. 2011). An applicant licensed under this sub-subparagraph is exempt from the requirement of subparagraph (b)2. An applicant or a joint venture partner of such applicant that applies for licensure under this sub-subparagraph, pays its initial application fee, is determined by the department through the application process to qualify as a recognized class member, and is not awarded a license under this sub-subparagraph may transfer its initial application fee to one subsequent opportunity to apply for licensure under subparagraph

76 4. and receive the maximum consideration for its diversity plan 77 as described in subparagraph (b) 10. 78 c. As soon as practicable, but no later than August 1, 2023, the department shall license any applicant that is a 79 80 recognized class member of Pigford v. Glickman, 185 F.R.D. 82 81 (D.D.C. 1999) or In Re Black Farmers Litig., 856 F. Supp. 2d 1 82 (D.D.C. 2011) whose application was reviewed, evaluated, and scored by the department and was denied a dispensing 83 84 organization license by the department under former s. 381.986, 85 Florida Statutes 2014; had one or more administrative or judicial challenges pending as of October 11, 2022, or had a 86 87 final ranking within one point of the highest final ranking in 88 its region under former s. 381.986, Florida Statutes 2014; meets 89 the requirements of this section; provides documentation to the 90 department that he or she is a recognized class member of 91 Pigford v. Glickman, 185 F.R.D. 82 (D.D.C. 1999) or In Re Black 92 Farmers Litig., 856 F. Supp. 2d 1 (D.D.C. 2011) at the time of 93 the application; and provides documentation to the department 94 that it has the existing infrastructure and technical and 95 technological ability to begin cultivating marijuana within 30 days after registration as a medical marijuana treatment center. 96 97 The rights of the recognized class member under this sub-98 subparagraph inures to its successors or assignees. 99 d.c. As soon as practicable, but no later than October 3, 100 2017, the department shall license applicants that meet the

Page 4 of 9

requirements of this section in sufficient numbers to result in 10 total licenses issued under this subparagraph, while accounting for the number of licenses issued under subsubparagraphs a. and b.

- 3. For up to two of the licenses issued under subparagraph 2., the department shall give preference to applicants that demonstrate in the their applications ownership of that they own one or more facilities that are, or were, used for the canning, concentrating, or otherwise processing of citrus fruit or citrus molasses and that will be used use or converted convert the facility or facilities for the processing of marijuana.
- 4. Within 6 months after the registration of 100,000 active qualified patients in the medical marijuana use registry, the department shall license four additional medical marijuana treatment centers that meet the requirements of this section. Thereafter, the department shall license four medical marijuana treatment centers within 6 months after the registration of each additional 100,000 active qualified patients in the medical marijuana use registry that meet the requirements of this section.
- (b) An applicant for licensure as a medical marijuana treatment center shall apply to the department on a form prescribed by the department and adopted in rule. The department shall adopt rules pursuant to ss. 120.536(1) and 120.54 establishing a procedure for the issuance and biennial renewal

Page 5 of 9

126

127

128

129130

131

132

133

134

135

136

137

138139

140

141

142

143

144

145

146

147

148

149

150

of licenses, including initial application and biennial renewal fees sufficient to cover the costs of implementing and administering this section, and establishing supplemental licensure fees for payment beginning May 1, 2018, sufficient to cover the costs of administering ss. 381.989 and 1004.4351. The department shall identify applicants with strong diversity plans reflecting this state's commitment to diversity and implement training programs and other educational programs to enable minority persons and minority business enterprises, as defined in s. 288.703, and veteran business enterprises, as defined in s. 295.187, to compete for medical marijuana treatment center licensure and contracts. Subject to the requirements in subparagraphs (a) 2.-4., the department shall issue a license to an applicant if the applicant meets the requirements of this section and pays the initial application fee. The department shall renew the licensure of a medical marijuana treatment center biennially if the licensee meets the requirements of this section and pays the biennial renewal fee. However, the department may not renew the license of a medical marijuana treatment center that has not begun to cultivate, process, and dispense marijuana by the date that the medical marijuana treatment center is required to renew its license. An individual may not be an applicant, owner, officer, board member, or manager on more than one application for licensure as a medical marijuana treatment center. An individual or entity may not be

Page 6 of 9

awarded more than one license as a medical marijuana treatment center. An applicant for licensure as a medical marijuana treatment center must demonstrate:

154

155

156

157

158

159

160

161

162163

164

165

166

167

168

169

170

171

172

173

174

175

- 1. That, for the 5 consecutive years before submitting the application, the applicant has been registered to do business in the state or has maintained a bona fide business in the agriculture industry in the state.
- 2. Possession of a valid certificate of registration issued by the Department of Agriculture and Consumer Services pursuant to s. 581.131.
- 3. The technical and technological ability to cultivate and produce marijuana, including, but not limited to, low-THC cannabis.
- 4. The ability to secure the premises, resources, and personnel necessary to operate as a medical marijuana treatment center.
- 5. The ability to maintain accountability of all raw materials, finished products, and any byproducts to prevent diversion or unlawful access to or possession of these substances.
- 6. An infrastructure reasonably located to dispense marijuana to registered qualified patients statewide or regionally as determined by the department.
- 7. The financial ability to maintain operations for the duration of the 2-year approval cycle, including the provision

Page 7 of 9

176 of certified financial statements to the department.

- a. Upon approval, the applicant must post a \$5 million performance bond issued by an authorized surety insurance company rated in one of the three highest rating categories by a nationally recognized rating service. However, a medical marijuana treatment center serving at least 1,000 qualified patients is only required to maintain a \$2 million performance bond.
- b. In lieu of the performance bond required under subsubparagraph a., the applicant may provide an irrevocable letter of credit payable to the department or provide cash to the department. If provided with cash under this sub-subparagraph, the department shall deposit the cash in the Grants and Donations Trust Fund within the Department of Health, subject to the same conditions as the bond regarding requirements for the applicant to forfeit ownership of the funds. If the funds deposited under this sub-subparagraph generate interest, the amount of that interest shall be used by the department for the administration of this section.
- 8. That all owners, officers, board members, and managers have passed a background screening pursuant to subsection (9).
- 9. The employment of a medical director to supervise the activities of the medical marijuana treatment center.
- 10. A diversity plan that promotes and ensures the involvement of minority persons and minority business

Page 8 of 9

enterprises, as defined in s. 288.703, or veteran business enterprises, as defined in s. 295.187, in ownership, management, and employment. Any applicant that is a recognized class member of Pigford v. Glickman, 185 F.R.D. 82 (D.D.C. 1999) or In Re Black Farmers Litig., 856 F. Supp. 2d 1 (D.D.C. 2011) satisfies the diversity plan requirement and shall receive the maximum consideration on the application for administration of this section. Any applicant that applies as a joint venture partner with a recognized class member shall also receive the maximum consideration on the application for administration of this section. An applicant for licensure renewal must show the effectiveness of the diversity plan by including the following with his or her application for renewal:

- a. Representation of minority persons and veterans in the medical marijuana treatment center's workforce;
- b. Efforts to recruit minority persons and veterans for employment; and
- c. A record of contracts for services with minority business enterprises and veteran business enterprises.
 - Section 2. This act shall take effect July 1, 2023.

Page 9 of 9