

By Senator Davis

5-00894-23

2023548__

1 A bill to be entitled
2 An act relating to applicants for licensure as a
3 medical marijuana treatment center; amending s.
4 381.986, F.S.; authorizing a joint venture partner of
5 specified applicants to be licensed as a medical
6 marijuana treatment center and receive maximum
7 consideration for its diversity plan under certain
8 circumstances; requiring the Department of Health to
9 license certain applicants that are recognized class
10 members of specified class actions; providing that the
11 rights of such recognized class members inure to their
12 successors or assignees; authorizing an applicant for
13 licensure as a medical marijuana treatment center to
14 demonstrate that such applicant has maintained a bona
15 fide business in the agriculture industry in the state
16 for a specified time period to satisfy certain
17 application criteria; specifying the consideration
18 that certain applicants will receive in meeting
19 diversity plan requirements; providing an effective
20 date.

21
22 Be It Enacted by the Legislature of the State of Florida:

23
24 Section 1. Paragraphs (a) and (b) of subsection (8) of
25 section 381.986, Florida Statutes, are amended to read:

26 381.986 Medical use of marijuana.—

27 (8) MEDICAL MARIJUANA TREATMENT CENTERS.—

28 (a) The department shall license medical marijuana
29 treatment centers to ensure reasonable statewide accessibility

5-00894-23

2023548__

30 and availability as necessary for qualified patients registered
31 in the medical marijuana use registry and who are issued a
32 physician certification under this section.

33 1. As soon as practicable, but no later than July 3, 2017,
34 the department shall license as a medical marijuana treatment
35 center any entity that holds an active, unrestricted license to
36 cultivate, process, transport, and dispense low-THC cannabis,
37 medical cannabis, and cannabis delivery devices, under former s.
38 381.986, Florida Statutes 2016, before July 1, 2017, and which
39 meets the requirements of this section. In addition to the
40 authority granted under this section, these entities are
41 authorized to dispense low-THC cannabis, medical cannabis, and
42 cannabis delivery devices ordered pursuant to former s. 381.986,
43 Florida Statutes 2016, which were entered into the compassionate
44 use registry before July 1, 2017, and are authorized to begin
45 dispensing marijuana under this section on July 3, 2017. The
46 department may grant variances from the representations made in
47 such an entity's original application for approval under former
48 s. 381.986, Florida Statutes 2014, pursuant to paragraph (e).

49 2. The department shall license as medical marijuana
50 treatment centers 10 applicants that meet the requirements of
51 this section, under the following parameters:

52 a. As soon as practicable, but no later than August 1,
53 2017, the department shall license any applicant whose
54 application was reviewed, evaluated, and scored by the
55 department and ~~which~~ was denied a dispensing organization
56 license by the department under former s. 381.986, Florida
57 Statutes 2014; which had one or more administrative or judicial
58 challenges pending as of January 1, 2017, or had a final ranking

5-00894-23

2023548__

59 within one point of the highest final ranking in its region
60 under former s. 381.986, Florida Statutes 2014; which meets the
61 requirements of this section; and which provides documentation
62 to the department that it has the existing infrastructure and
63 technical and technological ability to begin cultivating
64 marijuana within 30 days after registration as a medical
65 marijuana treatment center.

66 b. As soon as practicable, the department shall license one
67 applicant that is a recognized class member of *Pigford v.*
68 *Glickman*, 185 F.R.D. 82 (D.D.C. 1999), or *In Re Black Farmers*
69 *Litig.*, 856 F. Supp. 2d 1 (D.D.C. 2011). An applicant licensed
70 under this sub-subparagraph is exempt from the requirement of
71 subparagraph (b)2. An applicant or a joint venture partner of
72 such applicant that applies for licensure under this sub-
73 subparagraph, pays its initial application fee, is determined by
74 the department through the application process to qualify as a
75 recognized class member, and is not awarded a license under this
76 sub-subparagraph may transfer its initial application fee to one
77 subsequent opportunity to apply for licensure under subparagraph
78 4. and receive the maximum consideration for its diversity plan
79 as described in subparagraph (b)10.

80 c. As soon as practicable, but no later than August 1,
81 2023, the department shall license any applicant that is a
82 recognized class member of *Pigford v. Glickman*, 185 F.R.D. 82
83 (D.D.C. 1999) or *In Re Black Farmers Litig.*, 856 F. Supp. 2d 1
84 (D.D.C. 2011) whose application was reviewed, evaluated, and
85 scored by the department and was denied a dispensing
86 organization license by the department under former s. 381.986,
87 Florida Statutes 2014; had one or more administrative or

5-00894-23

2023548__

88 judicial challenges pending as of October 11, 2022, or had a
89 final ranking within one point of the highest final ranking in
90 its region under former s. 381.986, Florida Statutes 2014; meets
91 the requirements of this section; provides documentation to the
92 department that he or she is a recognized class member of
93 *Pigford v. Glickman*, 185 F.R.D. 82 (D.D.C. 1999) or *In Re Black*
94 *Farmers Litig.*, 856 F. Supp. 2d 1 (D.D.C. 2011) at the time of
95 the application; and provides documentation to the department
96 that it has the existing infrastructure and technical and
97 technological ability to begin cultivating marijuana within 30
98 days after registration as a medical marijuana treatment center.
99 The rights of the recognized class member under this sub-
100 paragraph inure to its successors or assignees.

101 ~~d.e.~~ As soon as practicable, but no later than October 3,
102 2017, the department shall license applicants that meet the
103 requirements of this section in sufficient numbers to result in
104 10 total licenses issued under this subparagraph, while
105 accounting for the number of licenses issued under sub-
106 subparagraphs a. and b.

107 3. For up to two of the licenses issued under subparagraph
108 2., the department shall give preference to applicants that
109 demonstrate in the ~~their~~ applications ownership of ~~that they own~~
110 one or more facilities that are, or were, used for the canning,
111 concentrating, or otherwise processing of citrus fruit or citrus
112 molasses and that will be used ~~use~~ or converted ~~convert~~ the
113 ~~facility or facilities~~ for the processing of marijuana.

114 4. Within 6 months after the registration of 100,000 active
115 qualified patients in the medical marijuana use registry, the
116 department shall license four additional medical marijuana

5-00894-23

2023548__

117 treatment centers that meet the requirements of this section.
118 Thereafter, the department shall license four medical marijuana
119 treatment centers within 6 months after the registration of each
120 additional 100,000 active qualified patients in the medical
121 marijuana use registry that meet the requirements of this
122 section.

123 (b) An applicant for licensure as a medical marijuana
124 treatment center shall apply to the department on a form
125 prescribed by the department and adopted in rule. The department
126 shall adopt rules pursuant to ss. 120.536(1) and 120.54
127 establishing a procedure for the issuance and biennial renewal
128 of licenses, including initial application and biennial renewal
129 fees sufficient to cover the costs of implementing and
130 administering this section, and establishing supplemental
131 licensure fees for payment beginning May 1, 2018, sufficient to
132 cover the costs of administering ss. 381.989 and 1004.4351. The
133 department shall identify applicants with strong diversity plans
134 reflecting this state's commitment to diversity and implement
135 training programs and other educational programs to enable
136 minority persons and minority business enterprises, as defined
137 in s. 288.703, and veteran business enterprises, as defined in
138 s. 295.187, to compete for medical marijuana treatment center
139 licensure and contracts. Subject to the requirements in
140 subparagraphs (a)2.-4., the department shall issue a license to
141 an applicant if the applicant meets the requirements of this
142 section and pays the initial application fee. The department
143 shall renew the licensure of a medical marijuana treatment
144 center biennially if the licensee meets the requirements of this
145 section and pays the biennial renewal fee. However, the

5-00894-23

2023548__

146 department may not renew the license of a medical marijuana
147 treatment center that has not begun to cultivate, process, and
148 dispense marijuana by the date that the medical marijuana
149 treatment center is required to renew its license. An individual
150 may not be an applicant, owner, officer, board member, or
151 manager on more than one application for licensure as a medical
152 marijuana treatment center. An individual or entity may not be
153 awarded more than one license as a medical marijuana treatment
154 center. An applicant for licensure as a medical marijuana
155 treatment center must demonstrate:

156 1. That, for the 5 consecutive years before submitting the
157 application, the applicant has been registered to do business in
158 the state or has maintained a bona fide business in the
159 agriculture industry in the state.

160 2. Possession of a valid certificate of registration issued
161 by the Department of Agriculture and Consumer Services pursuant
162 to s. 581.131.

163 3. The technical and technological ability to cultivate and
164 produce marijuana, including, but not limited to, low-THC
165 cannabis.

166 4. The ability to secure the premises, resources, and
167 personnel necessary to operate as a medical marijuana treatment
168 center.

169 5. The ability to maintain accountability of all raw
170 materials, finished products, and any byproducts to prevent
171 diversion or unlawful access to or possession of these
172 substances.

173 6. An infrastructure reasonably located to dispense
174 marijuana to registered qualified patients statewide or

5-00894-23

2023548__

175 regionally as determined by the department.

176 7. The financial ability to maintain operations for the
177 duration of the 2-year approval cycle, including the provision
178 of certified financial statements to the department.

179 a. Upon approval, the applicant must post a \$5 million
180 performance bond issued by an authorized surety insurance
181 company rated in one of the three highest rating categories by a
182 nationally recognized rating service. However, a medical
183 marijuana treatment center serving at least 1,000 qualified
184 patients is only required to maintain a \$2 million performance
185 bond.

186 b. In lieu of the performance bond required under sub-
187 subparagraph a., the applicant may provide an irrevocable letter
188 of credit payable to the department or provide cash to the
189 department. If provided with cash under this sub-subparagraph,
190 the department shall deposit the cash in the Grants and
191 Donations Trust Fund within the Department of Health, subject to
192 the same conditions as the bond regarding requirements for the
193 applicant to forfeit ownership of the funds. If the funds
194 deposited under this sub-subparagraph generate interest, the
195 amount of that interest shall be used by the department for the
196 administration of this section.

197 8. That all owners, officers, board members, and managers
198 have passed a background screening pursuant to subsection (9).

199 9. The employment of a medical director to supervise the
200 activities of the medical marijuana treatment center.

201 10. A diversity plan that promotes and ensures the
202 involvement of minority persons and minority business
203 enterprises, as defined in s. 288.703, or veteran business

5-00894-23

2023548__

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

216 a. Representation of minority persons and veterans in the
217 medical marijuana treatment center's workforce;

218 b. Efforts to recruit minority persons and veterans for
219 employment; and

220 c. A record of contracts for services with minority
221 business enterprises and veteran business enterprises.

222 Section 2. This act shall take effect July 1, 2023.