

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2014

Bill Number: H.813 Name of Bill: An act relating to the regulation of medical marijuana dispensaries

Agency/Dept: DPS/CJS/VCIC Author of Bill Review: Jeffrey Wallin

Date of Bill Review: 2/6/2014 Status of Bill: (check one):

Upon Introduction As passed by 1st body As passed by both bodies

Recommended Position:

Support Oppose Remain Neutral Support with modifications identified in # 8 below

Analysis of Bill

- 1. Summary of bill and issue it addresses.** *Describe what the bill is intended to accomplish and why.*
Please note this bill is functionally similar to S.247 and this review will focus on areas where H.813 differ from S.247 as negotiated between DPS/Advocates/Dispensaries (S.247 V 2.2).
The bill makes several technical and programmatic changes to the Vermont Marijuana Program including patient/caregiver requirements and operating requirements for dispensaries.
- 2. Is there a need for this bill?** *Please explain why or why not.*
The statute(s) governing patients, caregivers and dispensaries were crafted without the benefit of an existing Vermont-based program. This bill seeks to make several significant changes to the program based upon feedback from the patient community and marijuana dispensaries.
- 3. What are likely to be the fiscal and programmatic implications of this bill for this Department?**
Multiple fiscal and programmatic implications exist for the Department in this bill, specifically the Marijuana Registry. In order to successfully implement the required changes an updated MR Database would be required, including both technology and process costs. A broadening of the allowable conditions (adding PTSD and ALS along with opening up the conditions clause) would increase the pool of qualified patients and thus drive additional administrative workload. Furthermore, allowing patients from out-of-state to bypass the six month provider-patient relationship requirement would potentially drive additional patients to the VT registry. Also, shifting the burden of determining the number of allowable dispensaries and allowing delivery to patients/caregivers without specific legislative guidance would place a significant programmatic and policy burden upon the Department.
- 4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?**
The bill in question has language which would affect dispensaries and their status as exempt from taxes imposed by 32 V.S.A. §§ 5822 and 5832. Based upon testimony given during Senate hearings it is reasonable to assume that the Department of Taxes would not oppose this language. The proposed changes would also likely require an updated database to be utilized by the registry, involving the Department of Information and Innovation.
- 5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it?** *(for example, public, municipalities, organizations, business, regulated entities, etc)*
There are several items within this bill that would impact marijuana dispensaries throughout the state: changes to tax status, ability to deliver product to patients, ability to provide service to multiple patients at once, increase the amount of product they may maintain per patient, increase qualifying conditions (PTSD, ALS) and removal of audit requirements. These would each likely prove financially beneficial to the dispensaries. For patients this bill would

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add features above (such as access to delivery and increased qualifying conditions) and remove the requirement for applications to be notarized, easing the application process. Additionally due to changes in the qualifying language (severe, persistent OR intractable) a significant increase in allowable conditions may result. Additionally the allowance of delivery has the potential to create conflict between municipalities that have effectively banned dispensaries and the state allowing for delivery to the same municipalities.

6. Other Stakeholders:

6.1 Who else is likely to support the proposal and why?

Dispensaries, Patients, Caregivers, Community Health Advocates (especially those related to long-term care and critical illnesses such as MS, Cancer and AIDS/HIV), Mental Health Advocates (especially those working with PTSD and similar conditions)

6.2 Who else is likely to oppose the proposal and why?

Community Health Advocates (especially those related to addiction), Local Law Enforcement, Federal Law Enforcement

7. Rationale for recommendation: *Justify recommendation stated above.*

Significant changes were made through collaboration/compromise on S.247, which deals with similar primary issues.

8. Specific modifications that would be needed to recommend support of this bill: *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

As a way of contrasting H.813 as introduced to S.247 (V 2.2) as issued with favorable report please see the primary areas where these bills differ below:

H.318 – Waives the 6 month provider relationship clause for Veterans with PTSD and for individuals with a valid marijuana card from another jurisdiction (Page 2 Line 13)

H.318 – Contains language allowing PTSD and ALS as qualifying conditions (Page 3 Line 3)

*H.318 – Replaces **and** with **or** in relation to requiring severe, persistent and intractable symptoms (Page 3 Line 10)*

H.318 – Naturopathic Physician does not require special license endorsement (Page 3 Line 15)

H.318 – Removes notarization requirement and photograph requirement (Page 8 Line 12)

H.318 – Limits criminal history look back to 10 years (Page 9 Line 10)

S.247 – Allows DPS to create rules for caregiver criminal history review (Page 2 Line 12)

H.318 – Higher mature, immature and useable marijuana limits (Page 11 Line 8)

S.247 – Sets usable marijuana at four ounces per patient (Page 6 Line 2)

H.318 – Allows for three patients to be served simultaneously (Page 12 Line 16)

H.318 – Removes independent audit requirement (Page 13 Line 6)

S.247 – Sets independent audit to biennial (Page 7 Line 10)

S.247 – Contains adjustment to fees for dispensaries during audit cycles (Page 9 Line 11)

H.318 – Allows DPS to determine number of dispensaries (Page 14 Line 11)

S.247 – Sets dispensary cap to 6 (Page 8 Line 19)

H.318 – Allows for patient cultivation and dispensary usage (Page 14 Line 16)



Secretary/Commissioner has reviewed this document

Date: 2/11/14

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