

Summary of Negotiations & Strike-Below Amendment to:
HB 1234 – MJ Delivery

This bill is the result of years of work and negotiations with MJ industry members, public safety entities, the Marijuana Enforcement Division and the Office of the Governor. Many of the concerns raised this year were new compared to prior years but we made many changes to address those concerns which included:

- **A phased-in approach of allowing Medical MJ delivery to consumers beginning in 2020, and progressing to delivery of recreational MJ beginning in 2021.**
[Requested by MIG, LiveWell, Native Roots, Governor]
- **Funding of \$1 per delivery to be dedicated to local law enforcement needs as voiced by public safety representatives for several years.**
[Resource restraints were voiced by State Patrol, Chiefs of Police & Sheriffs]
- **Allowing for delivery from facilities that are attached to a center or store. This benefits smaller stores that may not have all of their inventory on-site.**
[Requested by Cannabis Biz Alliance, Cannabis Manufacturers Assoc, and 1906]
- **A one year delay of delivery from a transporter licensee to give time for centers & stores to implement delivery through their own employees.**
[Requested by MIG, LiveWell, Medicine Man]
- **Opt-in for local jurisdictions and prohibition of delivery across jurisdictional lines so that local jurisdictions have an affirmative choice to allow for delivery.**
[Requested by CML, CCI, Chiefs of Police & TGS]
- **A clarification on the use of a 3rd party technology application by a customer.**
[Requested by TGS]
- **A requirement for surveillance to be included in delivery vehicles.**
[Requested by TGS]
- **Requiring confidentiality of information on delivery drivers.**
[Requested by MIG]
- **Ability to use other forms of payment including pre-payment accounts and gift cards.**
[Requested by Medicine Man]
- **Many other technical regulatory authority changes.**
[Requested by MJ Enforcement Division]

Summary of Strike-Below Amendment [L016] to HB 1234 (MJ Delivery)

Pediatric Patients:

The language allows parents of medical cannabis patients to have medical cannabis delivered on their child's behalf.

- As introduced, the bill only allows persons medical marijuana patients over the age of 21 to have marijuana delivered. This means that the parent of a pediatric patient, or a parent still considered the guardian of their adult-child, would not be able to obtain medical marijuana on their behalf via delivery.
- The amendment would address this gap by authoring the delivery of medical marijuana to the patient's parent.
- Notwithstanding the amendment, patients under the age of 21 will **NOT** be permitted to obtain delivery of medical marijuana on their own.

Payments for delivery:

This language clarifies that the Marijuana Enforcement Division (MED) will adopt regulations governing permissible forms of payment, including the use of prepayment accounts. It also clarifies that licensees can use prepayment accounts and gift cards with customers to help implement a cashless delivery system and promote customer loyalty.

Opt-in for Local Jurisdictions

This language provides that the decision to allow for delivery be affirmatively made by a municipality, county, or city and county by ordinance or resolution and only in municipalities that have opted in to medical (for medical delivery) and retail (for recreational delivery). The ordinance or resolution may allow for deliveries to originate from licensed stores or centers from outside the municipality or county that have received local approval to deliver.

It also prohibits delivery outside of the jurisdiction in which the permit is issued unless the municipality or county allows delivery from outside of its jurisdiction.

Online App Language:

This language addresses technology applications that a store or center may decide to use for the purposes of delivery. The amendment states that an online platform shall make aware the identity of the licensed Medical or Retail MJ store that shall fulfill the delivery of the order to a customer, prior to the completion of any transaction through said platform.

Delay of Delivery by Those with Transporter Licenses:

This language provides for a delay of one year (beginning 2021) for medical MJ centers or any retail MJ stores to make deliveries through entities that hold a medical MJ transporter license or retail MJ license.

Surveillance on delivery vehicles

The language requires that surveillance equipment be on vehicles used during deliveries.

Technical Changes Requested by the MJ Enforcement Division (MED) as follows:

Rulemaking authority for permit qualifications and eligibility – when promulgating rules for qualifications and eligibility, the Department is likely to propose a rule disqualifying any applicant that was subject to findings of an unauthorized sale (to an unregistered patient or person under 21) in the year prior to the permit application. The amendment clarifies that intent.

Rulemaking authority for delivery vehicles – includes rulemaking authority regarding delivery vehicle requirements, including but not limited to requirements for location and vehicle tracking, security, and surveillance.

Confidentiality – includes confidentiality requirements for persons delivering products.

Local licensing procedures – includes technical edits for local licensing procedures.

“Registered medical marijuana card holder” – makes changes to term “patient” to be consistent throughout the bill.

Delivery from authorized storage facilities – further defines “Authorized Storage Facility” and allows for additional rulemaking authority to define in rule.

“Associated License” – Clarifies an “associated license.”

One permit for “identically owned” medical marijuana centers/stores – clarifies that one permit is allowed for identically owned centers or stores.

Deliveries no more than once per day to the same patient – clarifies that delivery be limited to no more than once per day to the same patient OR residence.

Inventory tracking, transportation, and packaging and labeling requirements apply to delivery – Clarifies that MED will have rulemaking authority on inventory tracking, transportation, and packaging and labeling requirements.

“Or such person in the process of renewing the permit” –Aligns language with current APA language.

“Personnel” - for clarity, replace “licensees” or add “licensed” before “personnel”.

Reports by the State Licensing Authority -

Current law authorizes the State Licensing Authority to provide information for a state or local law enforcement purpose. However, MED recommended defining “reports” (e.g. complaints, final agency orders, investigative reports, etc.) to ensure the Department can establish needed records management and tracking and defining “promptly” to ensure Department compliance.

State Licensing Authority reports to the General Assembly - For purposes of resource efficiencies, reduced the issuance to only one report rather than two separate reports.

What would marijuana delivery look like under this bill?

- Medical Marijuana would be available for delivery in 2020 and Retail beginning in 2021
- Only Medical Marijuana Centers (MMC) and Retail Marijuana Stores (RMS) will be able to accept delivery orders and sell marijuana for delivery
- Transporters will be able to provide “last mile” services beginning in 2021
- Who can get delivery?
 - Patient’s over the age of 21
 - Parents or guardians, who are also the primary caregivers for a patient
 - Adults, 21 and over (after 2021)
- Online ordering services will be required to inform the buyer of the MMC and RMS prior to completing the transaction.
- The bill contains extensive public safety regulations:
 - Mandatory training and occupational licensing requirements
 - Prohibition on placing inventory in a vehicle prior to receiving an order
 - Restricts on multiple deliveries in a single day and only to private residences
 - Identification confirmation during the order and delivery
 - Requirements for regulations, including security, vehicles, record keeping, inventory tracking, hours, and payment methods

Quick Summary:

- General rulemaking authority
 - Section 1: Medical Marijuana
 - Section 2: Retail Marijuana
- Local Government Licensing
 - Section 3: Medical Marijuana
 - Section 4: Retail Marijuana
- Specific Requirements for Licensees
 - Section 5: Medical Marijuana Centers
 - Section 6: Retail Marijuana Stores
 - Section 7: Medical Marijuana Transporters
 - Section 8: Retail Marijuana Transporters
 - Section 9: Responsible Vendor Training