

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2201

Introduced by

Senators Meyer, Cleary, K. Roers

Representatives Dockter, Mock, O'Brien

1 A BILL for an Act to amend and reenact subdivision a of subsection 2 of section 19-24.1-03,
2 subsection 3 of section 19-24.1-04, subdivision a of subsection 1 of section 19-24.1-14,
3 sections 19-24.1-15 and 19-24.1-16, subsection 2 of section 19-24.1-18, subdivision a of
4 subsection 3 of section 19-24.1-18, and subsection 1 of section 19-24.1-24 of the North Dakota
5 Century Code, relating to medical marijuana certification and application fees; and to provide for
6 a legislative management study regarding the administrative costs of medical marijuana
7 compassion center certification and the impact of those costs on patients.

8 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

9 **SECTION 1. AMENDMENT.** Subdivision a of subsection 2 of section 19-24.1-03 of the
10 North Dakota Century Code is amended and reenacted as follows:

11 a. A nonrefundable application fee in an amount not to exceed ~~fifty~~twenty-five
12 dollars.

13 **SECTION 2. AMENDMENT.** Subsection 3 of section 19-24.1-04 of the North Dakota
14 Century Code is amended and reenacted as follows:

15 3. Except as provided in section 19-24.1-04.1, a criminal history record check conducted
16 under section 12-60-24 must be performed upon initial application and biennially
17 thereafter and at any other time upon the request of the department. All fees
18 associated with the criminal history record check must be paid by the
19 ~~applicant~~department.

20 **SECTION 3. AMENDMENT.** Subdivision a of subsection 1 of section 19-24.1-14 of the
21 North Dakota Century Code is amended and reenacted as follows:

22 a. A nonrefundable application fee, not to exceed ~~five thousand~~three thousand five
23 hundred dollars, made payable to the "North Dakota Department of Health and
24 Human Services, Medical Marijuana Program".

1 **SECTION 4. AMENDMENT.** Section 19-24.1-15 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **19-24.1-15. Compassion centers - Registration.**

4 1. Upon receipt of notification by the department a compassion center application is
5 eligible for registration, the applicant shall submit all of the following additional items to
6 the department to qualify for registration:

7 a. A certification fee, made payable to the "North Dakota Department of Health and
8 Human Services, Medical Marijuana Program", in an amount not to exceed
9 ~~ninety-sixty-five~~ thousand dollars for a dispensary and ~~one hundred teneighty~~
10 thousand dollars for a manufacturing facility.

11 b. A financial assurance or security bond to ensure the protection of the public
12 health and safety and the environment in the event of abandonment, default, or
13 other inability or unwillingness to meet the requirements of this chapter.

14 c. The physical address of the proposed compassion center; confirmation the
15 information in the application regarding the physical location of the proposed
16 compassion center has not changed, and if the information has changed the
17 department shall determine whether the new information meets the requirements
18 of this chapter; and a current certificate of occupancy, or equivalent document, to
19 demonstrate compliance with the provisions of state and local fire code for the
20 physical address of the proposed compassion center. It is not necessary for an
21 applicant to resubmit any information provided in the initial application unless
22 there has been a change in that information.

23 d. An update to previously submitted information, including information about
24 compassion center agents and compliance with section 19-24.1-18.

25 2. If an applicant complies with subsection 1, the department shall issue the applicant a
26 registration certificate.

27 **SECTION 5. AMENDMENT.** Section 19-24.1-16 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **19-24.1-16. Compassion centers - Renewal.**

30 1. A compassion center registration certificate expires two years after issuance. A
31 compassion center may submit a renewal application at any time beginning ninety

1 calendar days before the expiration of the registration certificate. A compassion center
2 shall submit a renewal application a minimum of sixty calendar days before the
3 expiration of the registration certificate to avoid suspension of the certificate.

4 2. The department shall approve a compassion center's renewal application within sixty
5 calendar days of submission, if the following conditions are satisfied:

- 6 a. The compassion center submits a renewal fee, in an amount not to exceed
7 ~~ninety-sixty-five~~ thousand dollars for a dispensary and ~~one hundred teneighty~~
8 thousand dollars for a manufacturing facility, which the department shall refund if
9 the department rejects the renewal application;
- 10 b. The compassion center submits a complete renewal application;
- 11 c. The department has at no time suspended the compassion center's registration
12 for violation of this chapter;
- 13 d. Inspections conducted under this chapter do not raise any serious concerns
14 about the continued operation of the compassion center; and
- 15 e. The compassion center continues to meet all the requirements for the operation
16 of a compassion center as set forth in this chapter and rules adopted under this
17 chapter.

18 3. If a compassion center does not meet the requirements for renewal, the department
19 may not issue a registration certificate and the department shall provide the
20 compassion center with written notice of the determination. If a compassion center's
21 certificate is not renewed, the compassion center shall dispose all marijuana and
22 usable marijuana in accordance with rules adopted under this chapter.

23 **SECTION 6. AMENDMENT.** Subsection 2 of section 19-24.1-18 of the North Dakota
24 Century Code is amended and reenacted as follows:

- 25 2. To qualify to be issued a registry identification card, each compassion center agent
26 must be at least twenty-one years of age and shall submit all of the following registry
27 identification card application material to the department:
- 28 a. A photographic copy of the agent's department-approved identification. The agent
29 shall make the identification available for inspection and verification by the
30 department.
- 31 b. A recent two-by-two inch [5.08-by-5.08 centimeter] photograph of the agent.

- 1 c. A written and signed statement from an officer or executive staff member of the
- 2 compassion center stating the applicant is associated with the compassion center
- 3 and the capacity of the association.
- 4 d. The name, address, and telephone number of the agent.
- 5 e. The name, address, and telephone number of the compassion center with which
- 6 the agent is associated.
- 7 f. The agent's signature and the date.
- 8 g. A nonrefundable application or renewal fee ~~in~~not to exceed the amount of two
- 9 hundred dollars.

10 **SECTION 7. AMENDMENT.** Subdivision a of subsection 3 of section 19-24.1-18 of the
11 North Dakota Century Code is amended and reenacted as follows:

- 12 a. All applicable fees associated with the required criminal history record checks
- 13 must be paid by the ~~compassion center or the agent~~department.

14 **SECTION 8. AMENDMENT.** Subsection 1 of section 19-24.1-24 of the North Dakota
15 Century Code is amended and reenacted as follows:

- 16 1. A manufacturing facility shall grow an amount of marijuana sufficient to meet the
- 17 qualifying patient population demands. For every five hundred plants in excess of one
- 18 thousand plants a manufacturing facility possesses, the manufacturing facility shall
- 19 pay the department an additional certification fee of ~~ten thousand~~seven thousand five
- 20 hundred dollars. This fee is due at the time of increase and again at renewal of the
- 21 compassion center registration certificate under section 19-24.1-16.

22 **SECTION 9. LEGISLATIVE MANAGEMENT STUDY - COMPASSION CENTER**

23 **CERTIFICATION.** During the 2023-24 interim, the legislative management, in collaboration with
24 the department of health and human services, shall study the administrative costs involved in
25 certifying a compassion center. The study must include information on the amount and
26 frequency of certification fees, a description of additional costs associated with certification, an
27 explanation of how the department uses the certification fees once they are collected, a
28 recommendation of the best way to lower administrative costs while maintaining the integrity of
29 the department's medical marijuana program, and a prediction on whether the lowering of
30 administrative costs will help to lower consumer costs on medical marijuana purchased from a

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- 1 compassion center. The legislative management shall report its findings and recommendations
- 2 to the sixty-ninth legislative assembly.