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A GUIDE TO MISSOURI'S MEDICAL CANNABIS LAW

OVERVIEW

On November 6, 2018, Missouri voters passed Amendment 2. Amendment 2 amends the Missouri Constitution to allow state-licensed physicians to recommend medical marijuana to patients who could benefit from the drug. The initiative also imposes state restrictions on personal use and possession of medical cannabis, and also on growth and sale of medical cannabis by licensed, regulated facilities.

Amendment 2 imposes a four percent tax on sales. It is estimated that state tax revenues will generate \$20 million per year. The sale of medical cannabis is estimated to generate annual taxes and fees of \$18 million for state operating costs and veterans' programs, and \$6 million for local governments. Annual state operating costs are estimated to be around \$7 million to administer the program. The Missouri Veterans Commission will use this revenue for veterans' healthcare services, living expenses, housing and workforce development.

PATIENTS / PATIENT USE

"Qualified patients" may use medical cannabis if they have one of twenty qualifying medical conditions as defined in the constitution, or, "in the professional judgment of a physician, any other chronic, debilitating or other medical condition." This "catch-all" provision will allow patients with a wide variety of conditions to have access to medical cannabis. Patients and caregivers must apply for a state-issued medical marijuana identification card, and the Missouri Department of Health and Senior Services (DHSS) will make these application materials available before June 4, 2019.

Amendment 2 was also the only ballot initiative (of the three medical marijuana ballot initiatives) that allows patients to grow their own medical cannabis at home. Under Amendment 2, patients may pay a \$100 license fee to grow their own marijuana plants. Plants must be grown in a locked facility with patient/caregiver access only, and these at-home facilities may be inspected by the state.

LICENSURE REQUIREMENTS

DHSS is tasked with implementing Amendment 2. Amendment 2 authorizes DHSS to "grant or refuse state licenses and certifications for the cultivation, manufacture, dispensing, sale, testing, tracking, and transportation of marijuana." DHSS may revoke licenses and certifications if there is a violation of Amendment 2 and may impose administrative penalties authorized by Amendment 2 or any rule DHSS promulgates relating to the imposition of penalties. In the coming months DHSS will develop forms, certificates, licenses, identification cards and other applications necessary to implement this Amendment.

Amendment 2 authorizes three types of cannabis facilities—Cultivation Facilities, Dispensary Facilities, and Infused-Products Manufacturing Facilities—each with their own licensure requirements. A holder of any of the three types of facility licenses must be majority owned by natural persons who have been citizens of the state of Missouri for at least one year prior to application for a facility license. DHSS may grant no fewer than 24 Dispensary Facility licenses in each U.S. Congressional District (8 Districts). In addition, there must be at least one Cultivation Facility license granted per every 100,000 inhabitants, and one Marijuana-Infused Products Manufacturing Facility license per 70,000 inhabitants.



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TYPE OF FACILITY	LICENSURE REQUIREMENT	LICENSURE DURATION	RENEWABLE (Y/N)	APPLICATION FEE	ANNUAL FEE	LICENSURE LIMITATION PER ENTITY	AGGREGATE LICENSURE LIMITATION ¹
Medical Marijuana Cultivation Facility	Each operational facility must have its own license. A single facility may utilize multiple licenses	License is valid three years from date of issuance.	Yes, except for good cause.	\$10,000 per application or renewal within three years of effective date of Amendment 2. \$5,000 per application or renewal, thereafter	\$25,000 per license.	No more than three licenses per any entity under substantially common control, ownership or management.	No fewer than one license per every 100,000 inhabitants or any portion thereof, of the state of Missouri
Medical Marijuana Dispensary Facility	Each operational facility must have its own license.	License is valid three years from date of issuance.	Yes, except for good cause.	\$6,000 per application or renewal within three years of effective date of Amendment 2. \$3,000 per application or renewal, thereafter	\$10,000 per license.	No more than five licenses per any entity under substantially common control, ownership or management.	No fewer than 24 licenses in each U.S. Congressional District (8 Districts)
Medical Marijuana-Infused Products Manufacturing Facility	Each operational facility must have its own license.	License is valid three years from date of issuance.	Yes, except for good cause.	\$6,000 per application or renewal within three years of effective date of Amendment 2. \$10,000 per application or renewal, thereafter	\$10,000 per license.	No more than three licenses per any entity under substantially common control, ownership or management.	No fewer than one license per 70,000 inhabitants or any portion thereof, of the state of Missouri

¹ Future changes to the population of the state of Missouri shall not impact licensure requirements.



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TIMELINE

Amendment 2 will take effect December 6, 2018, thirty days after the November 6, 2018 election. Mo. Const. art. XII, sect. 2(b). Amendment 2 provides DHSS with strict timelines regarding implementation:

- By June 4, 2019, DHSS must publish license application forms and application instructions for Cultivation Facilities, Testing Facilities, Dispensaries, and Infused Products Manufacturing Facilities.
- By June 4, 2019, DHSS must also publish application forms and application instructions for Qualifying Patient identification cards, Qualifying Patient cultivation identification cards, and Primary caregiver identification cards.
- Before July 4, 2019, DHSS must begin accepting applications for the above-listed identification cards.
- By August 3, 2019, DHSS must begin accepting license and certification applications for Dispensary Facilities, Testing Facilities, Cultivation Facilities, Medical-Marijuana Infused Products Manufacturing Facilities, seed-to-sale tracking systems, and marijuana transportation. DHSS is required to respond to license applications within 150 days after submission.

POTENTIAL LEGISLATIVE ACTION

Amendment 2 prohibits elected officials from interfering directly or indirectly with DHSS's obligations to implement the provisions of Amendment 2. However, Amendment 2 does not limit the General Assembly from enacting laws that are consistent with Amendment 2 or otherwise effectuate patients' rights to access medical marijuana. The General Assembly may not enact laws that hinder the right of Qualifying Patients to access marijuana for medical use as provided by Amendment 2.

The Missouri General Assembly has a history of making changes to voter approved measures the General Assembly disagrees with.² Because Amendment 2 is a constitutional amendment rather than a statutory change, it will be substantially more difficult for the General Assembly to enact legislation mooted or otherwise undermining the Amendment. However, it is always possible there will be members of the General Assembly who will endeavor to tinker around the edges. Bill filing in the Missouri General Assembly officially opens on December 1. It is, therefore, important to monitor any potential legislative action that may affect Amendment 2.

² In 2011, the Missouri General Assembly passed legislation repealing a voter approved measure limiting "puppy mills." https://www.stltoday.com/news/local/govt-and-politics/missouri-legislature-passes-measure-to-weaken-prop-b/article_19122622-322a-5216-8d0e-7f541f9d06d8.html ; There is already discussion by members of the General Assembly about passing legislation limiting or repealing a 2018 voter approved measure called CLEAN Missouri.

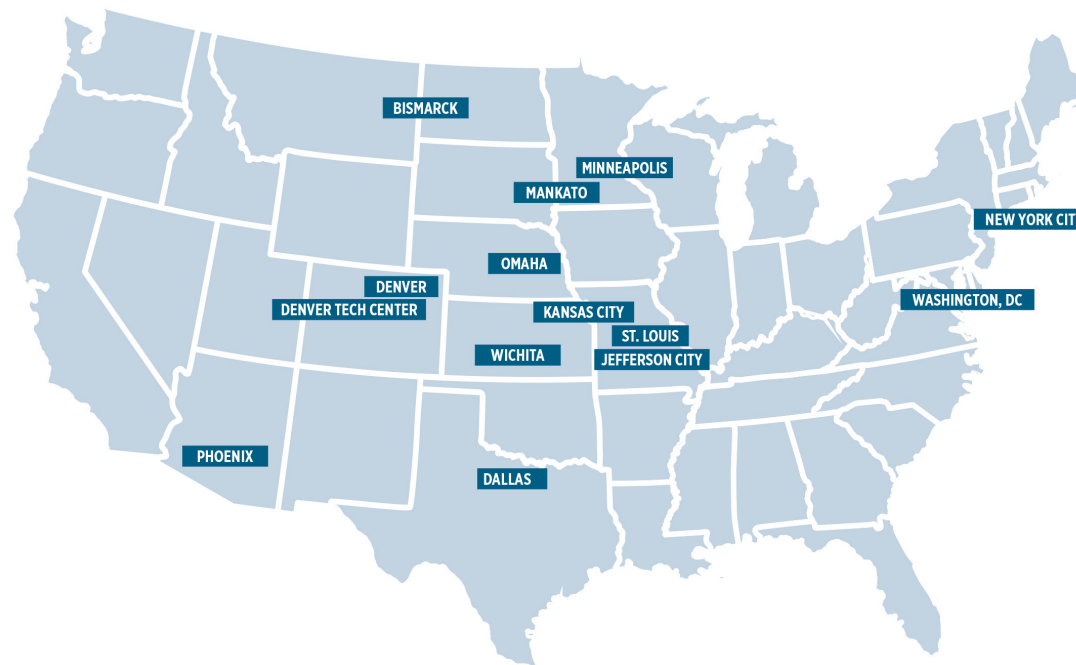


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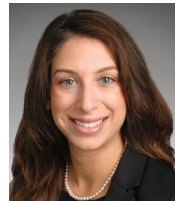
Stinson Leonard Street LLP is a national law firm with 14 offices across the United States. Stinson's lawyers assist their corporate and individual clients through virtually all aspects of the complex legal issues they face. Stinson's cannabis practice consists of lawyers with significant experience in advising clients in all aspects of the cannabis industry. For more information on Amendment 2 or other cannabis legal questions, please contact Zane Gilmer, Alixandra Cossette, Alexis Gabrielson, or the Stinson lawyer with whom you typically work.



CONTACTS



ZANE GILMER
Denver, CO
303.376.8416
zane.gilmer@stinson.com



ALIXANDRA COSSETTE
Jefferson City, MO
573.556.3612
alixandra.cossette@stinson.com



ALEXIS GABRIELSON
St. Louis, MO
314.259.4054
alexis.gabrielson@stinson.com