

WEST VIRGINIA LEGISLATURE

2019 REGULAR SESSION

ENROLLED

Committee Substitute

for

House Bill 2079

BY DELEGATES PUSHKIN, HILL, LAVENDER-BOWE, BATES

AND C. THOMPSON

[Passed March 9, 2019; in effect from passage.]

1 AN ACT to amend and reenact §16A-2-1 of the Code of West Virginia, 1931, as amended; to
2 amend and reenact §16A-4-3 of said code; to amend and reenact §16A-6-3 of this code;
3 to amend and reenact §16A-6-13 of said code; to amend and reenact §16A-7-4 of said
4 code; to amend and reenact §16A-8-1 of said code; to amend and reenact §16A-9-1 of
5 said code; to amend said code by adding thereto two new sections, designated §16A-9-3
6 and §16A-9-4; to amend and reenact §16A-10-6 of said code; to amend and reenact §16A-
7 11-1 of said code; to amend said code by adding thereto a new section, designated §16A-
8 15-10; and to amend and reenact §16A-16-1 of said code, all relating generally to medical
9 cannabis; defining terms; modifying certain definitions; modifying conditions for issuance
10 of patient certifications; expanding practitioner reporting requirements; defining resident
11 for purposes of the act; requiring that state residents own a majority of business entities
12 applying for medical cannabis organization permits; removing regional distribution
13 requirements for growers, processors, and dispensaries; establishing criteria for choosing
14 the locations of dispensary permittees; requiring the Bureau for Public Health to adopt fair
15 and objective evaluation procedures in choosing permittees; requiring numeric scoring of
16 applications; increasing the maximum number of dispensary permits; increasing the
17 number of dispensary permits a person or entity may hold; authorizing persons or entities
18 to hold grower, processor and dispensary permits; authorizing the bureau to oversee
19 testing of medical cannabis; granting a preference to the Department of Agriculture to
20 perform medical cannabis testing; directing that fees for testing of medical cannabis
21 received by the Department of Agriculture be deposited in the Agriculture Feed Fund;
22 authorizing the bureau to contract with persons or entities other than the Department of
23 Agriculture for testing of medical cannabis; removing the requirement that dispensaries
24 have a physician or pharmacist onsite; modifying tax rates and tax procedures related to
25 medical cannabis organizations; authorizing the electronic filing with the Tax
26 Commissioner; directing tax proceeds to be deposited in the Medical Cannabis Program

27 Fund; clarifying applicability of the West Virginia Tax Procedure and Administration Act
28 and the West Virginia Tax Crimes and Penalties Act apply to medical cannabis operations;
29 extending the authority of the bureau to adopt emergency rules until July 1, 2021; adding
30 two osteopathic physicians appointed by the West Virginia Osteopathic Association to the
31 Medical Cannabis Advisory Board; immunizing state officials and employees from causes
32 of action in their personal capacities for actions taken to implement the act; limiting any
33 type of recovery to proceeds of available insurance; obligating the state to defend and
34 indemnify state officials and employees against one type of action brought against them
35 for implementing the act; authorizing pre-certification of patients; maintaining restriction
36 that patient certificates may not be issued until July 1, 2019; and incorporating certain tax
37 offenses and penalties by reference.

Be it enacted by the Legislature of West Virginia:

ARTICLE 2. DEFINITIONS.

§16A-2-1. Definitions.

1 (a) The following words and phrases when used in this chapter shall have the meanings
2 given to them in this section unless the context clearly indicates otherwise:

3 (1) "Act" means the West Virginia Medical Cannabis Act and the provisions contained in
4 §60A-1-101 *et seq.* of this code.

5 (2) "Advisory board" means the advisory board established under §16A-11-1 *et seq.* of
6 this chapter.

7 (3) "Bureau" means the Bureau for Public Health within the West Virginia Department of
8 Health and Human Resources.

9 (4) "Caregiver" means the individual designated by a patient or, if the patient is under 18
10 years of age, an individual authorized under §16A-5-1 *et seq.* of this code, to deliver medical
11 cannabis.

12 (5) "Certified medical use" means the acquisition, possession, use, or transportation of
13 medical cannabis by a patient, or the acquisition, possession, delivery, transportation, or
14 administration of medical cannabis by a caregiver, for use as part of the treatment of the patient's
15 serious medical condition, as authorized in a certification under this act, including enabling the
16 patient to tolerate treatment for the serious medical condition.

17 (6) "Change in control" means the acquisition by a person or group of persons acting in
18 concert of a controlling interest in an applicant or permittee either all at one time or over the span
19 of a 12-consecutive-month period.

20 (7) "Commissioner" means the Commissioner of the Bureau for Public Health.

21 (8) "Continuing care" means treating a patient, in the course of which the practitioner has
22 completed a full assessment of the patient's medical history and current medical condition,
23 including an in-person consultation with the patient, and is able to document and make a medical
24 diagnosis based upon the substantive treatment of the patient.

25 (9) "Controlling interest" means:

26 (A) For a publicly traded entity, voting rights that entitle a person to elect or appoint one
27 or more of the members of the board of directors or other governing board or the ownership or
28 beneficial holding of five percent or more of the securities of the publicly traded entity.

29 (B) For a privately held entity, the ownership of any security in the entity.

30 (10) "Dispensary" means a person, including a natural person, corporation, partnership,
31 association, trust, or other entity, or any combination thereof, which holds a permit issued by the
32 bureau to dispense medical cannabis. The term does not include a health care medical cannabis
33 organization as defined in §16A-13-1 *et seq.* of this code.

34 (11) "Family or household member" means the same as defined in §48-27-204 of this
35 code.

36 (12) "Financial backer" means an investor, mortgagee, bondholder, note holder, or other
37 source of equity, capital, or other assets, other than a financial institution.

38 (13) “Financial institution” means a bank, a national banking association, a bank and trust
39 company, a trust company, a savings and loan association, a building and loan association, a
40 mutual savings bank, a credit union, or a savings bank.

41 (14) “Form of medical cannabis” means the characteristics of the medical cannabis
42 recommended or limited for a particular patient, including the method of consumption and any
43 particular dosage, strain, variety and quantity, or percentage of medical cannabis or particular
44 active ingredient.

45 (15) “Fund” means the Medical Cannabis Program Fund established in §16A-9-2 of this
46 code.

47 (16) “Grower” means a person, including a natural person, corporation, partnership,
48 association, trust or other entity, or any combination thereof, which holds a permit from the bureau
49 under this act to grow medical cannabis. The term does not include a health care medical
50 cannabis organization as defined in article thirteen this chapter.

51 (17) “Grower/processor” means either a grower or a processor.

52 (18) “Identification card” means a document issued under §16A-5-1 *et seq.* of this code
53 that authorizes access to medical cannabis under this act.

54 (19) “Individual dose” means a single measure of medical cannabis.

55 (20) “Medical cannabis” means cannabis for certified medical use as set forth in this act.

56 (21) “Medical cannabis organization” means a dispensary, grower or processor. The term
57 does not include a health care medical cannabis organization as defined in §16A-13-1 *et seq.* of
58 this code.

59 (22) “Patient” means an individual who:

60 (A) Has a serious medical condition;

61 (B) Has met the requirements for certification under this act; and

62 (C) Is a resident of this state.

63 (23) "Permit" means an authorization issued by the bureau to a medical cannabis
64 organization to conduct activities under this act.

65 (24) "Physician" or "practitioner" means a doctor of allopathic or osteopathic medicine who
66 is fully licensed pursuant to the provisions of either §30-3-1 *et seq.* or §30-14-1 *et seq.* of this
67 code to practice medicine and surgery in this state.

68 (25) "Post-traumatic stress disorder" means a diagnosis made as part of continuing care
69 of a patient by a medical doctor, licensed counselor, or psychologist.

70 (26) "Prescription drug monitoring program" means the West Virginia Controlled
71 Substances Monitoring program under §60A-9-101 *et seq.* of this code.

72 (27) "Principal" means an officer, director, or person who directly owns a beneficial interest
73 in or ownership of the securities of an applicant or permittee, a person who has a controlling
74 interest in an applicant or permittee or who has the ability to elect the majority of the board of
75 directors of an applicant or permittee or otherwise control an applicant or permittee, other than a
76 financial institution.

77 (28) "Processor" means a person, including a natural person, corporation, partnership,
78 association, trust, or other entity, or any combination thereof, which holds a permit from the bureau
79 under this act to process medical cannabis. The term does not include a health care medical
80 cannabis organization as defined in §16A-13-1 *et seq.* of this chapter.

81 (29) "Registry" means the registry established by the bureau for practitioners.

82 (30) "Serious medical condition" means any of the following, as has been diagnosed as
83 part of a patient's continuing care:

84 (A) Cancer.

85 (B) Positive status for human immunodeficiency virus or acquired immune deficiency
86 syndrome.

87 (C) Amyotrophic lateral sclerosis.

88 (D) Parkinson's disease.

89 (E) Multiple sclerosis.

90 (F) Damage to the nervous tissue of the spinal cord with objective neurological indication
91 of intractable spasticity.

92 (G) Epilepsy.

93 (H) Neuropathies.

94 (I) Huntington's disease.

95 (J) Crohn's disease.

96 (K) Post-traumatic stress disorder.

97 (L) Intractable seizures.

98 (M) Sickle cell anemia.

99 (N) Severe chronic or intractable pain of neuropathic origin or severe chronic or intractable
100 pain.

101 (O) Terminally ill.

102 (32) "Terminally ill" means a medical prognosis of life expectancy of approximately one
103 year or less if the illness runs its normal course.

ARTICLE 4. PRACTITIONERS.

§16A-4-3. Issuance of certification.

1 (a) *Conditions for issuance.* — A certification to use medical cannabis may be issued by
2 a practitioner to a patient if all of the following requirements are met:

3 (1) The practitioner has been approved by the bureau for inclusion in the registry and has
4 a valid, unexpired, unrevoked, unsuspended license to practice medicine in this state at the time
5 of the issuance of the certification.

6 (2) The practitioner has determined that the patient has a serious medical condition and
7 has included the condition in the patient's health care record.

8 (3) The patient is under the practitioner's continuing care for the serious medical condition.

9 (4) In the practitioner's professional opinion and review of past treatments, the practitioner
10 determines the patient is likely to receive therapeutic or palliative benefit from the use of medical
11 cannabis.

12 (5) The practitioner has determined that the patient has no past or current medical
13 condition(s) or medication use that would constitute a contraindication for the use of cannabis.

14 (6) The practitioner has determined that the patient is experiencing serious
15 pathophysiological discomfort, disability, or dysfunction that may be attributable to a serious
16 medical condition and may possibly benefit from cannabis treatment when current medical
17 research exhibits a moderate or higher probability of efficacy; and

18 (7) The practitioner has educated the patient about cannabis and its safe use.

19 (b) *Contents.* — The certification shall include:

20 (1) The patient's name, date of birth, and address.

21 (2) The specific serious medical condition of the patient.

22 (3) A statement by the practitioner that the patient has a serious medical condition and the
23 patient is under the practitioner's continuing care for the serious medical condition.

24 (4) The date of issuance.

25 (5) The name, address, telephone number, and signature of the practitioner.

26 (6) Any requirement or limitation concerning the appropriate form of medical cannabis and
27 limitation on the duration of use, if applicable, including whether the patient is terminally ill.

28 (7) A statement by the practitioner attesting that he or she has performed the requirements
29 contained in subsection (a) of this section on a form to be issued by the West Virginia Department
30 of Health and Human Resources, Bureau for Public Health.

31 (c) *Consultation.* —

32 (1) A practitioner shall review the prescription drug monitoring program prior to:

33 (A) Issuing a certification to determine the controlled substance history of a patient.

34 (B) Recommending a change of amount or form of medical cannabis.

35 (2) The practitioner shall consider and give due consideration to other controlled
36 substances the patient may be taking prior to certifying medical cannabis.

37 (d) *Other access by practitioner.* — A practitioner may access the prescription drug
38 monitoring program to do any of the following:

39 (1) Determine whether a patient may be under treatment with a controlled substance by
40 another physician or other person.

41 (2) Allow the practitioner to review the patient’s controlled substance history as deemed
42 necessary by the practitioner.

43 (3) Provide to the patient, or caregiver, on behalf of the patient if authorized by the patient,
44 a copy of the patient’s controlled substance history.

45 (e) *Duties of practitioner.* — The practitioner shall:

46 (1) Provide the certification to the patient.

47 (2) Provide a copy of the certification to the bureau, which shall place the information in
48 the patient directory within the bureau’s electronic database. The bureau shall permit electronic
49 submission of the certification.

50 (3) File a copy of the certification in the patient’s health care record.

51 (f) *Prohibition.* — A practitioner may not issue a certification for the practitioner’s own use
52 or for the use of a family or household member.

ARTICLE 6. MEDICAL CANNABIS ORGANIZATIONS.

§16A-6-3. Granting of permit.

1 (a) The bureau may grant or deny a permit to a grower, processor, or dispensary. In
2 making a decision under this subsection, the bureau shall determine that:

3 (1) The applicant will maintain effective control of and prevent diversion of medical
4 cannabis.

5 (2) The applicant will comply with all applicable laws of this state.

6 (3) The applicant is a resident of this state as defined in §29-22B-327 of this code or is
7 organized under the law of this state. If the applicant is a business entity, majority ownership in
8 the business entity must be held by a state resident or residents.

9 (4) The applicant is ready, willing, and able to properly carry on the activity for which a
10 permit is sought.

11 (5) The applicant possesses the ability to obtain in an expeditious manner sufficient land,
12 buildings, and equipment to properly grow, process, or dispense medical cannabis.

13 (6) It is in the public interest to grant the permit.

14 (7) The applicant, including the financial backer or principal, is of good moral character
15 and has the financial fitness necessary to operate.

16 (8) The applicant is able to implement and maintain security, tracking, recordkeeping, and
17 surveillance systems relating to the acquisition, possession, growth, manufacture, sale, delivery,
18 transportation, distribution, or the dispensing of medical cannabis as required by the bureau.

19 (9) The applicant satisfies any other conditions as determined by the bureau.

20 (b) *Nontransferability.* — A permit issued under this chapter shall be nontransferable.

21 (c) *Privilege.* — The issuance or renewal of a permit shall be a revocable privilege.

22 (d) *Dispensary location.* — The bureau shall consider the following when issuing a
23 dispensary permit:

24 (1) Geographic location;

25 (2) Regional population;

26 (3) The number of patients suffering from serious medical conditions;

27 (4) The types of serious medical conditions;

28 (5) Access to public transportation;

29 (6) Approval by local health departments;

30 (7) Whether the county has disallowed the location of a grower, processor or dispensary;

31 and

32 (8) Any other factor the bureau deems relevant.

33 (e) *Application procedure.* — The bureau shall establish a procedure for the fair and
34 objective evaluation of all applications for all medical cannabis organization permits. Such
35 evaluations shall score each applicant numerically according to standards set forth in this chapter.

§16A-6-13. Limitations on permits.

1 (a) The following limitations apply to approval of permits for growers, processors, and
2 dispensaries, subject to the limitations in subsection (b) of this section:

3 (1) The bureau may not issue permits to more than 10 growers: *Provided*, That each
4 grower may have up to two locations per permit.

5 (2) The bureau may not issue permits to more than 10 processors.

6 (3) The bureau may not issue permits to more than 100 dispensaries.

7 (4) The bureau may not issue more than 10 individual dispensary permits to one person.

8 (5) The bureau may not issue more than one individual grower permit to one person.

9 (6) The bureau may not issue more than one individual processor permit to one person.

10 (7) A dispensary may only obtain medical cannabis from a grower or processor holding a
11 valid permit under this act.

12 (8) A grower or processor may only provide medical cannabis to a dispensary holding a
13 valid permit under this act.

14 (9) A person may hold a grower permit, a processor permit, and a dispensary permit, or
15 any combination thereof, concurrently.

16 (b) Before a permit may be issued, the bureau shall obtain the following:

17 (1) A written approval from the board of health for the county in which the permit is to be
18 located and operate business.

19 (2) A written statement from the county commission for the county in which the permit is
20 to be located and conduct business that the county has not voted, pursuant to §16A-7-6 of this
21 code, to disapprove a medical cannabis organization to be located or operate within the county.

ARTICLE 7. MEDICAL CANNABIS CONTROLS.

§16A-7-4. Laboratory.

1 (a) All medical cannabis produced pursuant to this chapter shall be subject to testing as
2 directed by the bureau.

3 (b) The bureau shall ensure that there is sufficient testing capacity to meet patient demand.

4 (c) To the extent practicable, testing required by the provisions of subsection (a) of this
5 section shall be conducted by the Commissioner of Agriculture. The commissioner shall, in
6 consultation with the bureau, establish a fee schedule for such testing as is required by the
7 bureau.

8 (d) Fees received pursuant to subsection (b) of this section, shall be deposited in the
9 Agriculture Fees Fund established under §19-1-4c of this code.

10 (e) Should the bureau determine that the Commissioner is unable to provide the testing
11 required by this section, it shall provide notice to the Commissioner and authorize growers and
12 processors to contract with other laboratories certified by the Office of Laboratory Services.

ARTICLE 8. DISPENSARIES.

§16A-8-1. Dispensing to patients and caregivers.

1 (a) *General rule.* — A dispensary that has been issued a permit under §16A-6-1 *et seq.* of
2 this code may lawfully dispense medical cannabis to a patient or caregiver upon presentation to
3 the dispensary of a valid identification card for that patient or caregiver. The dispensary shall
4 provide to the patient or caregiver a receipt, as appropriate. The receipt shall include all of the
5 following:

6 (1) The name, address and any identification number assigned to the dispensary by the
7 bureau.

8 (2) The name and address of the patient and caregiver.

9 (3) The date the medical cannabis was dispensed.

10 (4) Any requirement or limitation by the practitioner as to the form of medical cannabis for
11 the patient.

12 (5) The form and the quantity of medical cannabis dispensed.

13 (b) *Filing with bureau.* — Prior to dispensing medical cannabis to a patient or caregiver,
14 the dispensary shall file the receipt information with the bureau utilizing the electronic tracking
15 system. When filing receipts under this subsection, the dispensary shall dispose of any
16 electronically recorded certification information as provided by rule.

17 (c) *Limitations.* — No dispensary may dispense to a patient or caregiver:

18 (1) A quantity of medical cannabis greater than that which the patient or caregiver is
19 permitted to possess under the certification; or

20 (2) A form of medical cannabis prohibited by this act.

21 (d) *Supply.* — When dispensing medical cannabis to a patient or caregiver, the dispensary
22 may not dispense an amount greater than a 30-day supply until the patient has exhausted all but
23 a seven-day supply provided pursuant to §16A-4-5 of this code.

24 (e) *Verification.* — Prior to dispensing medical cannabis to a patient or caregiver, the
25 dispensary shall verify the information in subsections (d) and (f) of this section by consulting the
26 electronic tracking system included in the bureau's electronic database established under §16A-
27 3-1 of this code and the dispensary tracking system under §16A-7-1 of this code.

28 (f) *Form of medical cannabis.* — Medical cannabis dispensed to a patient or caregiver by
29 a dispensary shall conform to any requirement or limitation set by the practitioner as to the form
30 of medical cannabis for the patient.

31 (g) *Safety insert.* — When a dispensary dispenses medical cannabis to a patient or
32 caregiver, the dispensary shall provide to that patient or caregiver, as appropriate, a safety insert.
33 The insert shall be developed and approved by the bureau. The insert shall provide the following
34 information:

35 (1) Lawful methods for administering medical cannabis in individual doses.

36 (2) Any potential dangers stemming from the use of medical cannabis.

37 (3) How to recognize what may be problematic usage of medical cannabis and how to
38 obtain appropriate services or treatment for problematic usage.

39 (4) How to prevent or deter the misuse of medical cannabis by minors or others.

40 (5) Any other information as determined by the bureau.

41 (h) *Sealed and labeled package*. — Medical cannabis shall be dispensed by a dispensary
42 to a patient or caregiver in a sealed, properly labeled, and child-resistant package. The labeling
43 shall contain the following:

44 (1) The information required to be included in the receipt provided to the patient or
45 caregiver, as appropriate, by the dispensary.

46 (2) The packaging date.

47 (3) Any applicable date by which the medical cannabis should be used.

48 (4) A warning stating:

49 “This product is for medicinal use only. Women should not consume during pregnancy or
50 while breastfeeding except on the advice of the practitioner who issued the certification and, in
51 the case of breastfeeding, the infant’s pediatrician. This product might impair the ability to drive
52 or operate heavy machinery. Keep out of reach of children.”

53 (5) The amount of individual doses contained within the package and the species and
54 percentage of tetrahydrocannabinol and cannabidiol.

55 (6) A warning that the medical cannabis must be kept in the original container in which it
56 was dispensed.

57 (7) A warning that unauthorized use is unlawful and will subject the person to criminal
58 penalties.

59 (8) Any other information required by the bureau.

ARTICLE 9. TAX ON MEDICAL CANNABIS.

§16A-9-1. Tax on medical cannabis.

1 (a) *Tax imposed.* – Upon every person exercising the privilege of engaging or continuing
2 within this state in the business of growing medical cannabis for sale to a processor of medical
3 cannabis, purchasing, and processing medical cannabis for sale to a dispensary, growing,
4 processing, and selling medical cannabis to a dispensary of medical cannabis, or engaging in any
5 combination thereof, there is hereby imposed an annual privilege tax. The tax imposed by this
6 article shall not be added as a separate charge or line item on any sales slip, invoice, receipt,
7 other statement, or memorandum of the price paid by a dispensary, patient, or caregiver. Persons
8 subject to this tax shall pay the tax at the rates specified in subsection (b) of this section based
9 upon the taxable privilege specified, and no diminishment, offset, or deduction shall be allowed
10 for tax paid directly or as an embedded cost at any earlier point in the growth, sales, or distribution
11 process.

12 (b) *Rate and measure of tax.* – The rate of tax imposed by this article shall be:

13 (1) In the case of a grower of medical cannabis who sells medical cannabis to an unrelated
14 processor of medical cannabis, 10 percent of the gross receipts derived from the sale to the
15 processor.

16 (2) In the case of a processor of medical cannabis who purchases medical cannabis from
17 a grower of medical cannabis and after processing sells processed medical cannabis to an
18 unrelated dispensary of medical cannabis, 10 percent of the gross receipts derived from the sale
19 to the dispensary.

20 (3) In the case of an integrated grower or processor of medical cannabis who sells
21 processed medical cannabis to an unrelated dispensary of medical cannabis, 10 percent of the
22 gross receipts derived from the sale to the dispensary.

23 (4) When the same person is the grower, processor, and dispensary, or when the grower,
24 processor, and dispensary are related parties, the tax shall be 5 percent of the gross receipts the
25 dispensary derived from sale of medical cannabis product to the patient, or to a caregiver.

26 (c) *Definitions.* – For purposes of this article:

27 (1) “Gross receipts” means and includes the gross receipts, however denominated,
28 derived from the sale, distribution, or transfer of medical cannabis, without any deduction on
29 account of the cost of property sold; the cost of materials used to grow, process, or sell the medical
30 cannabis; labor costs, taxes, royalties paid in cash or in kind, or otherwise; interest or discount
31 paid; or any other expense, however denominated.

32 (2) “Person” includes any natural person, corporation, partnership, limited liability
33 company, or other business entity as those terms are defined in §11-1-1 *et seq.* of this code.

34 (3) “Related person” means two or more persons that are related persons as defined in
35 section 267 of the Internal Revenue Code, as defined in §11-24-3 of this code.

36 (d) *Payment of tax and reports.* —Every person subject to the tax imposed by this article
37 shall make quarterly payments under this section for each calendar quarter at the rate prescribed
38 in subsection (b) of this section on the gross receipts for the calendar quarter. The tax shall be
39 due and payable on the 20th day of January, April, July, and October for the preceding calendar
40 quarter and shall be filed with a tax return and such schedules as may be prescribed by the Tax
41 Division of the Department of Revenue. The Tax Commissioner may require such forms,
42 schedules, and returns and impose such filing and remittance requirements as may be necessary
43 or convenient for the efficient administration of taxes imposed by this §16A-9-1 of this code and
44 may prescribe such electronic filings and payments as the Tax Commissioner may deem
45 appropriate. The Tax Commissioner may issue such procedural, interpretive, or legislative rules,
46 including emergency rules, as the Tax Commissioner may deem necessary or convenient for the
47 efficient administration of taxes imposed by this §16A-9-1 of this code.

48 (e) *Electronic filing and payment.* — As the Tax Commissioner may direct, taxes imposed
49 by this article may be paid to the Tax Commissioner by electronic funds transfer unless electronic
50 payment is prohibited by state or federal law. As the Tax Commissioner may direct, tax returns
51 required by this article may be filed electronically with the Tax Commissioner.

52 (f) *Deposits of proceeds.* – All money received from the tax imposed under this article,
53 including any interest and additions to tax paid under §11-10-1 *et seq.*, shall be deposited into the
54 Medical Cannabis Program Fund.

55 (g) *Exemption.* —Sales of medical cannabis shall not be subject to a sales tax, if gross
56 receipts from the sale thereof are taxable under this article and the tax has been paid on gross
57 receipts thereof under this article.

58 (e) *Information.* —.

59 (1) Persons subject to the tax imposed by this article of this code shall provide to the Tax
60 Commissioner any information required by the Tax Commissioner to administer, collect, and
61 enforce the taxes imposed by this article.

62 (2) Notwithstanding any provision of §11-10-1 *et seq.* of this code or of this article to the
63 contrary, the Tax Commissioner, the bureau, and the Secretary of Health and Human Resources
64 may enter into written agreements pursuant to which the Tax Commissioner will disclose to
65 designated employees of the bureau and the Secretary of Health and Human Resources, whether
66 a particular grower, processor, or dispensary is in good standing with the Tax Commissioner, and
67 the bureau and the Secretary will disclose to designated employees of the Tax Commissioner
68 information a grower, processor, or dispensary provides to the bureau and the Secretary pursuant
69 to this code. Tax information disclosed pursuant to a written agreement shall remain confidential
70 in the hands of the receiver and shall not be disclosable under §29B-1-1 *et seq.* of this code. To
71 the extent feasible, this information should be shared or exchanged electronically.

§16A-9-3. Tax on medical cannabis crimes and penalties.

1 Notwithstanding any provision in §11-9-1 *et seq.* of this code to the contrary, each and
2 every provision of the “West Virginia Tax Crimes and Penalties Act” set forth in §11-9-1 *et seq.* of
3 this code shall apply to the tax imposed by §16A-9-1 *et seq.* of this code with like effect as if said
4 act were applicable only to the tax imposed by §16A-9-1 *et seq.* of this code and were set forth in
5 extenso in §16A-9-1 *et seq.* of this code.

§16A-9-4. Procedure and administration of the tax on medical cannabis.

1 Notwithstanding any provision of §11-10-1 *et seq.* of this code or any other provision of
2 this code to the contrary, each and every provision of the “West Virginia Tax Procedure and
3 Administration Act” set forth in §11-10-1 *et seq.* of this code, shall apply to the tax imposed by
4 §16A-9-1 *et seq.* with like effect as if the said West Virginia Tax Procedure and Administration Act
5 were applicable only to the tax imposed by §16A-9-1 *et seq.* of this code and were set forth in
6 extenso in §16A-9-1 *et seq.* of this code.

ARTICLE 10. ADMINISTRATION.

§16A-10-6. Emergency rules.

1 (a) *Promulgation.* — In order to facilitate the prompt implementation of this act, the bureau
2 may promulgate emergency rules that shall expire not later than two years following the
3 publication of the emergency rule.

4 (b) *Expiration.* — The bureau’s authority to adopt emergency rules under subsection (a)
5 of this section shall expire July 1, 2021. Rules adopted after this period shall be promulgated as
6 provided by law.

7 (c) *Publication.* — The bureau shall begin publishing emergency rules in the State Register
8 no later than six months after the effective date of this section.

ARTICLE 11. MEDICAL CANNABIS ADVISORY BOARD.

§16A-11-1. Advisory board.

1 (a) The Medical Cannabis Advisory Board is established within the bureau. The advisory
2 board shall consist of the following members:

3 (1) The commissioner or a designee.

4 (2) The Superintendent of the West Virginia State Police or a designee.

5 (3) Four physicians licensed to practice in the state to be appointed by the State Medical
6 Association with one from each of the following specialized medicine:

7 (A) Family Practice/Neurologist/General Practitioner.

8 (B) Pain Management.

9 (C) Oncologist/Palliative Care.

10 (D) Psychiatrist.

11 (4) Two physicians who are licensed pursuant to §30-14-1 *et seq.* of this code appointed
12 by the West Virginia Osteopathic Association.

13 (5) One pharmacist licensed to practice in the state, to be designated by the Board of
14 Pharmacy.

15 (6) One pharmacologist who has experience in the science of cannabis and a knowledge
16 of the uses, effects, and modes of actions of drugs, to be appointed by the Governor.

17 (7) One member who is a horticulturalist, to be designated by the West Virginia
18 Commissioner of Agriculture.

19 (8) One member designated by the West Virginia Association of Alcoholism and Drug
20 Counselors.

21 (9) An attorney licensed in the state who is knowledgeable about medical cannabis laws.

22 (10) One member appointed by the West Virginia Prosecuting Attorneys Institute.

23 (11) One member appointed by the Governor, who shall be a patient, a family or household
24 member of a patient or a patient advocate.

25 (b) *Terms.* — Except as provided under subsection (g) of this section, the members shall
26 serve a term of four years or until a successor has been appointed and qualified, but no longer
27 than six months beyond the four-year period.

28 (c) *Chair.* — The commissioner, or a designee, shall serve as chair of the advisory board.

29 (d) *Voting; quorum.* — A majority of the members shall constitute a quorum for the purpose
30 of organizing the advisory board, conducting its business and fulfilling its duties. A vote of the
31 majority of the members present shall be sufficient for all actions of the advisory board unless the
32 bylaws require a greater number.

33 (e) *Attendance.* — A member of the advisory board who fails to attend three consecutive
34 meetings shall be deemed vacant, unless the commissioner, upon written request from the
35 member, finds that the member should be excused from a meeting for good cause. A member
36 who cannot be physically present may attend meetings via electronic means, including video
37 conference.

38 (f) *Governance.* — The advisory board shall have the power to prescribe, amend and
39 repeal bylaws governing the manner in which the business of the advisory board is conducted
40 and the manner in which the duties granted to it are fulfilled. The advisory board may delegate
41 supervision of the administration of advisory board activities to an administrative commissioner
42 and other employees of the bureau as the commissioner shall appoint.

43 (g) *Initial terms.* — The initial terms of members appointed under subsection (a) of this
44 section shall be for terms of one, two, three, or four years, the particular term of each member to
45 be designated by the commissioner at the time of appointment. All other members shall serve for
46 a term of four years.

47 (h) *Vacancy.* — In the event that any member appointed under subsection (a) of this
48 section shall die or resign or otherwise become disqualified during the member's term of office, a
49 successor shall be appointed in the same way and with the same qualifications as set forth in this
50 section and shall hold office for the unexpired term. An appointed member of the advisory board
51 shall be eligible for reappointment.

52 (i) *Expenses.* — A member shall receive the amount of reasonable travel, hotel, and other
53 necessary expenses incurred in the performance of the duties of the member in accordance with
54 state rules but shall receive no other compensation for the member's service on the board.

55 (j) *Duties.* — The advisory board shall have the following duties:

56 (1) To examine and analyze the statutory and regulatory law relating to medical cannabis
57 within this state.

58 (2) To examine and analyze the law and events in other states and the nation with respect
59 to medical cannabis.

60 (3) To accept and review written comments from individuals and organizations about
61 medical cannabis.

62 (4) To issue, two years after the effective date of this section, a written report to the
63 Governor, the Senate, and the House of Delegates.

64 (5) The written report under subdivision (4) shall include recommendations and findings
65 as to the following:

66 (A) Whether to change the types of medical professionals who can issue certifications to
67 patients.

68 (B) Whether to change, add, or reduce the types of medical conditions which qualify as
69 serious medical conditions under this act.

70 (C) Whether to change the form of medical cannabis permitted under this act.

71 (D) Whether to change, add, or reduce the number of growers, processors or
72 dispensaries.

73 (E) How to ensure affordable patient access to medical cannabis.

74 (F) Whether to permit medical cannabis to be dispensed in dry leaf or plant form, for
75 administration by vaporization.

76 (6) The final written report under this section shall be adopted at a public meeting.

ARTICLE 15. MISCELLANEOUS PROVISIONS.

§16A-15-10. State employee actions and federal law.

1 (a) No cause of action exists against the state officers and employees in their personal
2 capacities, while acting within the scope of duties contemplated by §16A-1-1 *et seq.* of this code.
3 Any recovery for claims or actions arising from this section is limited solely to the proceeds of
4 available insurance coverage.

5 (b) To the extent permitted by law, the State of West Virginia shall defend state officers
6 and employees involved in implementing the provisions of §16A-1-1, *et seq.* of this code against
7 any claims, charges, liabilities, or expenses and shall indemnify and hold harmless state officers
8 and employees involved in implementing the provisions of §16A-1-1 *et seq.* of this code provided
9 within the scope of their duties or employment in accordance with the Act, including without
10 limitation, defense in any state, federal, or local court and payment of the amount of any judgment
11 obtained, damages, legal fees, expenses, and any other expenses incurred.

ARTICLE 16. EFFECTIVE DATE.

§16A-16-1. Effective date.

1 (a) Unless excepted in subsection (b) or (c), the provisions of this act shall be effective
2 upon passage.

3 (b) The provisions of §16A-12-1 *et seq.* of this code, and any other criminal provisions or
4 penalties contained in this act, shall not be effective until 90 days from passage of Senate Bill 386
5 during the 2017 regular session.

6 (c) Notwithstanding any provision of this chapter to the contrary, no identification cards
7 may be issued to patients until July 1, 2019. The Bureau may take sufficient steps through rule to
8 implement the preliminary provisions in preparation for implementation of the provisions of this
9 act.

10 (d) Notwithstanding the prohibition contained in subsection (c) on the issuance of
11 identification cards until July 1, 2019, the bureau may implement a process for the pre-registration
12 of patients with a serious medical condition who have been issued a certification approved by the
13 bureau and to a caregiver designated by the patient: *Provided*, That a patient who is pre-
14 registered must nevertheless comply with the provisions of §16A-5-1 of this code and may not be
15 issued an identification card necessary to obtain and use medical cannabis as authorized by this
16 act until July 1, 2019.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

.....
Chairman, House Committee

.....
Chairman, Senate Committee

Originating in the House.

In effect from passage.

.....
Clerk of the House of Delegates

.....
Clerk of the Senate

.....
Speaker of the House of Delegates

.....
President of the Senate

The within this the.....
day of, 2019.

.....
Governor