Arkansas Medical Marijuana Commission
April 5, 2017

On the 5th day of April, 2017, the Arkansas Medical Marijuana Commission (AMMC) convened at Little Rock, Arkansas. In attendance were the Arkansas Medical Marijuana Commissioners: Dr. Ronda Henry-Tillman, Chairperson, Dr. Stephen J. Carroll, Travis W. Story, Esq., James Miller, and Dr. J. Carlos Roman.

Commissioner Tillman called the meeting to order.

Joel DiPippa, Senior Counsel for the Department of Finance and Administration – Revenue Legal Counsel provided an overview of medical marijuana legislation passed by the 91st General Assembly.

Commissioners discussed public comment received on the proposed rules and made the following motions:

Commissioner Miller made a motion to amend the proposed rules concerning an applicant’s past history with bankruptcy. Currently the rules require an applicant or entity to have no history of bankruptcy. Commissioner Miller moved to amend the rules to require no bankruptcy filings in the past eight (8) years. Commissioner Roman provided a second to the motion. By a vote of 5-0, the motion passed.

Commissioners discussed clarifying what is meant by “school” as it is used in the rules. Commissioner Story made a motion to clarify school to mean a public or private institution providing education for grades, kindergarten through grade 12. The motion included an exclusion of home schools, post-secondary institutions, and technical institutes. The motion also included a clarification that daycares mean only those daycares licensed by the State of Arkansas. Commissioner Miller provided a second to the motion. The motion passed by a vote of 5-0.

Commissioners discussed the public comment received concerning a preference for merit selection of dispensary applicants, as opposed to selection by lottery, as proposed in the rules. Commissioner Miller made a motion to amend the rules to provide for pure merit selection of dispensary licenses. Commissioner Story provided a second to the motion. The motion passed by a vote of 5-0.

Commissioner Carroll made a motion concerning the scoring of applicants for dispensary licenses under a pure merit scheme. He moved the Commission remove the high and low score for each applicant, so that the applicant’s final score will be an average of the three remaining mid-range scores. The motion failed for lack of a second.

Commissioner Story made a motion to require the redaction of identifying, personal information for dispensary and cultivation facility applicants prior to the review of the applications by the commissioners. The city, county, zip code, and zone (dispensaries only),
will remain visible on the application. Commissioner Miller provided a second to the motion. The motion passed by a vote of 5-0.

Due to the shift to merit selection for dispensaries, the Commissioners discussed the existing option within the rules for an applicant to choose whether or not they will be considered a dispensary that grows marijuana or a dispensary that simply receives marijuana from a cultivation facility and sells it to patients. Commissioners discussed the difficulty in scoring applicants with different required qualifications for the purposes of awarding a limited number of licenses. Commissioner Roman made a motion to amend the rules to allow for one type of dispensary license, as contemplated by the amendment, which has the option to grow up to fifty (50) mature plants. Commissioner Miller provided a second to the motion. By a vote of 5-0, the motion passed.

Commissioners discussed reducing the licensing fee for dispensaries in response to public comment and as a result of eliminating the lower cost “no-grow” option for dispensaries. Mr. DiPippa responded to Commissioners’ questions regarding the impact on revenue projections if the fee is reduced. Commissioner Roman made a motion to set the licensing fee for all dispensaries at $15,000.00. Commissioner Tillman provided a second to the motion. By a vote of 5-0, the motion passed.

Commissioner Story made a motion to amend the renewal fee for dispensaries to $22,500.00. Commissioner Roman provided a second. By a vote of 5-0, the motion passed.

Commissioners also discussed the performance bond requirement for successful applicants for cultivation facilities and dispensaries. Commissioner Roman made a motion to add an option to pledge assets to the State of Arkansas in the amount of $100,000.00 in lieu of posting a performance bond. Commissioner Story provided a second to the motion. By a vote of 5-0, the motion passed.

Commissioners discussed the eight zone map previously discussed for the distribution of dispensary permits. Commissioner Miller made a motion to distribute the dispensary licenses evenly across the state by awarding four (4) licenses in each zone, as opposed to the earlier proposed distribution based on population. Commissioner Roman provided a second to the motion. By a vote of 4-1, the motion passed. (“Yes” votes: Tillman, Carroll, Miller, Roman; “No” vote: Story)

Commissioners discussed clarifying what is meant by “diversity” in the rules. Commissioner Story made a motion to clarify factors that will be considered in determining diversity, including, but not limited to, minority ownership, ownership by veterans, and ownership by women. Commissioner Miller provided a second. By a vote of 5-0, the motion passed.

Commissioner Story made a motion to clarify that “local ownership” as used in the rules means “percentage of ownership by Arkansas residents”. Commissioner Roman provided a second. By a vote 5-0, the motion passed.

Commissioners also discussed clarifying the requirement that 60% of owners must be Arkansas residents. Commissioner Story made a motion to specify that the 60% requirement means, sixty percent (60%) of the equity ownership interests in the entity shall be held by individuals who have been residents of Arkansas for at least seven (7) consecutive years prior
to the application date. Commissioner Roman provided a second to the motion. By a vote 5-0, the motion passed.

Commissioner Story made a motion to specify acceptable forms of proof to show that an applicant has a right to use the property identified for the proposed cultivation facility or dispensary to include an option to lease or purchase the property. Commissioner Roman provided a second to the motion. By a vote of 5-0, the motion passed.

The commission set their next meeting for Tuesday April 11, 2017 at 4:30 p.m.

There being no further business, the meeting was adjourned.

Approved:

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Dr. Ronda Henry-Tillman, Chairperson