

Arkansas Medical Marijuana Commission

January 10, 2017

On the 10th day of January, 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.

The Commissioners reviewed the meeting minutes from the January 3, 2017 meeting of the AMMC. Commissioner Roman moved to approve the minutes. Commissioner Story seconded the motion, and by a vote of 5-0, the minutes were approved.

The Commissioners reviewed a draft request for an Attorney General's Opinion concerning the Commission's ability to travel. Commissioner Roman made a motion to approve the draft of the request. Commissioner Story seconded the motion, and the motion passed by a vote of 5-0.

Commissioners requested that the following technical corrections be made to the draft cultivation rules:

- Section 15(c)(iii) – amend to read: “The filing of bankruptcy by the entity holding the license or by any of the entity’s owners.”
- Section 5(b)(v)(2) – amend to read: “Documentation demonstrating that sixty percent (60%) of the entity’s ownership or those persons having an ownership interest in the entity have been residents of the State of Arkansas for seven (7) years prior to the application.....”
- Section 10(a) and 13(c): replace “certified or cashier’s check made payable to the State of Arkansas” with “certified funds. Any certified or cashier’s check shall be made payable to the State of Arkansas.”

Commissioners discussed the need for successful cultivation facility applicants to post a performance bond. Commissioner Roman made a motion to require successful applicants to post a \$500,000.00 performance bond, payable to the State of Arkansas. The performance bond shall be submitted within seven (7) of receiving written notice of selection from the commission. Commissioner Miller seconded the motion. By a vote of 5-0, the motion passed.

Commissioners discussed the length of time for which the performance bond shall be maintained by the cultivation licensee. Commissioner Roman made a motion to require the maintenance of a performance bond by the licensee until the cultivation facility files its first required sales tax report with the Arkansas Department of Finance and Administration. Commissioner Carroll seconded the motion. By a vote of 5-0, the motion passed.

Commissioners discussed the time allotted to the MMC to determine whether or not an applicant has submitted an acceptable application. Commissioner Story made the following motion: The MMC staff shall review an application and determine if it is acceptable to the

Commission within ten (10) business day of receiving the application. Commissioner Miller seconded the motion. By a vote of 5-0, the motion passed.

Commissioners discussed the framework they want to adopt for the merit selection portion of the application process for cultivation facilities. Commissioner Roman moved to model the Commission's framework for merit selection after the Illinois framework. The merit criteria established in Section 9 of the draft rules will be incorporated into a framework similar to the one used by the State of Illinois. Commissioner Miller seconded the motion. By a vote of 5-0, the motion passed.

Commissioners discussed the number of dispensary licenses to be issued in the state. Commissioner Roman moved to issue 28 initial dispensary licenses. Commissioner Miller seconded the motion. By a vote of 3-2, the motion failed. (For: Roman, Miller; Against: Tillman, Carroll, Story) After additional discussion, Commissioner Roman moved to issue 32 initial dispensary licenses. Commissioner Miller seconded the motion. By a vote of 5-0, the motion passed.

Commissioners discussed their concerns about ensuring that dispensaries are evenly dispersed, so that qualified patients have adequate access to medical marijuana. Commissioner Story moved to add a section to Section 9 of the dispensary draft rules to allow the Commission to open the licensing process if they determine that an area is underserved with medical marijuana. Commissioner Carroll seconded the motion. By a vote of 5-0, the motion passed.

Commissioners discussed dividing the state into districts for the issuance of dispensary licenses. Commissioner Story asked that a note be placed in Section 2 for further discussion on possible divisions at the Commission's next meeting.

Commissioners discussed the application fee for dispensary licenses. Commissioner Roman moved to set the application fee at \$7,500.00. Unsuccessful applicants will be entitled to a refund of one-half the application fee. Commissioner Story seconded the motion. By a vote of 5-0, the motion passed.

Commissioners discussed implementing a two-tier licensing scheme for dispensaries for the purpose of assessing licensing and renewal fees. One tier will be comprised of those dispensaries that intend to grow marijuana, and a second tier will be comprised of those dispensaries that do not intend to grow marijuana. The applicant will be required to declare their intent to grow or not grow at the time the application is submitted.

Commissioner Story moved to set a license fee of \$25,000.00 for those dispensaries that intend to grow or cultivate marijuana. Commissioner Roman seconded the motion. By a vote of 5-0, the motion passed.

Commissioner Roman moved to set a license fee of \$2,500.00 for those dispensaries that do not intend to grow or cultivate marijuana. Commissioner Story seconded the motion. By a vote of 5-0, the motion passed.

Commissioner Story moved to set a yearly fee of \$10,000.00 for the renewal of non-cultivating dispensaries. Commissioner Roman seconded the motion. By a vote of 5-0, the motion passed.

Commissioner Story moved to set a yearly fee of \$25,000.00 for the renewal of cultivating dispensaries. Following discussion to make the fee proportionate to the non-cultivating dispensary fee, Commissioner Story amended his motion to set a yearly fee of \$32,500.00 for the renewal of cultivating dispensaries. Commissioner Miller seconded the motion. By a vote of 5-0, the motion passed.

The Commission set their next meeting for Tuesday January 17, 2017 at 3:00 p.m.

There being no further business, the meeting was adjourned.

Approved:

Dr. Ronda Henry-Tillman, Chairperson