

pursuant to this Article XIV. The Biomedical Research and Drug Development Institute shall exist on a campus established by building and construction on land acquired and land developed pursuant to this Article. On this Biomedical Research and Drug Development Institute campus research shall be performed in the endeavors to find cures for presently incurable diseases. The Biomedical Research and Drug Development Institute shall have located on its campus targeted disease research groups to further this research.

(b) "Biomedical Research and Drug Development Institute" shall be governed by the "Board of Biomedical Research and Drug Development" hereafter "Research Board".

(c) It is expressly directed and permitted that the "Biomedical Research and Drug Development Institute" and the "Research Board" shall not be assigned to any Missouri Department but rather shall be an independent institute existing and operating pursuant to this Article XIV under the direction of the Research Board.

(d) In the event Section 3 subsection (c) of this Article XIV is contrary to existing superseding constitutional law the "Biomedical Research and Drug Development Institute" and "Research Board" shall be transferred by operation of Article IV section 12 to a department, then they shall be assigned to the Department of Health and Senior Services with supervision of the department extending only to budgeting and reporting as provided by subdivisions (4) and (5) of subsection 6 of section 1 of the Reorganization Act of 1974. Supervision by the department shall not extend to matters relating to policies, regulatory functions or other matters specifically entrusted to the Research Board by this Article XIV, and neither the director of the department nor any employee of the department shall, directly or indirectly, interfere with the activities of the Research Board or the research provided by this Article XIV.

(e) The Research Board is charged by the people of the State of Missouri to effectuate this Article XIV, to find cures for currently incurable diseases, and to the extent reasonably practicable generate income pursuant to this Article XIV to the State of Missouri with such cures.

(f) It is the duty of the Research Board to promulgate rules in accordance with the provisions of this Article, and to effectuate the provisions of this Article. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this article shall become effective only if it complies with and is subject to all of the provisions of chapter 536 RSMo.

i. For purposes of only rule making and adjudicated cases, as defined in RSMo 536.010, the Research Board is an agency who is subject to chapter 536 RSMo, except.

ii. For purposes of adjudicated cases as defined in 536.010, the Research Board is not subject to chapter 536 RSMo if it has established written procedures to assure that constitutionally required due process safeguards exist and apply to proceedings that would otherwise constitute a contested case as defined in section 536.010 RSMo.

(g) Any member of a Board established by this Article XIV may be removed for cause by a vote of three fourths of both the Missouri House of Representatives and Senate, with the concurrence of the Governor.

(h) The Research Board shall issue, renew, regulate, restrict, and revoke licenses for marijuana facilities, including but not limited to Medical Marijuana Cultivation Facilities, Medical Marijuana Research Cultivation Facilities, Medical Marijuana-Infused/Extraction Products Manufacturing Facilities, and Medical Marijuana Dispensary Facilities, and issue, renew, regulate, restrict, and revoke qualifying patient identification cards and designated primary caregiver cards.

(i) The Research Board shall issue rules for licensure of marijuana facilities, including but not limited to procedures for:

- issuing, renewing, regulating, restricting and revoking licenses for Medical Marijuana Cultivation Facilities, Medical Marijuana Research Cultivation Facilities, Medical Marijuana-Infused/Extraction Products Manufacturing Facilities, and Medical Marijuana Dispensary Facilities;
- the issuance, renewal, regulating, restricting and revocation of qualifying patient identification cards and designated primary caregiver identification cards, and
- the creation of a confidential qualifying patient, confidential cultivation location and confidential designated primary caregiver registry. Patients may be issued confidential patient identification numbers for purposes of identity protection and medical marijuana sales. The purpose of the regulations within this subsection is to ensure the availability and safe confidential use of marijuana by qualifying patients.

(j) The Research Board shall develop rules whereby the denial or revocation of a license, license renewal, identification card or other adverse action by the Research Board shall be:

- appealable to the Administrative Hearing Commission and otherwise subject to judicial review as provided by law, or
- subject to Biomedical Research and Drug Development Institute established written procedures to assure that constitutionally required due process safeguards

exist and apply to such a denial, revocation, or adverse action of the Research Board.

(k) The Research Board shall consist of nine members to be selected, as soon as practicable, by the Article XIV Coordinator as set forth in this Article XIV, one of whom shall be selected by the Article XIV Coordinator as Research Chairperson. The Article XIV Coordinator shall serve as Research Chairperson until the nine members are selected, at which time the Article XIV Coordinator is terminated from the Research Board. The members of the Board, other than the temporary "then existing Research Board" in section 3(t), selected by the Article XIV Coordinator shall serve the following terms: four shall serve three years, and five, including the Research Chairperson, shall serve six years. Thereafter, each appointment shall be for a term of six years. Upon conclusion of the Research Chairperson's first term or vacancy whichever comes first, the Research Board shall choose from within their members a Research Chairperson. If for any reason a vacancy occurs, the Research Chairperson shall appoint a new member to fill the unexpired term. Members are eligible for up to four reappointments. Although members of the Research Board and Article XIV Coordinator may hold other employment, no member of such Research Board shall hold any public office, and no member shall hold any official position in a political party.

i. It is expressly directed and permitted that the person who is designated on the initially submitted Initiative Petition Submission Cover Page to be the contact person to whom any notices shall be sent under sections 116.140 and 116.180 RSMo for the initiative petition filed for this Article XIV pursuant to RSMo 116.100 and 116.332, shall serve as the Article XIV Coordinator.

ii. If the person who is designated on the initially submitted Initiative Petition Submission Cover Page to be the contact person to whom any notices shall be sent under sections 116.140 and 116.180 RSMo for the initiative petition filed for this Article XIV pursuant to RSMo 116.100 and 116.332 for any reason does not serve as the Article XIV Coordinator the Governor shall appoint an individual who is both a licensed Missouri physician and licensed Missouri attorney, but if no such person is available or accepts the appointment, then any Missouri resident who also holds a Missouri license to practice medicine and a PhD in Biology, Chemistry, Biochemistry, Physics, Genetics, Anatomy or equivalent degree, from an accredited university that has been in existence at least fifty (50) years.

iii. The Article XIV Coordinator shall serve without compensation but shall receive reimbursement for all expenses associated with the performance and delegation of all duties pursuant to this Article XIV, and shall have two administrative assistants who shall each be paid out of the General Purpose Account at the rate of a Missouri State Representative, so long as there are funds available. If no funds are immediately available, the administrative assistants may serve with deferred compensation until funds are available and when funds become available the administrative assistants shall be paid the full compensation owed, as shall the expenses of the Article XIV Coordinator be reimbursed.

(l) Five members of the Research Board shall constitute a quorum. No vacancy in the membership of the Board shall impair the right of a quorum to exercise all the rights and perform all the duties of the Board. The Research Board may act only by the concurrence of a majority of a quorum, with such quorum meeting in person when practicable but by video teleconference or similar means when approved by a majority of the quorum. Failure to regularly and frequently participate in Board business shall be grounds for dismissal from the Board upon a vote of six members of the Board.

(m) The Research Board is hereby granted, has and may exercise all powers necessary or appropriate to implement, carry out, enforce and effectuate its purpose, and the purposes of this Article XIV including but not limited to the following:

- To make, purchase or participate in the purchase of property;
- Adopt bylaws for the regulation of its affairs and the conduct or discharge of its business and define terms so as to reasonably and effectively carry out the purpose of this Article XIV;
- To accept appropriations, gifts, grants, bequests, and devises and to utilize or dispose of the same to carry out its purpose;
- To make and execute contracts, releases, compromises, and other instruments necessary or convenient for the exercise of its powers, or to carry out its purpose;
- To sue and be sued;
- To have a seal and alter the same at will;
- To make, promulgate and from time to time, amend and repeal rules;
- To perform all administrative duties necessary or that reasonably assist in the discharge and conduct of its business as defined in this Article, including, but not limited to, the formation of committees and

subcommittees and the delegation of its authority, to the extent permitted by law, to such committees and subcommittees.

ix. To form advisory panels of licensed cultivators, infusers/extractors, and dispensaries;

x. To acquire, hold, lease, sell and dispose of personal property for its purpose;

xi. To sell, at public or private sale, any mortgage, negotiable instrument or obligation securing building and construction or land development;

xii. To enter into agreements or other transactions with any federal or state agency, international entity, any person or any domestic or foreign partnership, corporation, association or organization;

xiii. To acquire real property, or an interest therein, in its own name, to hold, not sell, and may lease for up to 100 years and one option to renew up to another 100 years such property to a tenant to develop, for building and construction, and to manage and operate such property, to enter into management contracts with respect to such property and to mortgage such property;

xiv. To procure insurance against any loss in connection with its property in such amounts, and from such insurers, as may be necessary or desirable;

xv. To develop a retirement or pension plan for employees, staff and board members working for the Research Board or the Biomedical Research and Drug Development Institute;

xvi. To issue and sell revenue bonds to fund any purpose authorized by this Article. Any bonds issued under the provisions of this Article shall not be deemed to be an indebtedness of the State of Missouri or of any political subdivision thereof, and shall not be deemed to be an indebtedness within the meaning of any constitutional or statutory limitation upon the incurring of indebtedness. The proceeds of the sale of sales of any bonds issued hereunder shall be paid into the state treasury and be credited to a fund to be designated the "Biomedical Research and Drug Development Institute Trust Fund". The bonds shall be retired serially and by installments within a period not to exceed twenty-five years from their date of issue and shall bear interest at a rate or rates not exceeding the rate permitted by law.

(n) The Research Board shall charge fees for each applicant for each license to operate a Medical Marijuana Cultivation Facility, Medical Marijuana Research Cultivation Facility, Medical Marijuana Dispensary Facility or Medical Marijuana-Infused/Extraction Products Manufacturing Facility as follows: 1. Except for Medical Marijuana Research Cultivation Facilities, a non-refundable \$25,000 application fee for each type of facility which shall constitute the licensure fee for the first year of licensure; 2. For Medical Marijuana Research Cultivation Facilities a non-refundable \$5,000 application fee which shall constitute the licensure fee for the first year of licensure and, in addition 3. For each type of facility in each subsequent licensure year, a fee equal to 125% of the pro-rata estimated average yearly cost to the Research Board of administering and enforcing this Article XIV application and licensing process, estimated over a five (5) year period, divided equally among all applicants based on the yearly estimated number of applicants for such licenses over the same five (5) year period, as reasonably estimated by the Research Board.

(o) The Research Board shall set a limit on the amount of marijuana that may be purchased per month, provided that limit is not less than three (3) ounces every thirty (30) days of dried unprocessed marijuana or its extract equivalent as reasonably determined by the Research Board. A requested waiver of any such limit may be reviewed by the Research Board for a qualifying patient with written certification from two physicians, not of the same clinic, setting forth compelling reasons for additional amounts requested.

(p) The Research Board shall restrict the number of licenses granted for Medical Marijuana-Infused/Extraction Products Manufacturing Facilities within the state of Missouri to a total of not less than fifty (50) licenses. Upon the written request of a local government to the Research Board for an exception to increase the specific number of available licenses within that local government, above the restriction, such exception for a specific number of licenses may be granted by the Research Board for such licenses. Alternatively, upon the written request of local government for an exception to exclude local government from Medical Marijuana-Infused/Extraction Products Manufacturing Facilities, the Research Board may provide such a requesting local government a five (5) year exclusion, which thereafter may be reconsidered by the Research Board for renewal every five (5) years if the local government has placed the matter to a vote of the local government population and such vote resulted in a majority vote for a continued ban upon infused/extracted products facilities.

(q) The Research Board shall restrict the number of licenses granted for Medical Marijuana Dispensary Facilities within each county or city not within a county to two (2) for every twenty thousand (20,000) inhabitants. If a county or city not within a county

has fewer than twenty thousand (20,000) inhabitants, the Research Board may restrict the number of licenses granted for Medical Marijuana Dispensary Facilities to two (2). Upon the written request of a local government to the Research Board for an exception to increase the specific number of available licenses within that local government, above the restriction, such exception for a specific number of licenses may be granted by the Research Board for such licenses. Alternatively, upon the written request of a local government for an exception to exclude local government from Medical Marijuana Dispensary Facilities, the Research Board may provide such a requesting local government a five (5) year exclusion, which thereafter may be reconsidered by the Research Board for renewal every five (5) years if the local government has placed the matter to a vote of the local government population and such vote resulted in a majority vote for a continued ban upon dispensaries.

(r) The Research Board may restrict the number of licenses granted for Medical Marijuana Cultivation Facilities within the state of Missouri to a total of not less than fifty (50) licenses, and the number of Medical Marijuana Research Cultivation Facilities to a total of not less than four hundred (400) licenses. If the number of licenses is restricted by the Research Board, upon the written request of a local government to increase the specific number of available licenses within that local government, above the restriction, such exception for a specific number of licenses may be granted by the Research Board for such licenses. Alternatively, upon the written request of a local government for an exception to exclude local government from Medical Marijuana Cultivation Facilities and Medical Marijuana Research Cultivation Facilities, the Research Board may provide such a requesting local government a five (5) year exclusion, which thereafter may be reconsidered by the Research Board for renewal every five (5) years if the local government has placed the matter to a vote of the local government population and such vote resulted in a majority vote for a continued ban upon cultivation.

(s) The initial nine members of the Research Board shall have their compensation set as the annual salary received by the Missouri Supreme Court Chief Justice. Thereafter, for new members of the Board, the compensation shall be an amount agreed upon by at least one half of the Research Board, and approved by the Governor, but not less than the annual salary received by the Missouri Supreme Court Chief Justice. Upon further years of service, the compensation shall be increased every three years by the greater of a cost of living increase based upon the Consumer Price Index (CPI), or successor index as published by the U.S. Board of Labor or its successor agency, or at a raised amount agreed upon unanimously by the Research Board and approved by the Governor.

(t) A nonpartisan scientific nominating committee, hereafter nonpartisan commission, of five (5) individuals shall review applications, interview candidates and for each vacancy in the Research Board and shall select a panel of four (4) individuals from which the Research Chairperson shall appoint as member(s) of the Research Board. The five individuals on the nonpartisan commission members shall be elected from the combined pool of licensed Missouri physicians and pharmacists as set out in this subsection (t). Residents of the State of Missouri who are licensed Missouri physicians or licensed Missouri pharmacists and living in the State of Missouri at least six (6) months before the twelve (12) months before the election in this subsection (t) shall elect a grand total of five individuals from the combined pool of licensed Missouri physicians and pharmacists to serve as members of said nonpartisan commission. Each member shall serve four (4) year terms except that from the initial election of members of the nonpartisan commission, the three (3) with the lowest number of votes shall be elected to two (2) year terms, and the other two (2) members which shall be elected to a four (4) year term, and the members of the nonpartisan commission shall select one of their number to serve as chairperson. No member of the nonpartisan commission shall hold any public office, and no member shall hold any official position in a political party. The nonpartisan commission may act only by the concurrence of a majority of its members. The members of such nonpartisan commission shall receive a salary equal to that of an elected state senator as compensation for their services and they shall receive their necessary traveling and other expenses incurred while actually engaged in the discharge of their official duties. Except as provided otherwise in this Article XIV, any and all such nonpartisan commissions shall be governed, and all nonpartisan commission elections provided for under this section shall be held by, and regulated under, such rules as a panel of three retired Missouri judges appointed by the Research Chairperson or Article XIV Coordinator prior to the Research Chairperson shall promulgate. Said rules shall be presented to the Research Chairperson who shall file such rules with the secretary of state on behalf of the Research Board within twenty-one (21) days of receiving them from the three judge panel. The three judge panel shall be compensated the standard rate of retired senior judges paid out of the General Purpose Account during the weeks in which they perform work. Pending selection and appointment that will fill the Research Board, the Article XIV Coordinator shall appoint four (4) temporary acting members and the Governor shall appoint four (4) temporary acting members

who together with the Article XIV Coordinator shall be the "then existing Research Board" and shall have the power and duties of the Research Board until such member positions are otherwise filled pursuant to this Article. Those temporary members shall serve at the same rate as Research Board members so long as there are funds available. If no funds are immediately available, the members may serve with deferred compensation until funds are available and when funds become available the members shall be paid for time served from appointment, and for their reasonable expenses incurred to effectuate their duties.

(u) Applications for vacancies in the Research Board are permitted by any licensed physician or licensed pharmacist residing in the State of Missouri for at least three years prior to their application who also holds a PhD in Biology, Chemistry, Biochemistry, Physics, Genetics, Anatomy, Biomedical Engineering, Neuroscience, a Juris Degree, or equivalent degree who may submit an application to the nonpartisan commission for consideration. Additionally, any citizen of the United States, or Nobel Laureate in the field of medicine or science with permanent residence in the United States, who also holds a PhD in Biology, Chemistry, Biochemistry, Physics, Genetics, Anatomy, Biomedical engineering, Neuroscience, a Juris Degree, or equivalent degree, from an accredited university that has been in existence at least fifty (50) years, upon nomination of a Dean of the School of Medicine of the University of Missouri - Columbia, Kansas City, St. Louis, St. Louis University, or Washington University in St. Louis, or upon nomination of a member of the Missouri State Senate may submit their application to the nonpartisan commission for consideration.

(v) The Research Board shall establish targeted diseases research groups, hereafter research groups, aimed at research, finding cures, and endeavors for fighting specific targeted diseases consistent with the purpose of the charge of this Article XIV. Specific targeted diseases shall be identified by the Research Board, and such targeted diseases may be identified for receiving segregated donations and contributions before and after the targeted disease research group is established. Research groups shall be governed by a panel of not less than three (3) individuals and not more than seven (7), chosen by the Research Board, who shall oversee, supervise, steer, and regulate the group's research to find cures. Individuals on the Research Board may sit on up to four (4) targeted disease group governing panels. Research group panel members, except for Research Board members who shall receive no additional compensation, shall have their compensation set as the annual salary determined by the Research Board, but in no event less than 70% of the annual compensation of the Missouri Supreme Court Chief Justice. When a targeted disease group governing panel includes five (5) or more members, up to two (2) of those members may be non-compensated non-voting advisory members of a 501(c)(3) charitable organization(s) that has demonstrated a commitment, as determined by the Research Board, to finding a cure for the targeted disease.

(w) Members of the Research Board, except as allowed under this Article XIV, shall not enter into any personal financial or business relationships with a Section 10 participating research entity, other than in an accredited university faculty position, during the member's tenure on the Research Board, and for a period of two (2) years after that member's tenure on the Research Board ends. Further a Research Board member shall never steer research outcomes to or toward a particular direction or goal with the purpose of helping a private company for personal or for family financial gain. Nothing in this subsection shall prohibit or prejudice a board member or Article XIV Coordinator from entering into any employment, financial or business relationship so long as such does not steer or influence Article XIV research toward a particular research result/ outcome for personal financial gain.

(x) The monies, including but not limited to all revenues and taxes generated, obtained and distributed under this Article XIV, and all other monies generated, obtained, and distributed under this Article XIV shall not be included within the definition of "total state revenues" as that term is used in section 17 of Article X of this constitution nor be considered as an "expense of state government" as that term is used in section 20 of article X of this constitution.

(y) The Research Board shall establish a public website for transmission and receipt of information to and from the public.

(z) Within ninety (90) days of the effective date of this Article XIV if practicable, but in no event shall the time exceed six (6) months after the effective date of this Article XIV, the Research Board shall make available to the public license application forms and application instructions for Medical Marijuana Cultivation Facilities, Medical Marijuana Dispensary Facilities, and Medical Marijuana-Infused/Extraction Products Manufacturing Facilities.

(aa) Within ninety (90) days of the effective date of this Article XIV if practicable, but in no event shall the time exceed six (6) months after the effective date of this Article XIV, the Research Board shall make available to the public application forms and application instructions for qualifying patient and primary caregiver identification cards. Within one hundred and twenty (120) days of the effective date of this Article XIV, if practicable, but in no event more than eight (8) months after the effective date of this Article XIV, the Research Board shall begin accepting applications for such identification.

Section 4. Licensure, Taxation and Reporting.

(a) A cultivation tax is hereby imposed on each wholesale sale in Missouri by a Medical Marijuana Cultivation Facility and Medical Marijuana Research Cultivation Facility to a Medical Marijuana-Infused/Extraction Products Manufacturing Facility, and a Medical Marijuana Cultivation Facility and Medical Marijuana Research Cultivation Facility to a Medical Marijuana Dispensary Facility, at a rate for marijuana flowers of nine dollars and twenty five cents (\$9.25) per dry-weight ounce, and the tax rate for marijuana leaves shall be set at two dollars and seventy five cents (\$2.75) per dry-weight ounce, with such rate to be increased or decreased each year by the percentage of increase or decrease of the Consumer Price Index (CPI), or successor index as published by the U.S. Board of Labor or its successor agency.

i. For all wholesale sales of marijuana, a receipt must be given by the seller which identifies all the parties involved in the sale, all amounts and types of marijuana involved in the sale and the total amount of money involved in the sale, including itemizations and grand total sale amounts.

(b) A tax is hereby imposed on each retail sale in Missouri of Marijuana and Marijuana Infused/Extraction products by a Medical Marijuana Dispensary Facility at a rate of fifteen percent (15%) of the purchase price paid or charged, or in case such sale involves the exchange of property, to fifteen percent (15%) of the consideration paid or charged, including the fair market value of the property exchanged at the time and place of the exchange.

i. The tax must be collected by the Medical Marijuana Dispensary Facility and paid to the Department of Revenue within thirty (30) days of the retail sale.

ii. For all retail sales of marijuana, a receipt must be given by the seller which identifies all the parties involved in the sale, all amounts and types of marijuana involved in the sale and the total amount of money involved in the sale, including itemizations and grand total sale amounts. The seller of the product must issue a copy of the receipt to the Department of Revenue or be subject to an automatic penalty up to \$100 per occurrence; failure to submit such receipts may further subject a seller to prohibition on obtaining a future license for Medical Marijuana Cultivation, a Medical Marijuana Dispensary Facility, or a Medical Marijuana-Infused/Extraction Products Manufacturing Facility, for a minimum of 30 days to a maximum of life, and if a non-human entity a maximum of forever.

(c) Subject to the limitations within this Article a person who is a Missouri resident for three or more years, or entity that is registered to do business in the State of Missouri and owned at least seventy percent (70%) or more by three year or longer duration Missouri residents, may apply for and obtain from the Research Board a license to operate a Medical Marijuana Cultivation Facility or Medical Marijuana Research Cultivation Facility in Missouri.

i. Such person or entity may apply to the Research Board for and obtain:

a. A yearly Medical Marijuana Cultivation Facility license to grow marijuana. Each such license shall be valid for growing marijuana in up to twenty thousand (20,000) square feet of plant canopy. Each such license shall be taxed at an initial rate of \$25,000 for the first year per license (which must be by money order, cashier's check, or other means as determined by the Research Board and accompany the application and will be returned if the application is unsuccessful) and then annually at \$15,000 per license upon renewal; or

b. A yearly Medical Marijuana Research Cultivation Facility license to grow marijuana. Each such license shall be valid for growing marijuana in up to two thousand five hundred (2,500) square feet of plant canopy. Each such license shall be taxed at an initial rate of \$10,000 for the first year per license (which must be by money order, cashier's check, or other means as determined by the Research Board and accompany the application and will be returned if the application is unsuccessful) and then annually at \$5,000 per license upon renewal.

c. Such licenses may be renewed each year, and rates for both licenses may be increased or decreased each year by the percentage of increase or decrease of the Consumer Price Index (CPI), or successor index as published by the U.S. Board of Labor or its successor agency.

d. No more than three Medical Marijuana Cultivation Facility licenses shall be issued to or possessed by any individual, group of individuals, or entity(s) under substantially common control, ownership, or management, whether directly, indirectly or by derivative.

e. No more than five Medical Marijuana Research Cultivation Facility licenses shall be issued to or possessed by any individual, group of individuals, or entity(s) under substantially common control, ownership, or management, whether