

MEDICAL CANNABIDIOL AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

LONG TITLE**General Description:**

This bill modifies and enacts provisions related to medical cannabidiol.

Highlighted Provisions:

This bill:

- ▶ allows an individual with a qualifying illness who registers with the state electronic verification system to possess and use, under certain circumstances, cannabidiol and cannabidiol products;
- ▶ directs the Department of Health to issue a medical cannabidiol card to an individual who meets the requirements of:
 - a qualified patient; or
 - a designated caregiver of a qualified patient;
- ▶ directs the Department of Commerce, Division of Occupational and Professional Licensing to issue:
 - a license to operate a cannabidiol dispensary to a person who meets certain qualifications; and
 - a registration card to an individual to act as an agent of a cannabidiol dispensary to an individual who meets certain qualifications;
- ▶ directs the Department of Agriculture and Food to issue:
 - a license to operate a medical cannabidiol establishment to a person who meets certain qualifications; and
 - a registration card to an individual to act as an agent of a medical cannabidiol establishment if the individual meets certain qualifications;
- ▶ requires a cannabidiol dispensary to report the distribution of cannabidiol to an individual to the Utah Controlled Substance Database;
- ▶ permits a political subdivision to restrict the location of and operations of a cannabidiol dispensary or medical cannabidiol establishment through local zoning ordinances and business licenses;

- 33 ▶ amends the Controlled Substances Act to allow a licensed person to grow, process,
 34 possess, and sell cannabidiol for the medical use of a patient under certain
 35 circumstances;
- 36 ▶ requires a physician who recommends cannabidiol to a patient to:
- 37 • receive training;
- 38 • report adverse events to the Department of Health; and
- 39 • limit the number of patients for whom the physician will recommend
 40 cannabidiol;
- 41 ▶ makes the retail sale of medical cannabidiol subject to sales tax;
- 42 ▶ amends provisions related to driving with a measurable metabolite of cannabidiols;
- 43 ▶ modifies the membership of the Controlled Substances Advisory Committee;
- 44 ▶ directs the Controlled Substances Advisory Committee to recommend conditions to
 45 include as qualifying illnesses for treatment using cannabidiol; and
- 46 ▶ repeals the Hemp Extract Registration Act.

47 **Money Appropriated in this Bill:**

48 None

49 **Other Special Clauses:**

50 This bill provides a special effective date.

51 **Utah Code Sections Affected:**

52 AMENDS:

53 **41-6a-517**, as last amended by Laws of Utah 2013, Chapter 333

54 **58-38a-201**, as last amended by Laws of Utah 2011, Chapter 60

55 **58-38a-203**, as last amended by Laws of Utah 2011, Chapters 12 and 340

56 **59-12-103**, as last amended by Laws of Utah 2015, Chapter 283

57 **63I-1-258**, as last amended by Laws of Utah 2015, Chapters 40, 186, 187, 320, 367,

58 and 432

59 ENACTS:

60 **4-2-2.5**, Utah Code Annotated 1953

61 **26-58-101**, Utah Code Annotated 1953

62 **26-58-102**, Utah Code Annotated 1953

63 **26-58-103**, Utah Code Annotated 1953

64 **26-58-201**, Utah Code Annotated 1953
65 **26-58-202**, Utah Code Annotated 1953
66 **26-58-203**, Utah Code Annotated 1953
67 **26-58-204**, Utah Code Annotated 1953
68 **26-58-205**, Utah Code Annotated 1953
69 **26-58-301**, Utah Code Annotated 1953
70 **26-58-302**, Utah Code Annotated 1953
71 **26-58-303**, Utah Code Annotated 1953
72 **26-58-304**, Utah Code Annotated 1953
73 **26-58-305**, Utah Code Annotated 1953
74 **26-58-306**, Utah Code Annotated 1953
75 **26-58-307**, Utah Code Annotated 1953
76 **26-58-401**, Utah Code Annotated 1953
77 **26-58-402**, Utah Code Annotated 1953
78 **26-58-403**, Utah Code Annotated 1953
79 **26-58-404**, Utah Code Annotated 1953
80 **26-58-405**, Utah Code Annotated 1953
81 **26-58-406**, Utah Code Annotated 1953
82 **26-58-407**, Utah Code Annotated 1953
83 **26-58-408**, Utah Code Annotated 1953
84 **26-58-409**, Utah Code Annotated 1953
85 **26-58-501**, Utah Code Annotated 1953
86 **26-58-601**, Utah Code Annotated 1953
87 **26-58-602**, Utah Code Annotated 1953
88 **53-1-106.5**, Utah Code Annotated 1953
89 **58-1-111**, Utah Code Annotated 1953
90 **58-37-3.6**, Utah Code Annotated 1953
91 **58-37f-204**, Utah Code Annotated 1953
92 **58-38a-203.1**, Utah Code Annotated 1953
93 **58-67-807**, Utah Code Annotated 1953

94 **63F-1-104.5**, Utah Code Annotated 1953

95 REPEALS:

96 **26-56-101**, as enacted by Laws of Utah 2014, Chapter 25

97 **26-56-102**, as enacted by Laws of Utah 2014, Chapter 25

98 **26-56-103**, as enacted by Laws of Utah 2014, Chapter 25

99

100 *Be it enacted by the Legislature of the state of Utah:*

101 Section 1. Section **4-2-2.5** is enacted to read:

102 **4-2-2.5. Medical Cannabidiol Act -- Department duties.**

103 In addition to the duties described in Section 4-2-2, the department:

104 (1) shall administer and enforce the licensing of a medical cannabidiol establishment in
105 accordance with:

106 (a) Title 26, Chapter 58, Part 4, Medical Cannabidiol Establishment License, and Part
107 5, Enforcement Actions -- Medical Cannabidiol Establishments -- Cannabidiol Dispensary; and

108 (b) the powers and duties provided to the department in this title;

109 (2) may adopt administrative rules in accordance with:

110 (a) this title;

111 (b) Title 26, Chapter 58, Part 4, Medical Cannabidiol Establishment License, and Part
112 5, Enforcement Actions -- Medical Cannabidiol Establishments -- Cannabidiol Dispensary; and

113 (c) Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and

114 (3) shall enter into a memorandum of understanding with participating entities, as that
115 term is defined in Section 26-58-102 and as required by Section 26-58-202.

116 Section 2. Section **26-58-101** is enacted to read:

117 **CHAPTER 58. MEDICAL CANNABIDIOL ACT**

118 **Part 1. General Provisions**

119 **26-58-101. Title.**

120 This chapter is known as "Medical Cannabidiol Act."

121 Section 3. Section **26-58-102** is enacted to read:

122 **26-58-102. Definitions.**

123 As used in this chapter:

124 (1) "Cannabidiol" or "CBD" means extracts or purified substances obtained from

125 industrial hemp in the following formats:

126 (a) the plant cannabis sativa and part of the plant, whether grown or not, with a delta-9
127 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis; and

128 (b) extracts of the plant described in Subsection (1)(a) containing predominantly
129 cannabidiol.

130 (2) "Cannabidiol dispensary" means a person that:

131 (a) is licensed by the Division of Occupational and Professional Licensing to act as a
132 cannabidiol dispensary under Section 26-58-302; and

133 (b) purchases, possesses, and sells cannabidiol or a cannabidiol product.

134 (3) "Cannabidiol dispensary agent" means an owner, officer, board member, employee
135 or volunteer of a cannabidiol dispensary.

136 (4) "Cannabidiol dispensary agent registration card" means a registration card, issued
137 under Section 26-58-304, that authorizes an individual to be a cannabidiol dispensary agent.

138 (5) "Cannabidiol processing facility" means a person that:

139 (a) is licensed by the Department of Agriculture and Food to act as a cannabidiol
140 processing facility under Section 26-58-402;

141 (b) purchases or receives cannabidiol from a cannabidiol cultivation facility;

142 (c) possesses cannabidiol or a cannabidiol product; and

143 (d) manufactures a cannabidiol product for sale to a cannabidiol dispensary.

144 (6) "Cannabidiol product" means the same as that term is defined in Section 58-37-3.6.

145 (7) "Controlled Substances Advisory Committee" means the committee created in
146 Section 58-38a-201.

147 (8) "Designated caregiver" means an individual:

148 (a) whom a patient with a medical cannabidiol card designates as the patient's caregiver
149 under Section 26-58-201; and

150 (b) who obtains a medical cannabidiol card as a designated caregiver.

151 (9) "Electronic verification system" means the system described in Section 26-58-202.

152 (10) "Independent testing laboratory" means a facility that:

153 (a) is licensed by the Department of Agriculture and Food to act as an independent
154 testing laboratory under Section 26-58-402; and

155 (b) meets the requirements of Section 26-58-406.

- 156 (11) "Industrial hemp" has the same meaning as that term is defined in Section
157 4-41-102.
- 158 (12) "Industrial hemp cultivation facility" means a person that:
159 (a) is licensed by the Department of Agriculture and Food under Section 26-58-402;
160 and
161 (b) possesses, grows, and sells industrial hemp to:
162 (i) a cannabidiol dispensary;
163 (ii) a cannabidiol processing facility; or
164 (iii) another industrial hemp cultivation facility.
- 165 (13) "Inventory control system" means the system described in Sections 26-58-403.
- 166 (14) "Medical cannabidiol card" means an official document or card, issued by the
167 Department of Health under Section 26-58-201, that is connected to an electronic verification
168 system.
- 169 (15) "Medical cannabidiol establishment" means:
170 (a) an independent testing laboratory;
171 (b) an industrial hemp cultivation facility; or
172 (c) a cannabidiol processing facility.
- 173 (16) "Medical cannabidiol establishment agent" means an owner, officer, or employee
174 of a medical cannabidiol establishment.
- 175 (17) "Medical cannabidiol establishment agent registration card" means a registration
176 card, issued under Section 26-58-407, that authorizes an individual to be a medical cannabidiol
177 establishment agent.
- 178 (18) "Participating entity" means:
179 (a) the Department of Public Safety created in Section 53-1-103;
180 (b) the Department of Agriculture and Food created in Section 4-2-1;
181 (c) the Department of Health;
182 (d) the Division of Occupational and Professional Licensing created in Title 58,
183 Division of Occupational and Professional Licensing; and
184 (e) the Department of Technology Services created in Section 63F-1-103.
- 185 (19) "Physician" means an individual who:
186 (a) is licensed to practice:

187 (i) medicine, under Title 58, Chapter 67, Utah Medical Practice Act; or
188 (ii) osteopathic medicine, under Title 58, Chapter 68, Utah Osteopathic Medical
189 Practice Act; and

190 (b) complies with Section 58-67-807 or 58-68-807.

191 (20) "Qualifying illness" means a condition described in Subsection 58-38a-302.1(1).

192 Section 4. Section **26-58-103** is enacted to read:

193 **26-58-103. Local ordinances.**

194 This chapter does not supersede an ordinance enacted by the governing body of a
195 political subdivision that restricts the location of, or operating requirements of, a cannabidiol
196 dispensary or a medical cannabidiol establishment.

197 Section 5. Section **26-58-201** is enacted to read:

198 **Part 2. Medical Cannabidiol Card Registration**

199 **26-58-201. Medical cannabidiol card -- Application -- Fees -- Database.**

200 (1) The Department of Health shall, no earlier than December 1, 2016, and within 15
201 days after an individual submits an application in compliance with this section, issue a medical
202 cannabidiol card, via the electronic verification system described in Section 26-58-202, to an
203 individual if the individual:

204 (a) is at least 18 years of age;

205 (b) is a Utah resident;

206 (c) submits to the Department of Health, via the electronic verification system, with a
207 recommendation electronically signed by a physician that indicates that the individual:

208 (i) suffers from a qualifying illness, including the type of qualifying illness; and

209 (ii) may benefit from treatment with cannabidiol or a cannabidiol product;

210 (d) pays the Department of Health a fee establishes in accordance with Title 63J,

211 Chapter 1, Budgetary Procedures Act; and

212 (e) submits an application to the Department of Health, using the electronic verification
213 system that contains:

214 (i) the individual's name, gender, age, and address; and

215 (ii) a copy of the individual's valid photo identification.

216 (2) The Department of Health may not issue a card under this chapter on behalf of a
217 minor. The department's authority to issue a card on behalf of a minor is limited to the

218 provisions of Chapter 56, Hemp Extract Registration Act.

219 (3) An individual who applies for a medical cannabidiol card under Subsection (1)

220 shall fill out and submit the application described in Subsection (1):

221 (a) online, in connection with the electronic verification system established in Section

222 26-58-202; and

223 (b) with a physician, during an office visit with the physician.

224 (4) (a) An individual who holds a valid medical cannabidiol card under Subsection (1)

225 and who a physician determines is unable to obtain cannabidiol or a cannabidiol product from a

226 cannabidiol dispensary may register with the Department of Health, via the electronic

227 verification system, up to two individuals to serve as designated caregivers of the individual.

228 (b) A medical cannabidiol cardholder may designate an individual as a designated

229 caregiver under Subsection (4)(a) if the individual:

230 (i) is 18 years old or older;

231 (ii) is a Utah resident;

232 (iii) is not the designated caregiver of a different medical cannabidiol cardholder;

233 (iv) applies online with the Department of Health through the electronic verification

234 system for a medical cannabidiol card as a designated caregiver;

235 (v) pays to the Department of Health a fee established in accordance with Section

236 63J-1-504 plus the cost of a criminal background check; and

237 (vi) complies with Section 26-58-205.

238 (5) A medical cannabidiol card the department issues under Subsection (1) or (4) is:

239 (a) valid for the lesser of:

240 (i) an amount of time determined by the physician who recommends treatment with

241 cannabidiol or a cannabidiol product under Subsection (1); or

242 (ii) two years; and

243 (b) (i) renewable if, at the time of renewal the individual with the medical cannabidiol

244 card meets the requirements of Subsection (1); and

245 (ii) renewable for a designated caregiver, if at the time of renewal, the individual

246 described in Subsection (5)(b)(i) renews the designated caregiver's designation.

247 (6) The Department of Health may revoke an individual's medical cannabidiol card if

248 the individual violates this chapter.

249 Section 6. Section **26-58-202** is enacted to read:

250 **26-58-202. Electronic verification system -- Department of Technology Services.**

251 (1) In accordance with Section 63F-1-104.5, the Department of Technology Services
252 shall work with the participating entities to assist the participating entities with establishing and
253 maintaining a secure, electronic verification system that:

254 (a) allows an individual, under Subsection 26-58-201(1), or an individual who is the
255 parent or legal guardian of a minor under Subsection 26-58-201(2), to:

256 (i) apply to the Department of Health for a medical cannabidiol card; and

257 (ii) designate up to two caregivers for the patient;

258 (b) allows a physician to electronically recommend treatment with cannabidiol or a
259 cannabidiol product for the patient;

260 (c) issues to an individual, if the individual meets the requirements in Section
261 26-58-201, a medical cannabidiol card;

262 (d) issues to a designated caregiver, if the designated caregiver meets the requirements
263 in Section 26-58-205, a medical cannabidiol card on behalf of a named patient;

264 (e) connects with an inventory control system used by a cannabidiol dispensary,
265 described in Section 26-58-302, to track, in real time, for the purchase of cannabidiol or a
266 cannabidiol product by a medical cannabidiol card holder:

267 (i) the time and date of the purchase;

268 (ii) the quantity and type of cannabidiol or a cannabidiol product purchased; and

269 (iii) any medical cannabidiol establishment associated with the cannabidiol or
270 cannabidiol product;

271 (f) is accessible by the participating entities to the extent necessary for the participating
272 entity to carry out the functions and responsibilities given to the participating entity under this
273 chapter;

274 (g) is accessible by state or local law enforcement:

275 (i) during a traffic stop; or

276 (ii) after obtaining a warrant; and

277 (h) creates a record each time the database is accessed which identifies the individual
278 who accessed the database.

279 (2) (a) The Department of Technology Services and the participating entities shall enter

280 into a memorandum of understanding regarding the creation of and access to the electronic
281 verification system created by this section.

282 (b) The Department of Technology Services and the Department of Health may release,
283 in a format that makes it possible to determine the identity of an individual medical cannabidiol
284 card holder, the data collected by the system under Subsection (1), for the purpose of
285 conducting medical research, if the medical research meets institutional review board standards
286 and has been approved by an institutional review board associated with a university medical
287 school.

288 (3) The Department of Technology Services, and the participating entities, in
289 coordination with the Department of Technology Services, may issue requests for proposals to
290 develop or operate the electronic verification system.

291 Section 7. Section **26-58-203** is enacted to read:

292 **26-58-203. Standard of care -- Medical practitioners not liable -- No private right**
293 **of action.**

294 (1) It is not a breach of the applicable standard of care for a physician to recommend
295 treatment with cannabidiol or a cannabidiol product to an individual under this chapter.

296 (2) A physician who recommends treatment with cannabidiol or a cannabidiol product
297 to an individual under this chapter may not, solely based on that recommendation, be subject
298 to:

299 (a) civil liability;

300 (b) criminal liability; or

301 (c) licensure sanctions under:

302 (i) Title 58, Chapter 67, Utah Medical Practice Act; or

303 (ii) Title 58, Chapter 68, Utah Osteopathic Medical Practice Act.

304 Section 8. Section **26-58-204** is enacted to read:

305 **26-58-204. Medical cannabidiol card -- Patient and designated caregiver**
306 **requirements -- Rebuttable presumption.**

307 (1) An individual who has a medical cannabidiol card issued by the Department of
308 Health under Section 26-58-201 and who possesses cannabidiol or a cannabidiol product
309 outside of the individual's residence shall:

310 (a) carry, with the individual at all times, the individual's medical cannabidiol card;

311 (b) carry, with the cannabidiol or cannabidiol product, a label that identifies that the
312 cannabidiol or cannabidiol product was originally sold from a dispensary licensed under
313 Section 26-58-302, including the bar code or identification number that links the cannabidiol or
314 cannabidiol product to the dispensary's inventory control system; and

315 (c) possess no more than a 30-day supply of cannabidiol or a cannabidiol product, as
316 established by the recommendation of a physician for the individual's treatment.

317 (2) (a) If an individual possesses cannabidiol or a cannabidiol product in compliance
318 with Subsection (1):

319 (i) there is a rebuttable presumption that the individual possesses the cannabidiol or
320 cannabidiol product legally; and

321 (ii) a law enforcement officer does not have probable cause, solely on the basis of the
322 individual's possession of the cannabidiol or cannabidiol product in compliance with
323 Subsection (1), that the individual is engaging in illegal activity.

324 (b) If a law enforcement officer stops an individual who possesses cannabidiol or a
325 cannabidiol product and the individual represents to the law enforcement officer that the
326 individual holds a valid medical cannabidiol card, but the individual does not have the medical
327 cannabidiol card in the individual's possession at the time of the stop by the law enforcement
328 officer, the law enforcement officer shall attempt to access the electronic verification system
329 created in Section 26-58-202 to determine whether the individual holds a valid medical
330 cannabidiol card.

331 Section 9. Section **26-58-205** is enacted to read:

332 **26-58-205. Designated caregiver -- Criminal background check.**

333 (1) An individual registered as a designated caregiver under Subsection 26-58-201(4):

334 (a) may:

335 (i) carry a valid medical cannabidiol card with the patient's name and the designated
336 caregiver's name; and

337 (ii) purchase and possess, in accordance with this chapter, cannabidiol or a cannabidiol
338 product on behalf of the patient whose name appears on the designated caregiver's medical
339 cannabidiol card; and

340 (b) shall submit to a criminal background check in accordance with Subsection (2).

341 (2) Each designated caregiver shall:

342 (a) submit a fingerprint card in a form acceptable to the Department of Health and the
343 Department of Public Safety; and

344 (b) consent to a fingerprint background check by:

345 (i) the Utah Bureau of Criminal Identification; and

346 (ii) the Federal Bureau of Investigation.

347 (3) The Department of Public Safety shall complete a Federal Bureau of Investigation
348 Criminal Background Check for each designated caregiver under Subsection (2) and report the
349 results of the background check to the Department of Health.

350 (4) (a) The Department of Health shall issue a card to a designated caregiver within 30
351 business days after the designated caregiver passes the criminal background check under
352 Subsection (2).

353 (b) The Department of Health may refuse to issue or revoke the registration of a
354 designated caregiver if the designated caregiver has committed a felony that is:

355 (i) a crime of violence involving the use of force or violence against another person; or

356 (ii) a felony conviction of a state or federal law pertaining to controlled substances.

357 Section 10. Section **26-58-301** is enacted to read:

358 **Part 3. Cannabidiol Dispensary License**

359 **26-58-301. Licensing authority and oversight.**

360 (1) For purposes of this part, "division" means the Division of Occupational and
361 Professional Licensing within the Department of Commerce.

362 (2) The division shall license and regulate a cannabidiol dispensary in accordance with
363 this part and Section 58-1-111.

364 Section 11. Section **26-58-302** is enacted to read:

365 **26-58-302. Cannabidiol dispensary -- License -- Eligibility.**

366 (1) Subject to Subsections (2) and (3), the division shall, no earlier than October 1,
367 2016, and within 30 business days after receiving a complete application, issue a license to
368 operate a cannabidiol dispensary to a person who submits to the division:

369 (a) a proposed name, address, and physical location where the person will operate the
370 cannabidiol dispensary;

371 (b) evidence that the person:

372 (i) possesses or controls a minimum of \$50,000 in liquid assets for each application

373 submitted to the division:

374 (ii) meets the eligibility requirements for a cannabidiol dispensary;

375 (iii) will implement an inventory control system at the cannabidiol dispensary; and

376 (iv) can obtain a business license and meet zoning requirements established by a

377 political subdivision as permitted by Section 26-58-103;

378 (c) an application fee in an amount determined by the division in accordance with

379 Section 63J-1-504;

380 (d) if the license is issued, a fee for an initial license or for a renewal in amounts

381 determined by the division in accordance with Section 63J-1-504;

382 (e) a security plan for the cannabidiol dispensary;

383 (f) an operational plan for the cannabidiol dispensary, which shall include:

384 (i) a description of employee training standards;

385 (ii) a description of security standards for the dispensary;

386 (iii) a time period in which the cannabidiol dispensary will become operational;

387 (iv) the distance of the proposed cannabidiol dispensary from another cannabidiol

388 dispensary; and

389 (v) descriptions of other operational standards required by the division; and

390 (g) the results of a criminal background check for each cannabidiol dispensary agent.

391 (2) The division may not issue more than five cannabidiol dispensary licenses in the

392 state.

393 (3) If more than one applicant for a license in a geographic area meets the

394 qualifications of this chapter for a cannabidiol dispensary, the division shall evaluate the

395 applicants to determine which applicant has best demonstrated:

396 (a) experience with:

397 (i) establishing and running a business in a related field;

398 (ii) operating a secure inventory control system;

399 (iii) complying with a regulatory environment; and

400 (iv) training, evaluating, and monitoring employees; and

401 (b) connections to the local community.

402 (4) The division shall renew a person's license under this part every year if, at the time

403 of renewal:

404 (a) the person meets the requirements of Subsection (1); and
405 (b) the division determines that the person has complied with the requirements of this
406 chapter.

407 (5) If license holder abandons a license, as determined by the division by
408 administrative rule, the division shall publish a notice of an available license electronically or
409 in a newspaper of general circulation.

410 (6) A cannabidiol dispensary licensed by the division under Subsection (1) shall:

411 (a) operate in a facility that houses, for the cannabidiol dispensary's business address,
412 only the cannabidiol dispensary; and

413 (b) have a single, secure public entrance.

414 (7) (a) In accordance with Subsection (7)(b), the division shall inspect the records of a
415 cannabidiol dispensary in order to determine if the cannabidiol dispensary complies with the
416 licensing requirements of this part.

417 (b) The division may inspect the premises or records of a cannabidiol dispensary at any
418 time.

419 (c) The division may revoke a license under this part if the cannabidiol dispensary:

420 (i) is not operational within one year of the issuance of the initial license; or

421 (ii) ceases doing business as a cannabidiol dispensary for a period of time that the
422 division determines is an abandonment of the license.

423 (8) A physician may not:

424 (a) serve as an owner, principal, or shareholder of a cannabidiol dispensary; or

425 (b) except online, advertise that the physician may or will recommend cannabidiol or a
426 cannabidiol product.

427 Section 12. Section **26-58-303** is enacted to read:

428 **26-58-303. Cannabidiol dispensary -- Operating requirements.**

429 (1) (a) A cannabidiol dispensary may only dispense cannabidiol:

430 (i) in a medicinal dosage form; and

431 (ii) in an amount of cannabidiol equal to a 30-day supply of the dosage recommended
432 by the individual patient's physician.

433 (b) (i) An individual with a medical cannabidiol card may not purchase an amount of
434 cannabidiol that is greater than the amount described in Subsection (1)(a)(ii); and

435 (ii) a designated caregiver with a medical cannabidiol card may not purchase for any
436 one patient an amount of cannabidiol that is greater than the amount described in Subsection
437 (1)(a)(ii).

438 (c) A cannabidiol dispensary shall:

439 (i) submit data regarding the dispensing of cannabidiol to or on behalf of a patient to:

440 (A) the electronic verification system created in Section 26-58-202; and

441 (B) the controlled substance database in accordance with Section 58-37f-204; and

442 (ii) access the electronic verification system before dispensing cannabidiol to

443 determine that the patient for whom the cannabidiol is being dispensed has not exceeded the
444 amount of cannabidiol described in Subsection (1)(a)(ii).

445 (2) A cannabidiol dispensary may not sell or offer to sell cannabidiol or a cannabidiol
446 product unless:

447 (a) the cannabinoid profile in the cannabidiol or cannabidiol product is clearly and
448 accurately stated on the cannabidiol or cannabidiol product packaging; and

449 (b) the cannabidiol or cannabidiol product is sealed in a tamper resistant, resealable
450 container with a label that includes a bar code or identification number that links the
451 cannabidiol or cannabidiol product to the cannabidiol dispensary's inventory control system.

452 (3) A cannabidiol dispensary may only sell:

453 (a) cannabidiol;

454 (b) a cannabidiol product; and

455 (c) educational materials related to the medical use of cannabidiol.

456 (4) A cannabidiol dispensary may only sell cannabidiol or a cannabidiol product that
457 has been inspected by an independent testing laboratory to determine:

458 (a) the concentration, in the cannabidiol or cannabidiol product, of cannabinoids; and

459 (b) the absence, in the cannabidiol or cannabidiol product, of any of the following
460 substances, in an amount that poses a threat to human health:

461 (i) mold;

462 (ii) fungus;

463 (iii) pesticides;

464 (iv) fertilizers; or

465 (v) other contaminants.

466 (5) A cannabidiol dispensary may only sell cannabidiol or a cannabidiol product in a
467 secure area where only an individual with a medical cannabidiol card may enter.

468 (6) A cannabidiol dispensary may not operate without:

469 (a) a video recording system that:

470 (i) monitors all activity related to handling cannabidiol or a cannabidiol product;

471 (ii) is tamper proof; and

472 (iii) is capable of storing a video record for a minimum of one year; and

473 (b) (i) a security system with a backup power source in the event of a power outage, to:

474 (A) detect and record entry at all times the cannabidiol dispensary is closed; and

475 (B) provide notice of unauthorized entry to local law enforcement; and

476 (ii) a lock on any entrance to the part of the premises where medical cannabidiol is

477 stored.

478 (7) Except as provided in Subsection (9), a cannabidiol dispensary may not advertise in
479 any medium.

480 (8) A cannabidiol dispensary may:

481 (a) display signage on the outside of the cannabidiol dispensary that includes only the
482 cannabidiol dispensary's name and hours of operation; and

483 (b) have a website that includes information about the location of the dispensary,

484 products and services available at the dispensary, and educational materials related to the use of
485 medical cannabidiol.

486 (9) A cannabidiol dispensary shall comply with operating, labeling, and record keeping
487 standards established by the division by rule made in accordance with Title 63G, Chapter 3,
488 Utah Administrative Rulemaking Act.

489 (10) (a) A cannabidiol dispensary shall employ an individual licensed under Title 58,
490 Chapter 17b, Pharmacy Practice Act as a consultant.

491 (b) The individual described in Subsection (10)(a) shall:

492 (i) review the records of any patient, including the products and materials provided to a
493 patient; and

494 (ii) answer patient questions.

495 (11) A cannabidiol dispensary may not sell cannabidiol or a cannabidiol product before
496 January 1, 2017.

497 Section 13. Section **26-58-304** is enacted to read:

498 **26-58-304. Cannabidiol dispensary agent -- Registration card.**

499 (1) An individual may not act as a cannabidiol dispensary agent of a cannabidiol
500 dispensary unless the individual is registered by the division as a cannabidiol dispensary agent.

501 (2) The division shall, within 15 days after receiving a complete application, register
502 and issue a cannabidiol dispensary agent registration card to an individual who:

503 (a) has not been convicted of an offense that is a felony under either state or federal
504 law;

505 (b) provides to the division:

506 (i) the individual's name and address;

507 (ii) the name and location of licensed cannabidiol dispensary where the individual
508 seeks to act as the cannabidiol dispensary agent; and

509 (iii) pays a fee determined by the division in accordance with Section 63J-1-504, that is
510 necessary to cover the division's cost to implement this part;

511 (c) complies with the requirement for, and passes, a criminal background check
512 described in Section 26-58-306; and

513 (d) completes training that meets standards developed by the division by administrative
514 rule adopted in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

515 (3) The division shall designate, for a cannabidiol dispensary agent registration card the
516 division issues under Subsection (2), that the cannabidiol dispensary agent registration card
517 holder is authorized to act as an agent for a cannabidiol dispensary.

518 (4) A cannabidiol dispensary agent shall comply with training requirements established
519 by the division by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
520 Rulemaking Act.

521 (5) The division may revoke the cannabidiol dispensary agent registration card of an
522 individual who:

523 (a) violates the requirements of this chapter; or

524 (b) commits an offense that is a felony under state or federal law.

525 Section 14. Section **26-58-305** is enacted to read:

526 **26-58-305. Inventory control system.**

527 Each cannabidiol dispensary licensed under this part shall maintain an inventory control

528 system that:

529 (1) stores, in real time, a record of the amount of cannabidiol or cannabidiol products
530 in a cannabidiol dispensary's possession;

531 (2) keeps a record of the cannabidiol dispensary's sales to medical cannabidiol card
532 holders and sales or distributions to another medical cannabidiol establishment;

533 (3) is capable of interfacing with the electronic verification system described in Section
534 26-58-202 in order to identify the origin of the cannabidiol or cannabidiol product sold by the
535 dispensary, and each medical cannabidiol establishment or cannabidiol dispensary that had
536 contact with the cannabidiol or cannabidiol product purchased at the dispensary; and

537 (4) is accessible by the participating entities, as defined in Section 26-58-102.

538 Section 15. Section **26-58-306** is enacted to read:

539 **26-58-306. Cannabidiol dispensary agents -- Criminal background checks.**

540 (1) An individual applying for a cannabidiol dispensary agent registration card under
541 this chapter shall:

542 (a) submit, at the time of application, a fingerprint card in a form acceptable to the
543 division; and

544 (b) consent to a fingerprint background check by:

545 (i) the Utah Bureau of Criminal Identification; and

546 (ii) the Federal Bureau of Investigation.

547 (2) The division shall request that the Department of Public Safety complete a Federal
548 Bureau of Investigation criminal background check for each cannabidiol dispensary agent card
549 applicant.

550 (3) The division may revoke or refuse to issue an individual's cannabidiol dispensary
551 agent registration card if the individual has committed an offense that is a felony under state or
552 federal law.

553 Section 16. Section **26-58-307** is enacted to read:

554 **26-58-307. Cannabidiol dispensary agent registration card -- Rebuttable**
555 **presumption.**

556 (1) An individual who has a cannabidiol dispensary agent registration card shall, while
557 transporting cannabidiol or a cannabidiol product between a medical cannabidiol establishment
558 and a cannabidiol dispensary, or between two cannabidiol dispensaries:

559 (a) carry with the individual, the individual's cannabidiol dispensary agent registration
560 card;

561 (b) carry the cannabidiol or cannabidiol product in packaging that includes the bar code
562 or identification number that links the cannabidiol or cannabidiol product to the medical
563 cannabidiol establishment's inventory control system and the cannabidiol dispensary's
564 inventory control system; and

565 (c) use a transportation manifest that contains information regarding the cannabidiol or
566 cannabidiol product being transported and details of the transportation.

567 (2) If an individual possesses cannabidiol or a cannabidiol product in compliance with
568 Subsection (1):

569 (a) there is a rebuttable presumption that the individual possesses the cannabidiol or
570 cannabidiol product legally; and

571 (b) a law enforcement officer does not have probable cause, solely on the basis of the
572 individual's possession of the cannabidiol or cannabidiol product in compliance with
573 Subsection (1), that the individual is engaging in illegal activity.

574 Section 17. Section **26-58-401** is enacted to read:

575 **Part 4. Medical Cannabidiol Establishment License**

576 **26-58-401. Licensing authority and oversight.**

577 (1) For purposes of this part, "department" means the Department of Agriculture and
578 Food created in Section 4-2-1.

579 (2) The Department of Agriculture and Food shall license and regulate the operation of
580 a medical cannabidiol establishment in the state.

581 Section 18. Section **26-58-402** is enacted to read:

582 **26-58-402. Medical cannabidiol establishment -- License -- Eligibility.**

583 (1) Subject to Subsections (2), (3), and (4), the department shall, within 30 days after
584 receiving a complete application, issue a license to operate a medical cannabidiol establishment
585 to a person who submits to the department:

586 (a) a proposed name, address, and physical location where the person will operate the
587 medical cannabidiol establishment;

588 (b) evidence that the person possesses or controls a minimum of \$50,000 in liquid
589 assets for each type of license for which the person applies;

590 (c) evidence, for each location of a medical cannabis establishment for which the
591 person applies, that the person qualifies for a business license and is capable of meeting the
592 zoning requirements established by a political subdivision, as permitted by Section 26-58-103:

593 (d) an application fee in an amount determined by the department in accordance with
594 Section 63J-1-504;

595 (e) if the license is issued, a fee for an initial license or for a renewed license in an
596 amount determined by the department in accordance with Section 63J-1-504;

597 (f) evidence that the person meets the eligibility requirements for:

598 (i) a cannabidiol cultivation facility;

599 (ii) a cannabidiol processing facility; or

600 (iii) an independent cannabidiol testing laboratory;

601 (g) a security plan for the medical cannabidiol establishment;

602 (h) evidence that the person will implement an inventory control system at the medical
603 cannabidiol establishment; and

604 (i) the results of a criminal background check for each medical cannabidiol
605 establishment agent.

606 (2) Except as provided in Subsection (3), the department shall, for a medical
607 cannabidiol establishment to which the department issues a license under Subsection (1),
608 designate whether the license authorizes the medical cannabidiol establishment to operate as:

609 (a) a cannabidiol cultivation facility;

610 (b) a cannabidiol processing facility; or

611 (c) an independent cannabidiol testing laboratory.

612 (3) (a) The department:

613 (i) shall require a separate license for each type of medical cannabidiol establishment
614 and each location for a medical cannabidiol establishment;

615 (ii) may issue a cannabidiol cultivation facility license and a cannabidiol processing
616 facility license to be operated by:

617 (A) the same person at the same physical location; or

618 (B) the same person at separate physical locations;

619 (iii) may not issue a medical cannabidiol establishment license:

620 (A) for operation at the same physical location as a cannabidiol dispensary; or

621 (B) if the owner, principal, or shareholder of the medical cannabidiol establishment is a
622 physician; and

623 (iv) may not issue any more than:

624 (A) two active cannabidiol cultivation facility licenses in the state;
625 (B) two active cannabidiol processing facility licenses in the state; and
626 (C) two active cannabidiol independent testing laboratories in the state.

627 (b) An independent cannabidiol testing laboratory license may not be:

628 (i) issued to an individual:

629 (A) who holds a license or has an ownership interest in a cannabidiol dispensary, a
630 cannabidiol processing facility, or a cannabidiol cultivation facility; or

631 (B) whose immediate family member holds a license or has an ownership interest in a
632 cannabidiol dispensary, a cannabidiol processing facility, or a cannabidiol cultivation facility;
633 and

634 (ii) operated at the same physical location as a cannabidiol dispensary or another type
635 of medical cannabidiol establishment.

636 (4) If the department receives more than two applications for an available license for a
637 particular type of cannabidiol establishment that meet the qualifications of this chapter for a
638 cannabidiol establishment license, the department shall evaluate the applicants to determine
639 which applicant has best demonstrated:

640 (a) experience with:

641 (i) establishing and running a business in a related field;
642 (ii) operating a secure inventory control system;
643 (iii) complying with a regulatory environment; and
644 (iv) training, evaluating, and monitoring employees; and

645 (b) connections to the local community.

646 (5) The department shall renew a person's license under this part every year if:

647 (a) at the time of renewal, the person meets the requirements of Subsection (1); and
648 (b) the department determines that the person has complied with the requirements of
649 this chapter.

650 (6) If license holder abandons a license, as determined by the department by
651 administrative rule, the department shall publish a notice of an available license electronically

652 or in a newspaper of general circulation.

653 (7) A medical cannabidiol establishment licensed by the department under Subsection

654 (1):

655 (a) shall operate in a structure that:

656 (i) has a secure public entrance; and

657 (ii) complies with other structural requirements established by the department by rule

658 made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, in order

659 to ensure public safety and to prevent diversion of hemp or cannabidiol from the establishment;

660 (b) may not allow any person to consume cannabidiol on the property or premises of

661 the establishment;

662 (c) may not operate without a video recording system that:

663 (i) monitors all activity related to handling cannabidiol or a cannabidiol product;

664 (ii) is tamper proof; and

665 (iii) is capable of storing a video record for a minimum of one year;

666 (d) shall have a:

667 (i) security system with a back up power source in the event of a power outage, to:

668 (A) detect and record entry at all times the medical cannabidiol establishment is closed;

669 and

670 (B) provide notice of unauthorized entry to local law enforcement; and

671 (ii) lock on any entrance to the part of the premises where medical cannabidiol is

672 stored; and

673 (e) may not advertise in any medium to the general public.

674 (8) (a) In accordance with Subsection (8)(b), the department shall inspect the facility

675 and the records of a medical cannabidiol establishment in order to determine if the medical

676 cannabidiol establishment complies with the licensing requirements of this chapter.

677 (b) The department may inspect the records and the facility of a medical cannabidiol

678 establishment at any time.

679 Section 19. Section **26-58-403** is enacted to read:

680 **26-58-403. Inventory control system.**

681 Each medical cannabidiol establishment licensed under this part shall maintain an

682 inventory control system that:

683 (1) is capable of tracking, in real time, cannabidiol from the first point the cannabidiol
684 is planted as a seed, a clone, or a cutting, until the cannabidiol is sold, in the form of
685 unprocessed cannabidiol or a cannabidiol product, to a medical cannabidiol cardholder;

686 (2) stores, in real time, a record of the amount of cannabidiol or cannabidiol products
687 in a medical cannabidiol establishment's possession;

688 (3) keeps a record of the medical cannabidiol establishment's sales to cannabidiol
689 dispensaries and other medical cannabidiol establishments;

690 (4) is capable of interfacing with the electronic verification system described in Section
691 26-58-202 in order for an individual with a medical cannabidiol card who purchases
692 cannabidiol or a cannabidiol product to:

693 (a) identify the origin of the cannabidiol or cannabidiol product the individual
694 purchased; and

695 (b) identify each medical cannabidiol establishment that had contact with the
696 cannabidiol the individual purchased; and

697 (5) is accessible by the participating entities, as defined in Section 26-58-102.
698 Section 20. Section **26-58-404** is enacted to read:

699 **26-58-404. Cannabidiol cultivation facility -- Operating requirements.**

700 (1) Except as provided in Subsection (5), a cannabidiol cultivation facility shall
701 cultivate cannabidiol only:

702 (a) indoors, in an enclosed, locked facility that is accessible only by an individual with
703 a valid medical cannabidiol establishment agent registration card under Section 26-58-407; and

704 (b) at the physical address provided to the department under Section 26-58-402.

705 (2) A cannabidiol cultivation facility shall ensure that any cannabidiol growing inside
706 the facility is not visible at street level from outside the building.

707 (3) A cannabidiol cultivation facility shall use a unique batch identifier for each batch
708 of cannabidiol transferred to a cannabidiol dispensary, a cannabidiol processing facility, or an
709 independent cannabidiol testing laboratory.

710 (4) A cannabidiol cultivation facility shall comply with operating requirements
711 established by the department by rule made in accordance with Title 63G, Chapter 3, Utah
712 Administrative Rulemaking Act.

713 (5) A cannabidiol cultivation facility may allow the press, a visitor, or a contractor

714 access to the facility if:

715 (a) the facility tracks and monitors the individual at all times while the individual is in
716 the facility; and

717 (b) a record of the individual's access to the facility is maintained by the facility.

718 Section 21. Section **26-58-405** is enacted to read:

719 **26-58-405. Cannabidiol processing facility -- Operating requirements.**

720 (1) A cannabidiol processing facility shall ensure that a cannabidiol product that the
721 cannabidiol processing facility sells or provides to a cannabidiol dispensary:

722 (a) has a label that:

723 (i) clearly and unambiguously states that the cannabidiol product contains cannabidiol;

724 (ii) clearly displays the full cannabinoid profile of the cannabidiol product;

725 (iii) has a unique batch identifier; and

726 (iv) complies with labeling requirements established by the department by rule made in
727 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

728 (b) is offered only in a medical dosage form:

729 (i) recommended by the Controlled Substances Advisory Committee; and

730 (ii) approved by the Legislature in an act signed by the Governor; and

731 (c) complies with packaging requirements established by the department by rule made
732 in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

733 (2) Except as permitted in Subsection (4), a cannabidiol processing facility:

734 (a) shall produce a cannabidiol product only:

735 (i) in an enclosed, locked facility that is accessible only by an individual with a valid
736 medical cannabidiol establishment agent registration card under Section 26-58-407; and

737 (ii) at the physical address provided to the department under Section 26-58-402; and

738 (b) shall not apply or infuse a cannabidiol agent, product, or derivative, to a
739 pre-packaged or manufactured product that is created for general consumption.

740 (3) A cannabidiol processing facility shall comply with operating and production
741 standards established by the department by rule made in accordance with Title 63G, Chapter 3,
742 Utah Administrative Rulemaking act to ensure:

743 (a) a cannabidiol product produced by the cannabidiol processing facility is safe for
744 human consumption;

745 (b) the cannabidiol processing facility's production process is safe for employees of the
746 cannabidiol processing facility; and

747 (c) industrial hemp or cannabidiol is not unlawfully diverted from the cannabidiol
748 processing facility.

749 (4) A cannabidiol processing facility may allow the press, a visitor, or a contractor
750 access to the facility if:

751 (a) the facility tracks and monitors the individual at all times while the individual is in
752 the facility; and

753 (b) a record of the individual's access to the facility is maintained by the facility.

754 Section 22. Section **26-58-406** is enacted to read:

755 **26-58-406. Independent cannabidiol testing laboratory -- Operating requirements.**

756 (1) The department shall license a private laboratory as an independent cannabidiol
757 testing laboratory if, in addition to the requirements described in Section 26-58-402, the
758 laboratory is able to determine accurately, for cannabidiol or a cannabidiol product that a
759 cannabidiol dispensary sells or offers to sell:

760 (a) the concentration of cannabinoids in the cannabidiol or cannabidiol product; and

761 (b) whether the cannabidiol or cannabidiol product contains any of the following
762 substances, in an amount that poses a threat to human health:

763 (i) mold;

764 (ii) fungus;

765 (iii) pesticides;

766 (iv) fertilizers; or

767 (v) other contaminants.

768 (2) An independent cannabidiol testing laboratory may not have a medical cannabidiol
769 establishment agent who is an agent for a cannabidiol dispensary, a cannabidiol processing
770 facility, or a cannabidiol cultivation facility.

771 (3) (a) An independent cannabidiol testing laboratory shall comply with operating
772 requirements established by the department by rule made in accordance with Title 63G,
773 Chapter 3, Utah Administrative Rulemaking Act.

774 (b) The operating standards shall, at a minimum, include a requirement that the
775 independent lab:

776 (i) report to the Department of Agriculture any lab results that indicate that the medical
777 cannabidiol batch that was tested:

778 (A) may be unsafe for human consumption; or

779 (B) contains a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent on a
780 dry weight basis; and

781 (ii) provide the department with a designated period of time in which to respond to the
782 lab results before the independent lab releases the batch of cannabidiol to another cannabidiol
783 establishment or a cannabidiol dispensary.

784 (4) An independent cannabidiol testing laboratory may allow the press, a visitor, or a
785 contractor access to the facility if:

786 (a) the facility tracks and monitors the individual at all times while the individual is in
787 the facility; and

788 (b) a record of the individual's access to the facility is maintained by the facility.

789 Section 23. Section **26-58-407** is enacted to read:

790 **26-58-407. Medical cannabidiol establishment agent -- Registration.**

791 (1) An individual may not act as an owner, shareholder, employee, or agent of a
792 medical cannabidiol establishment unless the individual is registered by the department as a
793 medical cannabidiol establishment agent.

794 (2) The department shall, within 15 business days after receiving a complete
795 application, register and issue a medical cannabidiol establishment agent registration card to an
796 individual who:

797 (a) has not been convicted of an offense that is a felony under either state or federal
798 law;

799 (b) provides to the department:

800 (i) the individual's name and address;

801 (ii) the name and location of licensed medical cannabidiol establishments where the
802 individual seeks to act as the medical cannabidiol establishment's agent; and

803 (iii) payment of a fee determined by the department in accordance with Section
804 63J-1-504, that is necessary to cover the department's cost to implement this part;

805 (c) complies with the requirement for, and passes, a criminal background check
806 described in Section 26-58-408; and

807 (d) demonstrates that to the department that the individual has completed a training
808 program that meets standards approved by the department by administrative rule made in
809 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

810 (3) The department shall designate, for a medical cannabidiol establishment agent
811 registration card the department issues under Subsection (2), whether the medical cannabidiol
812 establishment agent registration card holder is authorized to act as an agent for:

813 (a) a cannabidiol cultivation facility;

814 (b) a cannabidiol processing facility;

815 (c) both a cannabidiol cultivation facility and a cannabidiol processing facility; or

816 (d) an independent cannabidiol testing laboratory.

817 (4) A medical cannabidiol establishment agent shall comply with training requirements
818 established by the department by rule made in accordance with Title 63G, Chapter 3, Utah
819 Administrative Rulemaking Act.

820 (5) The department may revoke the medical cannabidiol establishment agent
821 registration card of an individual who:

822 (a) violates the requirements of this chapter; or

823 (b) commits an offense that is a felony under state or federal law.

824 Section 24. Section **26-58-408** is enacted to read:

825 **26-58-408. Medical cannabidiol establishment agents -- Criminal background**
826 **checks.**

827 (1) An individual applying for a medical cannabidiol establishment agent registration
828 card under this chapter shall:

829 (a) submit, at the time of application, a fingerprint card in a form acceptable to the
830 department; and

831 (b) consent to a fingerprint background check by:

832 (i) the Utah Bureau of Criminal Identification; and

833 (ii) the Federal Bureau of Investigation.

834 (2) The department shall request that the Department of Public Safety complete a
835 Federal Bureau of Investigation criminal background check for each medical cannabidiol
836 establishment agent card applicant.

837 (3) The department may revoke or refuse to issue an individual's medical cannabidiol

838 establishment agent registration card if the individual has committed an offense that is a felony
839 under state or federal law.

840 Section 25. Section **26-58-409** is enacted to read:

841 **26-58-409. Medical establishment agent registration card -- Rebuttable**
842 **presumption.**

843 (1) An individual who has a medical cannabidiol establishment agent registration card
844 shall, while transporting cannabidiol or a cannabidiol product between two medical cannabidiol
845 establishments or a cannabidiol dispensary:

846 (a) carry with the individual, the individual's medical cannabidiol establishment agent
847 registration card;

848 (b) carry the cannabidiol or cannabidiol product in packaging that includes the bar code
849 or identification number that links the cannabidiol or cannabidiol product to the medical
850 cannabidiol establishment's inventory control system; and

851 (c) use a transportation manifest that contains information required by Subsection
852 (1)(b), the amount of cannabidiol product being transferred, and the location of all stops and
853 deliveries during the transportation process.

854 (2) If an individual possesses cannabidiol or a cannabidiol product in compliance with
855 Subsection (1):

856 (a) there is a rebuttable presumption that the individual possesses the cannabidiol or
857 cannabidiol product legally; and

858 (b) a law enforcement officer does not have probable cause, solely on the basis of the
859 individual's possession of the cannabidiol or cannabidiol product in compliance with
860 Subsection (1), that the individual is engaging in illegal activity.

861 Section 26. Section **26-58-501** is enacted to read:

862 **Part 5. Enforcement Actions -- Medical Cannabidiol**
863 **Establishments -- Cannabidiol Dispensary**

864 **26-58-501. Penalty for unlawful conduct -- Threat to public health safety and**
865 **welfare -- Fines -- Citations.**

866 (1) (a) Except as provided in this section, the Division of Occupational and
867 Professional Licensing shall enforce Part 3, Cannabidiol Dispensary License, in accordance
868 with the regulatory authority granted to the department by Title 58, Division of Occupational

869 and Professional Licensing Act, and this chapter.

870 (b) Except as provided in this section, the Department of Agriculture and Food shall
871 enforce Part 4, Medical Cannabidiol Establishment License, in accordance with the general
872 regulatory authority granted to the department under Title 4, Utah Agricultural Code, and this
873 chapter.

874 (2) (a) The Division of Occupational and Professional Licensing may, for violations of
875 Part 3, Cannabidiol Dispensary License, by a cannabidiol dispensary or a cannabidiol
876 dispensary agent, and the Department of Agriculture and Food may, for a violation of Part 4,
877 Medical Cannabidiol Establishment License, by a medical cannabidiol establishment or a
878 medical cannabidiol establishment agent:

879 (i) (A) revoke a person's license under this chapter if the person violates the licensing
880 requirements of this chapter;

881 (B) refuse to renew a license under Subsection (7);

882 (ii) assess administrative penalties; and

883 (iii) take any other appropriate administrative action.

884 (b) The departments shall deposit an administrative penalty imposed under this section
885 in the General Fund as a dedicated credit to be used by the department or the division for
886 education and enforcement of the provisions of this chapter.

887 (3) (a) The Division of Occupational and Professional Licensing or the Department of
888 Agriculture and Food may take an action described in Subsection (3)(b) if the department or
889 division concludes, upon inspection or investigation, that:

890 (i) a person has violated the provisions of this chapter or a rule made or order issued
891 under this chapter; or

892 (ii) a batch of medical cannabidiol was prepared in a manner, or contains substances,
893 that poses a threat to human health.

894 (b) The department or division that makes a conclusion under Subsection (3)(a)(ii):

895 (i) may:

896 (A) seize, embargo, and destroy a batch of medical cannabidiol or a batch of a medical
897 cannabidiol product; and

898 (B) direct the person to appear before an adjudicative proceeding conducted under Title
899 63G, Chapter 4, Administrative Procedures Act; and

900 (ii) shall, when a determination is made under Subsection (3)(a)(i):
 901 (A) issue the person a citation in writing;
 902 (B) attempt to negotiate a stipulated settlement; or
 903 (C) direct the person to appear before an adjudicative proceeding conducted under Title
 904 63G, Chapter 4, Administrative Procedures Act.

905 (4) The department may, for a person subject to an uncontested citation, a stipulated
 906 settlement, or a finding of a violation in an adjudicative proceeding:

907 (a) assess the person a fine established in accordance with Section 63J-1-504 of up to
 908 \$10,000 per single violation or up to \$2,000 per day of ongoing violation, in accordance with a
 909 fine schedule established by rule; or

910 (b) order the person to cease and desist from violating the provisions of this chapter or
 911 a rule made or order issued under this chapter.

912 (5) (a) The Division of Occupational and Professional Licensing may not revoke a
 913 cannabidiol dispensary license via a citation.

914 (b) The Department of Agriculture and Food may not revoke a medical cannabidiol
 915 establishment's license via a citation.

916 (6) If within 20 calendar days after the day on which a department or division serves a
 917 citation for a violation of this chapter, the person to whom the citation is issued fails to request
 918 a hearing to contest the citation, the citation becomes the final order of the department od
 919 division.

920 (7) A department or division may refuse to issue or renew a license, a medical
 921 cannabidiol agent registration card, or a cannabidiol dispensary agent registration card, or may
 922 suspend, revoke, or place on probation the license of a licensee, a medical cannabidiol
 923 establishment agent registration card holder, or a medical cannabidiol dispensary agent
 924 registration card holder who fails to comply with the citation after it becomes final.

925 (8) The failure of an applicant for licensure to comply with a citation after it becomes
 926 final is a ground for denial or revocation of a license.

927 Section 27. Section **26-58-601** is enacted to read:

928 **Part 6. Medical Cannabidiol Research License**

929 **26-58-601. Title.**

930 This part is known as "Medical Cannabidiol Research License."

931 Section 28. Section **26-58-602** is enacted to read:

932 **26-58-602. Medical Cannabidiol Research License.**

933 (1) For the purpose of this part, "department" means the Department of Health.

934 (2) The department may issue a license to a higher education institution to conduct

935 medical research on cannabidiol if the higher education institution submits to the department:

936 (a) the higher education institution's research plan; and

937 (b) the name of an employee of the higher education institution who will supervise the

938 medical cannabidiol research.

939 (3) Notwithstanding the provisions of Title 58, Chapter 37, Controlled Substances Act,

940 a higher education institution to which the department issues a medical cannabidiol research

941 license under this chapter may:

942 (a) purchase cannabidiol or a cannabidiol product from a person licensed under Title

943 26, Chapter 58, Part 4, Medical Cannabidiol Establishment License;

944 (b) possess cannabidiol or a cannabidiol product; and

945 (b) provide cannabidiol or a cannabidiol product to a patient as part of a medical

946 research study approved by the department.

947 (4) The department may establish rules made in accordance with Title 63G, Chapter 3,

948 Utah Administrative Rulemaking Act that provide:

949 (a) eligibility criteria for a medical cannabidiol research license; and

950 (b) standards for an acceptable medical research study under Subsection (3)(b).

951 Section 29. Section **41-6a-517** is amended to read:

952 **41-6a-517. Definitions -- Driving with any measurable controlled substance in the**

953 **body -- Penalties -- Arrest without warrant.**

954 (1) As used in this section:

955 (a) "Controlled substance" has the same meaning as in Section 58-37-2.

956 (b) "Practitioner" has the same meaning as in Section 58-37-2.

957 (c) "Prescribe" has the same meaning as in Section 58-37-2.

958 (d) "Prescription" has the same meaning as in Section 58-37-2.

959 (2) In cases not amounting to a violation of Section 41-6a-502, a person may not

960 operate or be in actual physical control of a motor vehicle within this state if the person has any

961 measurable controlled substance or metabolite of a controlled substance in the person's body.

962 (3) It is an affirmative defense to prosecution under this section that the controlled
963 substance was:

964 (a) involuntarily ingested by the accused;

965 (b) prescribed by a practitioner for use by the accused; ~~or~~

966 (c) cannabidiol or a cannabidiol product recommended by a physician and the person

967 holds a valid medical cannabidiol card under Title 26, Chapter 58, Medical Cannabidiol Act; or

968 ~~(c)~~ (d) otherwise legally ingested.

969 (4) (a) A person convicted of a violation of Subsection (2) is guilty of a class B
970 misdemeanor.

971 (b) A person who violates this section is subject to conviction and sentencing under
972 both this section and any applicable offense under Section 58-37-8.

973 (5) A peace officer may, without a warrant, arrest a person for a violation of this
974 section when the officer has probable cause to believe the violation has occurred, although not
975 in the officer's presence, and if the officer has probable cause to believe that the violation was
976 committed by the person.

977 (6) The Driver License Division shall, if the person is 21 years of age or older on the
978 date of arrest:

979 (a) suspend, for a period of 120 days, the driver license of a person convicted under
980 Subsection (2) of an offense committed on or after July 1, 2009; or

981 (b) revoke, for a period of two years, the driver license of a person if:

982 (i) the person has a prior conviction as defined under Subsection 41-6a-501(2); and

983 (ii) the current violation under Subsection (2) is committed on or after July 1, 2009,
984 and within a period of 10 years after the date of the prior violation.

985 (7) The Driver License Division shall, if the person is 19 years of age or older but
986 under 21 years of age on the date of arrest:

987 (a) suspend, until the person is 21 years of age or for a period of one year, whichever is
988 longer, the driver license of a person convicted under Subsection (2) of an offense committed
989 on or after July 1, 2011; or

990 (b) revoke, until the person is 21 years of age or for a period of two years, whichever is
991 longer, the driver license of a person if:

992 (i) the person has a prior conviction as defined under Subsection 41-6a-501(2); and

993 (ii) the current violation under Subsection (2) is committed on or after July 1, 2009,
994 and within a period of 10 years after the date of the prior violation.

995 (8) The Driver License Division shall, if the person is under 19 years of age on the date
996 of arrest:

997 (a) suspend, until the person is 21 years of age, the driver license of a person convicted
998 under Subsection (2) of an offense committed on or after July 1, 2009; or

999 (b) revoke, until the person is 21 years of age, the driver license of a person if:

1000 (i) the person has a prior conviction as defined under Subsection 41-6a-501(2); and

1001 (ii) the current violation under Subsection (2) is committed on or after July 1, 2009,
1002 and within a period of 10 years after the date of the prior violation.

1003 (9) The Driver License Division shall subtract from any suspension or revocation
1004 period the number of days for which a license was previously suspended under Section
1005 53-3-223 or 53-3-231, if the previous suspension was based on the same occurrence upon
1006 which the record of conviction is based.

1007 (10) The Driver License Division shall:

1008 (a) deny, suspend, or revoke a person's license for the denial and suspension periods in
1009 effect prior to July 1, 2009, for a conviction of a violation under Subsection (2) that was
1010 committed prior to July 1, 2009; or

1011 (b) deny, suspend, or revoke the operator's license of a person for the denial,
1012 suspension, or revocation periods in effect from July 1, 2009, through June 30, 2011, if:

1013 (i) the person was 20 years of age or older but under 21 years of age at the time of
1014 arrest; and

1015 (ii) the conviction under Subsection (2) is for an offense that was committed on or after
1016 July 1, 2009, and prior to July 1, 2011.

1017 (11) A court that reported a conviction of a violation of this section for a violation that
1018 occurred on or after July 1, 2009, to the Driver License Division may shorten the suspension
1019 period imposed under Subsection (7)(a) or (8)(a) prior to completion of the suspension period
1020 if the person:

1021 (a) completes at least six months of the license suspension;

1022 (b) completes a screening;

1023 (c) completes an assessment, if it is found appropriate by a screening under Subsection

1024 (11)(b);

1025 (d) completes substance abuse treatment if it is found appropriate by the assessment
1026 under Subsection (11)(c);

1027 (e) completes an educational series if substance abuse treatment is not required by the
1028 assessment under Subsection (11)(c) or the court does not order substance abuse treatment;

1029 (f) has not been convicted of a violation of any motor vehicle law in which the person
1030 was involved as the operator of the vehicle during the suspension period imposed under
1031 Subsection (7)(a) or (8)(a);

1032 (g) has complied with all the terms of the person's probation or all orders of the court if
1033 not ordered to probation; and

1034 (h) (i) is 18 years of age or older and provides a sworn statement to the court that the
1035 person has not consumed a controlled substance not prescribed by a practitioner for use by the
1036 person or unlawfully consumed alcohol during the suspension period imposed under
1037 Subsection (7)(a) or (8)(a); or

1038 (ii) is under 18 years of age and has the person's parent or legal guardian provide an
1039 affidavit or other sworn statement to the court certifying that to the parent or legal guardian's
1040 knowledge the person has not consumed a controlled substance not prescribed by a practitioner
1041 for use by the person or unlawfully consumed alcohol during the suspension period imposed
1042 under Subsection (7)(a) or (8)(a).

1043 (12) If the court shortens a person's license suspension period in accordance with the
1044 requirements of Subsection (11), the court shall forward the order shortening the person's
1045 license suspension period prior to the completion of the suspension period imposed under
1046 Subsection (7)(a) or (8)(a) to the Driver License Division.

1047 (13) (a) The court shall notify the Driver License Division if a person fails to:

1048 (i) complete all court ordered screening and assessment, educational series, and
1049 substance abuse treatment; or

1050 (ii) pay all fines and fees, including fees for restitution and treatment costs.

1051 (b) Upon receiving the notification, the division shall suspend the person's driving
1052 privilege in accordance with Subsections 53-3-221(2) and (3).

1053 (14) The court shall order supervised probation in accordance with Section 41-6a-507
1054 for a person convicted under Subsection (2).

1055 Section 30. Section **53-1-106.5** is enacted to read:

1056 **53-1-106.5. Medical Cannabidiol Act -- Department duties.**

1057 In addition to the duties described in Section 53-1-106, the department shall:

1058 (1) enter into a memorandum of understanding with the participating entities, as that
1059 term is defined in Section 26-58-102, for the purpose of providing peace officers and law
1060 enforcement agencies with access to the electronic verification system as described in Section
1061 26-58-202; and

1062 (2) provide standards for the training of peace officers and law enforcement agencies in
1063 the use of the electronic verification system.

1064 Section 31. Section **58-1-111** is enacted to read:

1065 **58-1-111. Duty to license cannabidiol dispensaries under the Medical Cannabidiol**
1066 **Act.**

1067 (1) The division shall administer and enforce the licensing of a cannabidiol dispensary
1068 in accordance with:

1069 (a) Title 26, Chapter 58, Part 3, Cannabidiol Dispensary License; and

1070 (b) the powers and duties provided to the division in this title.

1071 (2) The division shall adopt administrative rules in accordance with:

1072 (a) this title;

1073 (b) Title 26, Chapter 58, Part 3, Cannabidiol Dispensary License; and

1074 (c) Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

1075 (3) The division shall enter into a memorandum of understanding with participating
1076 entities, as that term is defined in Section 26-58-102, in accordance with Section 26-58-202.

1077 Section 32. Section **58-37-3.6** is enacted to read:

1078 **58-37-3.6. Exemption for possession or use of cannabidiol to treat a qualifying**
1079 **illness.**

1080 (1) As used in this section:

1081 (a) "Cannabidiol" or "CBD means extracts or purified substances obtained from
1082 industrial hemp in the following formats:

1083 (i) the plant cannabis sativa and part of the plant, whether grown or not, with a delta-9
1084 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis; and

1085 (ii) extracts of the plant described in Subsection (1)(a) containing predominantly

1086 cannabidiol.

1087 (b) "Cannabidiol dispensary" means the same as that term is defined in Section
1088 26-58-102.

1089 (c) "Cannabidiol product" means a product that:

1090 (i) is intended for human ingestion; and

1091 (ii) contains cannabidiol.

1092 (d) "Designated caregiver" means the same as that term is defined in Section
1093 26-58-102.

1094 (e) "Drug paraphernalia" means the same as that term is defined in Section 58-37a-3.

1095 (f) "Industrial hemp" has the same meaning as that term is defined in Section 4-41-102.

1096 (g) "Medical cannabidiol establishment" means the same as that term is defined in
1097 Section 26-58-102.

1098 (h) "Medical cannabidiol card" means an official document or card, issued by the
1099 Department of Health under Section 26-58-201, that is connected to the electronic verification
1100 system described in Section 26-58-202.

1101 (i) "Qualifying illness" means a condition described in Subsection 58-38a-302.1(1).

1102 (j) "Tetrahydrocannabinol" means a substance derived from cannabidiol that meets the
1103 description in Subsection 58-37-4(2)(a)(iii)(AA).

1104 (2) Notwithstanding any other provision of this chapter, except as described in
1105 Subsection (7), an individual who possesses or uses cannabidiol or a cannabidiol product is not
1106 subject to, for the possession or use of the cannabidiol or cannabidiol product, the penalties
1107 described in this title for possession or use of marijuana or tetrahydrocannabinol if the
1108 individual holds a valid medical cannabidiol card.

1109 (3) Notwithstanding any other provision of this chapter, except as described in
1110 Subsection (7), an individual who possesses cannabidiol or a cannabidiol product or who
1111 distributes cannabidiol or a cannabidiol product to a patient is not subject to, for the possession
1112 or distribution of the cannabidiol or cannabidiol product, the penalties described in this title for
1113 possession or distribution of marijuana or tetrahydrocannabinol if the individual:

1114 (a) for a patient that is 18 years of age or older, is the patient who holds a valid medical
1115 cannabidiol card; or

1116 (b) for a patient that is 18 years of age or older, is the patient's designated caregiver and

1117 holds a valid medical cannabidiol card that names the patient and the designated caregiver.

1118 (4) Notwithstanding any other provision of this chapter, except as described in
1119 Subsection (7), a person who possesses, sells, or offers to sell cannabidiol or a cannabidiol
1120 product is not subject to, for the possession, sale, or offer for sale of cannabidiol or the
1121 cannabidiol product, the penalties described in this title for the possession, sale, or offering for
1122 sale of marijuana or tetrahydrocannabinol if the person:

1123 (a) produces, sells, or offers to sell the cannabidiol or cannabidiol product for the end
1124 purpose of providing the cannabidiol or cannabidiol product to a patient with a qualifying
1125 illness;

1126 (b) is licensed under Title 26, Chapter 58, Medical Cannabidiol Act; and

1127 (c) complies with the operating requirements for:

1128 (i) a cannabidiol dispensary under Title 26, Chapter 58, Part 3, Cannabidiol Dispensary
1129 License; or

1130 (ii) a medical cannabidiol establishment under Title 26, Chapter 58, Part 4, Medical
1131 Cannabidiol Establishment License.

1132 (5) Notwithstanding any other provision of this chapter, a person who grows, sells, or
1133 offers to sell cannabidiol is not subject to, for the growth or sale of the cannabidiol, the
1134 penalties described in this title for the growth or sale of marijuana, if the person:

1135 (a) grows, sells, or offers to sell the cannabidiol only for the purpose of selling the
1136 cannabidiol to a licensed medical cannabidiol establishment or a licensed medical cannabidiol
1137 dispensary, or a higher education institution licensed under Section 26-58-602, for the end
1138 purpose of providing the cannabidiol to a patient with a qualifying illness;

1139 (b) is licensed under Title 26, Chapter 58, Medical Cannabidiol Act; and

1140 (c) complies with the operating requirements for:

1141 (i) a cannabidiol dispensary under Title 26, Chapter 58, Part 3, Cannabidiol Dispensary
1142 License; or

1143 (ii) a medical cannabidiol establishment under Title 26, Chapter 58, Part 4, Medical
1144 Cannabidiol Establishment License.

1145 (6) Notwithstanding any other provision of this chapter, except as described in
1146 Subsection (7), an individual who grows cannabidiol, or possesses, sells, or offers to sell
1147 cannabidiol or a cannabidiol product is not subject to, for the growth of cannabidiol, or for the

1148 possession, sale, or offer for sale of cannabidiol or the cannabidiol product, the penalties
1149 described in this title for the growth, possession, sale, or offering for sale of marijuana or
1150 tetrahydrocannabinol if the individual:

1151 (a) grows, possesses, sells, or offers to sell the cannabidiol as an agent of:

1152 (i) a cannabidiol dispensary that is licensed under Title 26, Chapter 58, Part 3,

1153 Cannabidiol Dispensary License; or

1154 (ii) a medical cannabidiol establishment that is licensed under Title 26, Chapter 58,

1155 Part 4, Medical Cannabidiol Establishment License;

1156 (b) is the holder of a valid:

1157 (i) medical cannabidiol establishment agent registration card; or

1158 (ii) cannabidiol dispensary agent registration card; and

1159 (c) complies with the administrative rules for a medical cannabidiol establishment

1160 agent or a cannabidiol dispensary agent adopted under Title 26, Chapter 58, Medical

1161 Cannabidiol Act.

1162 (7) An individual is not exempt from the penalties described in Subsections (2) through

1163 (6) if the individual:

1164 (a) uses or possesses marijuana or tetrahydrocannabinol in any form other than

1165 cannabidiol as permitted by Title 26, Chapter 58, Medical Cannabidiol Act, or Section

1166 58-37-4.3; or

1167 (b) uses cannabidiol through a means other than a medical dosage implement

1168 recommended by a physician.

1169 Section 33. Section **58-37f-204** is enacted to read:

1170 **58-37f-204. Controlled substance database and medical cannabidiol.**

1171 (1) (a) The division shall establish a process for a cannabidiol agent of a cannabidiol

1172 dispensary to submit, at a specified time during each 24 hour period, the information required

1173 by this section.

1174 (b) A cannabidiol dispensary shall comply with the with process established by the

1175 division under Subsection (1)(a).

1176 (2) The cannabidiol dispensary agent of the cannabidiol dispensary where a

1177 cannabidiol product, as that term is defined in Section 26-58-102, is dispensed shall submit the

1178 data described in this section to the division:

- 1179 (i) in accordance with the requirements of this section;
1180 (ii) in accordance with the procedures established by the division; and
1181 (iii) in the format established by the division.
- 1182 (3) The cannabidiol dispensary agent described in Subsection (2) shall, for each
1183 cannabidiol product dispensed by the cannabidiol dispensary, submit to the division the
1184 following information:
- 1185 (a) the name of the physician who recommended the use of the cannabidiol product and
1186 a unique number identifying the recommendation;
- 1187 (b) the date of the recommendation;
- 1188 (c) the date the cannabidiol product was dispensed;
- 1189 (d) the name of the individual for whom the recommendation for the cannabidiol
1190 product was written;
- 1191 (e) positive identification of the individual receiving the cannabidiol product, including
1192 the type of identification and any identifying numbers on the identification;
- 1193 (f) a description of the cannabinoid profile described in Subsection 26-58-303(2)(a);
- 1194 (g) the quantity of the cannabidiol product recommended;
- 1195 (h) the quantity of the cannabidiol product dispensed;
- 1196 (i) the dosage, quantity and frequency as recommended;
- 1197 (j) the name of the cannabidiol dispensary dispensing the cannabidiol product;
- 1198 (k) the name of the cannabidiol dispensary agent dispensing the cannabidiol product;
1199 and
- 1200 (l) any other information required by the division by rule made in accordance with Title
1201 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 1202 (4) An individual whose records are in the database may obtain those records upon
1203 submission of a written request to the division.
- 1204 (5) (a) A patient whose record is in the database may contact the division in writing to
1205 request correction of any of the patient's database information that is incorrect. The patient
1206 shall provide a postal address for the division's response.
- 1207 (b) The division shall grant or deny the request within 30 days from receipt of the
1208 request and shall advise the requesting patient of its decision by mail postmarked within 35
1209 days of receipt of the request.

1210 (c) If the division denies a request under this Subsection (5) or does not respond within
 1211 35 days, the patient may submit an appeal to the Department of Commerce, within 60 days
 1212 after the postmark date of the patient's letter making a request for a correction under this
 1213 Subsection (5).

1214 (6) The division shall make rules, in accordance with Title 63G, Chapter 3, Utah
 1215 Administrative Rulemaking Act, to establish submission requirements under this part,
 1216 including the electronic format in which the information required under this section shall be
 1217 submitted to the division.

1218 (7) The division shall ensure that the database system records and maintains for
 1219 reference:

1220 (a) the identification of each individual who requests or receives information from the
 1221 database;

1222 (b) the information provided to each individual; and

1223 (c) the date and time that the information is requested or provided.

1224 (8) A cannabidiol dispensary agent may access the controlled substance database in the
 1225 same manner and for the same purposes as a pharmacist may access the database under
 1226 Subsection 58-37f-301(2)(i).

1227 Section 34. Section **58-38a-201** is amended to read:

1228 **58-38a-201. Controlled Substances Advisory Committee.**

1229 There is created within the Division of Occupational and Professional Licensing the
 1230 Controlled Substances Advisory Committee. The committee consists of:

1231 (1) the director of the Department of Health or the director's designee;

1232 (2) the State Medical Examiner or the examiner's designee;

1233 (3) the commissioner of the Department of Public Safety or the commissioner's
 1234 designee;

1235 (4) one physician who is a member of the Physicians Licensing Board and is
 1236 designated by that board;

1237 (5) one pharmacist who is a member of the Utah State Board of Pharmacy and is
 1238 designated by that board;

1239 ~~[(6) one dentist who is a member of the Dentist and Dental Hygienist Licensing Board~~
 1240 ~~and is designated by that board;]~~

1241 ~~[(7) one physician who is currently licensed and practicing in the state, to be appointed~~
 1242 ~~by the governor;]~~

1243 ~~[(8) (6) one psychiatrist who is currently licensed and practicing in the state, to be~~
 1244 ~~appointed by the governor;~~

1245 ~~[(9) (7) one individual with expertise in substance abuse addiction, to be appointed by~~
 1246 ~~the governor;~~

1247 ~~[(10) (8) one representative from the Statewide Association of Prosecutors, to be~~
 1248 ~~designated by that association;~~

1249 ~~[(11) one naturopathic physician who is currently licensed and practicing in the state,~~
 1250 ~~to be appointed by the governor;]~~

1251 ~~[(12) (9) one advanced practice registered nurse who is currently licensed and~~
 1252 ~~practicing in this state, to be appointed by the governor; [and]~~

1253 (10) two medical research professionals with expertise in controlled substances,
 1254 including one medical research professional who is affiliated with a research-based Higher
 1255 Education Institution;

1256 (11) one representative of the Utah Chiefs of Police Association; and

1257 ~~[(13) (12) one member of the public, to be appointed by the governor.~~

1258 Section 35. Section **58-38a-203** is amended to read:

1259 **58-38a-203. Duties of the committee.**

1260 (1) The committee serves as a consultative and advisory body to the Legislature
 1261 regarding:

1262 ~~[(a) (1) the movement of a controlled substance from one schedule or list to another;~~

1263 ~~[(b) (1) the removal of a controlled substance from any schedule or list; [and]~~

1264 (c) the designation of a substance as a controlled substance and the placement of the
 1265 substance in a designated schedule or list[-]; and

1266 (d) the designation of a medical condition as a qualified illness for treatment using
 1267 cannabidiol as described in Subsection 58-37a-203.1(1).

1268 (2) On or before September 30 of each year, the committee shall submit to the Health
 1269 and Human Services Interim Committee a written report:

1270 (a) describing any substances recommended by the committee for scheduling,
 1271 rescheduling, listing, or deletion from the schedules or list by the Legislature; [and]

1272 (b) containing the report described in Subsection 58-37a-203.1(1); and
1273 ~~[(b)]~~ (c) stating the reasons for the recommendation.

1274 (3) In advising the Legislature regarding the need to add, delete, relist, or reschedule a
1275 substance, the committee shall consider:

1276 (a) the actual or probable abuse of the substance, including:

1277 (i) the history and current pattern of abuse both in Utah and in other states;
1278 (ii) the scope, duration, and significance of abuse;
1279 (iii) the degree of actual or probable detriment to public health which may result from
1280 abuse of the substance; and

1281 (iv) the probable physical and social impact of widespread abuse of the substance;

1282 (b) the biomedical hazard of the substance, including:

1283 (i) its pharmacology, including the effects and modifiers of the effects of the substance;
1284 (ii) its toxicology, acute and chronic toxicity, interaction with other substances,
1285 whether controlled or not, and the degree to which it may cause psychological or physiological
1286 dependence; and

1287 (iii) the risk to public health and the particular susceptibility of segments of the
1288 population;

1289 (c) whether the substance is an immediate precursor, as defined in Section 58-37-2, of
1290 a substance that is currently a controlled substance;

1291 (d) the current state of scientific knowledge regarding the substance, including whether
1292 there is any acceptable means to safely use the substance under medical supervision;

1293 (e) the relationship between the use of the substance and criminal activity, including
1294 whether:

1295 (i) persons engaged in illicit trafficking of the substance are also engaged in other
1296 criminal activity;

1297 (ii) the nature and relative profitability of manufacturing or delivering the substance
1298 encourages illicit trafficking in the substance;

1299 (iii) the commission of other crimes is one of the recognized effects of abuse of the
1300 substance; and

1301 (iv) addiction to the substance relates to the commission of crimes to facilitate the
1302 continued use of the substance;

1303 (f) whether the substance has been scheduled by other states; and
1304 (g) whether the substance has any accepted medical use in treatment in the United
1305 States.

1306 (4) The committee's duties under this chapter do not include tobacco products as
1307 defined in Section 59-14-102 or alcoholic beverages as defined in Section 32B-1-102.

1308 Section 36. Section **58-38a-203.1** is enacted to read:

1309 **58-38a-203.1. Qualifying Illness for treatment using medical cannabidiol --**

1310 **Committee Duties -- Recommendation to Legislature.**

1311 (1) For the purposes of Title 26, Chapter 58, Medical Cannabidiol Act, the following
1312 conditions are considered a qualifying illness:

1313 (a) epilepsy;

1314 (b) nausea and vomiting during chemotherapy;

1315 (c) appetite stimulation caused by a HIV or AIDS infection;

1316 (d) muscle spasticity or a movement disorder; and

1317 (e) neuropathic pain conditions as follows:

1318 (i) complex regional pain syndrome;

1319 (ii) peripheral neuropathy caused by diabetes;

1320 (iii) post herpetic neuralgia;

1321 (iv) pain related to HIV;

1322 (v) pain related to cancer;

1323 (vi) pain occurring after and related to a stroke; and

1324 (vii) phantom limb pain.

1325 (2) On or before September 30 of each year, the committee shall:

1326 (a) review the list of conditions described in Subsection (1) to determine if, based on
1327 available medically relevant information, it is medically appropriate to add or remove a
1328 condition from the list; and

1329 (b) present the committee's recommendation to the Health and Human Services Interim
1330 Committee.

1331 Section 37. Section **58-67-807** is enacted to read:

1332 **58-67-807. Recommendation of Cannabidiol -- Registration with division and**
1333 **Department of Health.**

1334 A physician may recommend the use of cannabidiol to a patient in accordance with
1335 Title 26, Chapter 58, Medical Cannabidiol Act, if the physician:
1336 (1) registers with the division and the Department of Health as a physician who intends
1337 to recommend cannabidiol;
1338 (2) consults the Controlled Substance Database before a recommendation to determine
1339 if the patient is abusing cannabidiol;
1340 (3) completes training regarding the medical use of cannabidiol that:
1341 (a) meets requirements established by the division through administrative rule made in
1342 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and
1343 (b) includes training on using caution when recommending cannabidiol to avoid abuse;
1344 (4) limits the number of patients for whom the physician recommends the use of
1345 cannabidiol to no more than 100;
1346 (5) reports adverse events experienced by a patient from the use of medical cannabidiol
1347 to the Department of Health in accordance with Section 26-58-206; and
1348 (6) reports any other data on medical cannabidiol recommendations and patient
1349 outcomes required by the Department of Health, by rule made in accordance with Title 63G,
1350 Chapter 3, Utah Administrative Rulemaking Act, to facilitate academic research on medical
1351 cannabidiol.

1352 Section 38. Section **59-12-103** is amended to read:

1353 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
1354 **tax revenues.**

1355 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or
1356 charged for the following transactions:

1357 (a) retail sales of tangible personal property made within the state;

1358 (b) amounts paid for:

1359 (i) telecommunications service, other than mobile telecommunications service, that
1360 originates and terminates within the boundaries of this state;

1361 (ii) mobile telecommunications service that originates and terminates within the
1362 boundaries of one state only to the extent permitted by the Mobile Telecommunications
1363 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

1364 (iii) an ancillary service associated with a:

- 1365 (A) telecommunications service described in Subsection (1)(b)(i); or
1366 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
1367 (c) sales of the following for commercial use:
1368 (i) gas;
1369 (ii) electricity;
1370 (iii) heat;
1371 (iv) coal;
1372 (v) fuel oil; or
1373 (vi) other fuels;
1374 (d) sales of the following for residential use:
1375 (i) gas;
1376 (ii) electricity;
1377 (iii) heat;
1378 (iv) coal;
1379 (v) fuel oil; or
1380 (vi) other fuels;
1381 (e) sales of prepared food;
1382 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
1383 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
1384 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
1385 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
1386 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
1387 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
1388 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
1389 horseback rides, sports activities, or any other amusement, entertainment, recreation,
1390 exhibition, cultural, or athletic activity;
1391 (g) amounts paid or charged for services for repairs or renovations of tangible personal
1392 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
1393 (i) the tangible personal property; and
1394 (ii) parts used in the repairs or renovations of the tangible personal property described
1395 in Subsection (1)(g)(i), regardless of whether:

- 1396 (A) any parts are actually used in the repairs or renovations of that tangible personal
1397 property; or
- 1398 (B) the particular parts used in the repairs or renovations of that tangible personal
1399 property are exempt from a tax under this chapter;
- 1400 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
1401 assisted cleaning or washing of tangible personal property;
- 1402 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
1403 accommodations and services that are regularly rented for less than 30 consecutive days;
- 1404 (j) amounts paid or charged for laundry or dry cleaning services;
- 1405 (k) amounts paid or charged for leases or rentals of tangible personal property if within
1406 this state the tangible personal property is:
- 1407 (i) stored;
- 1408 (ii) used; or
- 1409 (iii) otherwise consumed;
- 1410 (l) amounts paid or charged for tangible personal property if within this state the
1411 tangible personal property is:
- 1412 (i) stored;
- 1413 (ii) used; or
- 1414 (iii) consumed; [~~and~~]
- 1415 (m) amounts paid or charged for a sale:
- 1416 (i) (A) of a product transferred electronically; or
- 1417 (B) of a repair or renovation of a product transferred electronically; and
- 1418 (ii) regardless of whether the sale provides:
- 1419 (A) a right of permanent use of the product; or
- 1420 (B) a right to use the product that is less than a permanent use, including a right:
- 1421 (I) for a definite or specified length of time; and
- 1422 (II) that terminates upon the occurrence of a condition[-]; and
- 1423 (n) retail sales of a cannabidiol product as that term is defined in Section 58-37-3.6.
- 1424 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
1425 is imposed on a transaction described in Subsection (1) equal to the sum of:
- 1426 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

1427 (A) 4.70%; and

1428 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
1429 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
1430 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
1431 State Sales and Use Tax Act; and

1432 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
1433 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
1434 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
1435 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

1436 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
1437 transaction under this chapter other than this part.

1438 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
1439 on a transaction described in Subsection (1)(d) equal to the sum of:

1440 (i) a state tax imposed on the transaction at a tax rate of 2%; and

1441 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
1442 transaction under this chapter other than this part.

1443 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
1444 on amounts paid or charged for food and food ingredients equal to the sum of:

1445 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
1446 a tax rate of 1.75%; and

1447 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
1448 amounts paid or charged for food and food ingredients under this chapter other than this part.

1449 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
1450 tangible personal property other than food and food ingredients, a state tax and a local tax is
1451 imposed on the entire bundled transaction equal to the sum of:

1452 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

1453 (I) the tax rate described in Subsection (2)(a)(i)(A); and

1454 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
1455 Sales and Use Tax Act, if the location of the transaction as determined under Sections
1456 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
1457 Additional State Sales and Use Tax Act; and

1458 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
1459 Sales and Use Tax Act, if the location of the transaction as determined under Sections
1460 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
1461 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

1462 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
1463 described in Subsection (2)(a)(ii).

1464 (ii) If an optional computer software maintenance contract is a bundled transaction that
1465 consists of taxable and nontaxable products that are not separately itemized on an invoice or
1466 similar billing document, the purchase of the optional computer software maintenance contract
1467 is 40% taxable under this chapter and 60% nontaxable under this chapter.

1468 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled
1469 transaction described in Subsection (2)(d)(i) or (ii):

1470 (A) if the sales price of the bundled transaction is attributable to tangible personal
1471 property, a product, or a service that is subject to taxation under this chapter and tangible
1472 personal property, a product, or service that is not subject to taxation under this chapter, the
1473 entire bundled transaction is subject to taxation under this chapter unless:

1474 (I) the seller is able to identify by reasonable and verifiable standards the tangible
1475 personal property, product, or service that is not subject to taxation under this chapter from the
1476 books and records the seller keeps in the seller's regular course of business; or

1477 (II) state or federal law provides otherwise; or

1478 (B) if the sales price of a bundled transaction is attributable to two or more items of
1479 tangible personal property, products, or services that are subject to taxation under this chapter
1480 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
1481 higher tax rate unless:

1482 (I) the seller is able to identify by reasonable and verifiable standards the tangible
1483 personal property, product, or service that is subject to taxation under this chapter at the lower
1484 tax rate from the books and records the seller keeps in the seller's regular course of business; or

1485 (II) state or federal law provides otherwise.

1486 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
1487 seller's regular course of business includes books and records the seller keeps in the regular
1488 course of business for nontax purposes.

1489 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
1490 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
1491 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
1492 of tangible personal property, other property, a product, or a service that is not subject to
1493 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
1494 the seller, at the time of the transaction:

1495 (A) separately states the portion of the transaction that is not subject to taxation under
1496 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

1497 (B) is able to identify by reasonable and verifiable standards, from the books and
1498 records the seller keeps in the seller's regular course of business, the portion of the transaction
1499 that is not subject to taxation under this chapter.

1500 (ii) A purchaser and a seller may correct the taxability of a transaction if:

1501 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
1502 the transaction that is not subject to taxation under this chapter was not separately stated on an
1503 invoice, bill of sale, or similar document provided to the purchaser because of an error or
1504 ignorance of the law; and

1505 (B) the seller is able to identify by reasonable and verifiable standards, from the books
1506 and records the seller keeps in the seller's regular course of business, the portion of the
1507 transaction that is not subject to taxation under this chapter.

1508 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
1509 in the seller's regular course of business includes books and records the seller keeps in the
1510 regular course of business for nontax purposes.

1511 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
1512 personal property, products, or services that are subject to taxation under this chapter at
1513 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
1514 unless the seller, at the time of the transaction:

1515 (A) separately states the items subject to taxation under this chapter at each of the
1516 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

1517 (B) is able to identify by reasonable and verifiable standards the tangible personal
1518 property, product, or service that is subject to taxation under this chapter at the lower tax rate
1519 from the books and records the seller keeps in the seller's regular course of business.

1520 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
1521 seller's regular course of business includes books and records the seller keeps in the regular
1522 course of business for nontax purposes.

1523 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax
1524 rate imposed under the following shall take effect on the first day of a calendar quarter:

1525 (i) Subsection (2)(a)(i)(A);

1526 (ii) Subsection (2)(b)(i);

1527 (iii) Subsection (2)(c)(i); or

1528 (iv) Subsection (2)(d)(i)(A)(I).

1529 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
1530 begins on or after the effective date of the tax rate increase if the billing period for the
1531 transaction begins before the effective date of a tax rate increase imposed under:

1532 (A) Subsection (2)(a)(i)(A);

1533 (B) Subsection (2)(b)(i);

1534 (C) Subsection (2)(c)(i); or

1535 (D) Subsection (2)(d)(i)(A)(I).

1536 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
1537 statement for the billing period is rendered on or after the effective date of the repeal of the tax
1538 or the tax rate decrease imposed under:

1539 (A) Subsection (2)(a)(i)(A);

1540 (B) Subsection (2)(b)(i);

1541 (C) Subsection (2)(c)(i); or

1542 (D) Subsection (2)(d)(i)(A)(I).

1543 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is
1544 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
1545 change in a tax rate takes effect:

1546 (A) on the first day of a calendar quarter; and

1547 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

1548 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:

1549 (A) Subsection (2)(a)(i)(A);

1550 (B) Subsection (2)(b)(i);

- 1551 (C) Subsection (2)(c)(i); or
1552 (D) Subsection (2)(d)(i)(A)(I).
1553 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1554 the commission may by rule define the term "catalogue sale."
1555 (3) (a) The following state taxes shall be deposited into the General Fund:
1556 (i) the tax imposed by Subsection (2)(a)(i)(A);
1557 (ii) the tax imposed by Subsection (2)(b)(i);
1558 (iii) the tax imposed by Subsection (2)(c)(i); or
1559 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).
1560 (b) The following local taxes shall be distributed to a county, city, or town as provided
1561 in this chapter:
1562 (i) the tax imposed by Subsection (2)(a)(ii);
1563 (ii) the tax imposed by Subsection (2)(b)(ii);
1564 (iii) the tax imposed by Subsection (2)(c)(ii); and
1565 (iv) the tax imposed by Subsection (2)(d)(i)(B).
1566 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
1567 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
1568 through (g):
1569 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
1570 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
1571 (B) for the fiscal year; or
1572 (ii) \$17,500,000.
1573 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
1574 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
1575 Department of Natural Resources to:
1576 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
1577 protect sensitive plant and animal species; or
1578 (B) award grants, up to the amount authorized by the Legislature in an appropriations
1579 act, to political subdivisions of the state to implement the measures described in Subsections
1580 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.
1581 (ii) Money transferred to the Department of Natural Resources under Subsection

1582 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
1583 person to list or attempt to have listed a species as threatened or endangered under the
1584 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

1585 (iii) At the end of each fiscal year:

1586 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
1587 Conservation and Development Fund created in Section 73-10-24;

1588 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
1589 Program Subaccount created in Section 73-10c-5; and

1590 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
1591 Program Subaccount created in Section 73-10c-5.

1592 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
1593 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
1594 created in Section 4-18-106.

1595 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
1596 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
1597 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
1598 water rights.

1599 (ii) At the end of each fiscal year:

1600 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
1601 Conservation and Development Fund created in Section 73-10-24;

1602 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
1603 Program Subaccount created in Section 73-10c-5; and

1604 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
1605 Program Subaccount created in Section 73-10c-5.

1606 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
1607 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development
1608 Fund created in Section 73-10-24 for use by the Division of Water Resources.

1609 (ii) In addition to the uses allowed of the Water Resources Conservation and
1610 Development Fund under Section 73-10-24, the Water Resources Conservation and
1611 Development Fund may also be used to:

1612 (A) conduct hydrologic and geotechnical investigations by the Division of Water

1613 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
1614 quantifying surface and ground water resources and describing the hydrologic systems of an
1615 area in sufficient detail so as to enable local and state resource managers to plan for and
1616 accommodate growth in water use without jeopardizing the resource;

1617 (B) fund state required dam safety improvements; and

1618 (C) protect the state's interest in interstate water compact allocations, including the
1619 hiring of technical and legal staff.

1620 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
1621 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount
1622 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

1623 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
1624 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount
1625 created in Section 73-10c-5 for use by the Division of Drinking Water to:

1626 (i) provide for the installation and repair of collection, treatment, storage, and
1627 distribution facilities for any public water system, as defined in Section 19-4-102;

1628 (ii) develop underground sources of water, including springs and wells; and

1629 (iii) develop surface water sources.

1630 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
1631 2006, the difference between the following amounts shall be expended as provided in this
1632 Subsection (5), if that difference is greater than \$1:

1633 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
1634 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

1635 (ii) \$17,500,000.

1636 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

1637 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
1638 credits; and

1639 (B) expended by the Department of Natural Resources for watershed rehabilitation or
1640 restoration.

1641 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
1642 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
1643 created in Section 73-10-24.

1644 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
1645 remaining difference described in Subsection (5)(a) shall be:

1646 (A) transferred each fiscal year to the Division of Water Resources as dedicated
1647 credits; and

1648 (B) expended by the Division of Water Resources for cloud-seeding projects
1649 authorized by Title 73, Chapter 15, Modification of Weather.

1650 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
1651 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
1652 created in Section 73-10-24.

1653 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the
1654 remaining difference described in Subsection (5)(a) shall be deposited into the Water
1655 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
1656 Division of Water Resources for:

1657 (i) preconstruction costs:

1658 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
1659 26, Bear River Development Act; and

1660 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
1661 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

1662 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
1663 Chapter 26, Bear River Development Act;

1664 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
1665 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

1666 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and
1667 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

1668 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
1669 Subsection (5)(f), 6% of the remaining difference described in Subsection (5)(a) shall be
1670 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
1671 incurred for employing additional technical staff for the administration of water rights.

1672 (f) At the end of each fiscal year, any unexpended dedicated credits described in
1673 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
1674 Fund created in Section 73-10-24.

1675 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
1676 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
1677 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in
1678 the Transportation Fund created by Section 72-2-102.

1679 (7) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of
1680 Finance shall deposit into the Transportation Investment Fund of 2005 created in Section
1681 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
1682 by a 1/64% tax rate on the taxable transactions under Subsection (1).

1683 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
1684 Subsection (7), and subject to Subsection (8)(b), for a fiscal year beginning on or after July 1,
1685 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
1686 created by Section 72-2-124:

1687 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
1688 the revenues collected from the following taxes, which represents a portion of the
1689 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
1690 on vehicles and vehicle-related products:

1691 (A) the tax imposed by Subsection (2)(a)(i)(A);

1692 (B) the tax imposed by Subsection (2)(b)(i);

1693 (C) the tax imposed by Subsection (2)(c)(i); and

1694 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

1695 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
1696 current fiscal year from the sales and use taxes described in Subsections (8)(a)(i)(A) through
1697 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
1698 (8)(a)(i)(A) through (D) in the 2010-11 fiscal year.

1699 (b) (i) Subject to Subsections (8)(b)(ii) and (iii), in any fiscal year that the portion of
1700 the sales and use taxes deposited under Subsection (8)(a) represents an amount that is a total
1701 lower percentage of the sales and use taxes described in Subsections (8)(a)(i)(A) through (D)
1702 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
1703 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
1704 (8)(a) equal to the product of:

1705 (A) the total percentage of sales and use taxes deposited under Subsection (8)(a) in the

1706 previous fiscal year; and

1707 (B) the total sales and use tax revenue generated by the taxes described in Subsections
1708 (8)(a)(i)(A) through (D) in the current fiscal year.

1709 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
1710 Subsection (8)(a) would exceed 17% of the revenues collected from the sales and use taxes
1711 described in Subsections (8)(a)(i)(A) through (D) in the current fiscal year, the Division of
1712 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
1713 Subsections (8)(a)(i)(A) through (D) for the current fiscal year under Subsection (8)(a).

1714 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
1715 from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) was deposited
1716 under Subsection (8)(a), the Division of Finance shall annually deposit 17% of the revenues
1717 collected from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) in the
1718 current fiscal year under Subsection (8)(a).

1719 (9) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under
1720 Subsections (7) and (8), for a fiscal year beginning on or after July 1, 2012, the Division of
1721 Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under
1722 Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section
1723 72-2-124.

1724 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
1725 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
1726 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

1727 (11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),
1728 and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July
1729 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
1730 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the
1731 transactions described in Subsection (1).

1732 (b) For purposes of Subsection (11)(a), the Division of Finance may not deposit into
1733 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or
1734 charged for food and food ingredients, except for tax revenue generated by a bundled
1735 transaction attributable to food and food ingredients and tangible personal property other than
1736 food and food ingredients described in Subsection (2)(d).

1737 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection
1738 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the
1739 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a
1740 .025% tax rate on the transactions described in Subsection (1) to be expended to address
1741 chokepoints in construction management.

1742 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into
1743 the Transportation Fund any tax revenue generated by amounts paid or charged for food and
1744 food ingredients, except for tax revenue generated by a bundled transaction attributable to food
1745 and food ingredients and tangible personal property other than food and food ingredients
1746 described in Subsection (2)(d).

1747 (13) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
1748 fiscal year during which the Division of Finance receives notice under Subsection
1749 63N-2-510[(3)](2) that construction on a qualified hotel, as defined in Section 63N-2-502, has
1750 begun, the Division of Finance shall, for two consecutive fiscal years, annually deposit
1751 \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel
1752 Impact Mitigation Fund, created in Section 63N-2-512.

1753 (14) Notwithstanding Subsections (4) through (13), an amount required to be expended
1754 or deposited in accordance with Subsections (4) through (13) may not include an amount the
1755 Division of Finance deposits in accordance with Section 59-12-103.2.

1756 Section 39. Section **63F-1-104.5** is enacted to read:

1757 **63F-1-104.5. Medical Cannabidiol Act - Duties of department.**

1758 In addition to the duties and purposes of the department in Section 63F-1-104, the
1759 department shall:

1760 (1) enter into a memorandum of understanding with participating entities, as that term
1761 is defined in Section 26-58-102, for the purposes described in Section 26-58-202; and

1762 (2) coordinate the development and maintenance of the databases described in Section
1763 26-58-202.

1764 Section 40. Section **63I-1-258** is amended to read:

1765 **63I-1-258. Repeal dates, Title 58.**

1766 (1) Title 58, Chapter 13, Health Care Providers Immunity from Liability Act, is
1767 repealed July 1, 2026.

1768 (2) Title 58, Chapter 15, Health Facility Administrator Act, is repealed July 1, 2025.

1769 (3) Title 58, Chapter 20a, Environmental Health Scientist Act, is repealed July 1, 2018.

1770 (4) Section 58-37-4.3 is repealed July 1, 2016.

1771 (5) Section 58-38a-203.1 is repealed July 1, 2017.

1772 [~~(5)~~] (6) Title 58, Chapter 40, Recreational Therapy Practice Act, is repealed July 1,

1773 2023.

1774 [~~(6)~~] (7) Title 58, Chapter 41, Speech-Language Pathology and Audiology Licensing

1775 Act, is repealed July 1, 2019.

1776 [~~(7)~~] (8) Title 58, Chapter 42a, Occupational Therapy Practice Act, is repealed July 1,

1777 2025.

1778 [~~(8)~~] (9) Title 58, Chapter 46a, Hearing Instrument Specialist Licensing Act, is

1779 repealed July 1, 2023.

1780 [~~(9)~~] (10) Title 58, Chapter 47b, Massage Therapy Practice Act, is repealed July 1,

1781 2024.

1782 [~~(10)~~] (11) Title 58, Chapter 61, Part 7, Behavior Analyst Licensing Act, is repealed

1783 July 1, 2026.

1784 [~~(11)~~] (12) Title 58, Chapter 72, Acupuncture Licensing Act, is repealed July 1, 2017.

1785 Section 41. **Effective date.**

1786 This bill takes effect on July 1, 2016.

1787 Section 42. **Repealer.**

1788 This bill repeals:

1789 Section **26-56-101, Title.**

1790 Section **26-56-102, Definitions.**

1791 Section **26-56-103, Hemp extract registration card -- Application -- Fees --**

1792 **Database.**