

Senator Mark B. Madsen proposes the following substitute bill:

MEDICAL CANNABIS AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mark B. Madsen

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to medical cannabis.

Highlighted Provisions:

This bill:

- ▶ allows an individual with a qualifying illness who registers with the Department of Public Safety to possess and use, under certain circumstances, cannabis, cannabis products, and devices designed for ingesting cannabis;

- ▶ directs the Division of Occupational and Professional Licensing to issue a license to operate a medical cannabis establishment to a person who meets certain requirements;

- ▶ allows a licensed person to grow, process, possess, and sell cannabis for the medical use of a patient, under certain circumstances; and

- ▶ directs the Division of Occupational and Professional Licensing to register an individual to act as an agent of a medical cannabis establishment under certain circumstances.

Money Appropriated in this Bill:

None

Other Special Clauses:



26 None

27 **Utah Code Sections Affected:**

28 ENACTS:

29 **53-17-101**, Utah Code Annotated 1953

30 **53-17-102**, Utah Code Annotated 1953

31 **53-17-103**, Utah Code Annotated 1953

32 **53-17-104**, Utah Code Annotated 1953

33 **53-17-105**, Utah Code Annotated 1953

34 **58-37-3.6**, Utah Code Annotated 1953

35 **58-85-101**, Utah Code Annotated 1953

36 **58-85-102**, Utah Code Annotated 1953

37 **58-85-103**, Utah Code Annotated 1953

38 **58-85-104**, Utah Code Annotated 1953

39 **58-85-105**, Utah Code Annotated 1953

40 **58-85-106**, Utah Code Annotated 1953

41 **58-85-107**, Utah Code Annotated 1953

42 **58-85-108**, Utah Code Annotated 1953

43 **58-85-201**, Utah Code Annotated 1953

44 **58-85-202**, Utah Code Annotated 1953

45 REPEALS:

46 **26-56-101**, as enacted by Laws of Utah 2014, Chapter 25

47 **26-56-102**, as enacted by Laws of Utah 2014, Chapter 25

48 **26-56-103**, as enacted by Laws of Utah 2014, Chapter 25

49 **58-37-4.3**, as enacted by Laws of Utah 2014, Chapter 25



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

52 Section 1. Section **53-17-101** is enacted to read:

53 **CHAPTER 17. MEDICAL CANNABIS REGISTRATION ACT**

54 **53-17-101. Title.**

55 This chapter is known as "Medical Cannabis Registration Act."

56 Section 2. Section **53-17-102** is enacted to read:

57 53-17-102. Definitions.

58 As used in this chapter:

59 (1) "Cannabis" means marijuana.

60 (2) "Cannabis device" means a device, except for a device that facilitates cannabis
61 combustion, that is used to aid an individual in ingesting cannabis or a cannabis product.

62 (3) "Cannabis product" means a product that:

63 (a) is intended for human ingestion; and

64 (b) contains cannabis or tetrahydrocannabinol.

65 (4) "Designated caregiver" means an individual who a patient with a medical cannabis
66 patient card designates as the patient's caregiver under Section [53-17-103](#).

67 (5) "Drug paraphernalia" means the same as that term is defined in Section [58-37a-3](#).

68 (6) "Electronic verification system" means the system described in Section [53-17-104](#).

69 (7) "Marijuana" means the same as that term is defined in Section [58-37-2](#).

70 (8) "Medical cannabis establishment" means the same as that term is defined in Section
71 [58-85-102](#).

72 (9) "Medical cannabis establishment agent registration card" means a registration card
73 issued under Section [58-85-203](#).

74 (10) "Medical cannabis patient card" means an official document or card, issued by the
75 department under Section [53-17-103](#), that is connected to the electronic verification system
76 described in Section [53-17-104](#).

77 (11) "Physician" means an individual who:

78 (a) is licensed to practice:

79 (i) medicine, under Title 58, Chapter 67, Utah Medical Practice Act; or

80 (ii) osteopathic medicine, under Title 58, Chapter 68, Utah Osteopathic Medical

81 Practice Act; and

82 (b) has completed a residency or fellowship in:

83 (i) anesthesiology;

84 (ii) gastroenterology;

85 (iii) neurology

86 (iv) oncology;

87 (v) ophthalmology;

88 (vi) psychiatry; or

89 (vi) psychiatry.

90 (12) "Qualifying illness" means:

91 (a) acquired immune deficiency syndrome;

92 (b) Alzheimer's disease;

93 (c) amyotrophic lateral sclerosis;

94 (d) an autoimmune disorder;

95 (e) cachexia or physical wasting, nausea, and malnutrition associated with chronic

96 disease;

97 (f) Crohn's disease;

98 (g) epilepsy, or a condition that causes debilitating seizures;

99 (h) glaucoma;

100 (i) multiple sclerosis or a similar condition that causes persistent and debilitating
101 muscle spasms;

102 (j) post-traumatic stress disorder; or

103 (k) severe, chronic pain:

104 (i) that is not responsive to conventional treatment; and

105 (ii) for which a physician determines the individual with the severe, chronic pain is at
106 risk of abusing, becoming chemically dependent on, or overdosing on pain medication.

107 (13) "Tetrahydrocannabinol" means a substance derived from cannabis that meets the
108 description in Subsection [58-37-4\(2\)\(a\)\(iii\)\(AA\)](#).

109 Section 3. Section **53-17-103** is enacted to read:

110 **53-17-103. Medical cannabis patient card -- Application -- Fees -- Database.**

111 (1) The department shall issue a medical cannabis patient card, via the electronic
112 verification system described in Section [53-17-104](#), to an individual if the individual:

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

114 (b) is a Utah resident;

115 (c) provides the department with a statement signed by a physician that indicates that
116 the individual:

117 (i) suffers from a qualifying illness; and

118 (ii) may benefit from treatment with cannabis or a cannabis product;

119 (d) pays the department a \$25 fee; and
120 (e) submits an application to the department, using the electronic verification system
121 described in Section 53-17-104, that contains:
122 (i) the individual's name and address; and
123 (ii) a copy of the individual's valid photo identification.
124 (2) The department shall issue a medical cannabis patient card, via the electronic
125 verification system described in Section 53-17-104, to an individual who is the parent or legal
126 guardian of a minor if the individual:
127 (a) is at least 18 years of age;
128 (b) is a Utah resident;
129 (c) provides the department with a statement signed by the physician that indicates that
130 the minor:
131 (i) suffers from a qualifying illness; and
132 (ii) may benefit from treatment with cannabis or a cannabis product;
133 (d) pays the department a \$25 fee; and
134 (e) submits an application to the department, using the electronic verification system
135 described in Section 53-17-104, that contains:
136 (i) the parent's or legal guardian's name and address;
137 (ii) the minor's name; and
138 (iii) a copy of the parent's or legal guardian's valid photo identification.
139 (3) An individual who applies for a medical cannabis patient card under Subsection (1)
140 or (2) shall fill out and submit the application described in Subsection (1) or (2):
141 (a) online, in connection with the electronic verification system described in Section
142 53-17-104; and
143 (b) with a physician, during an office visit with the physician.
144 (4) An individual who holds a valid medical cannabis patient card under Subsection (1)
145 who a physician determines is unable to obtain cannabis or a cannabis product from a cannabis
146 dispensary may register with the department up to two individuals to serve as designated
147 caregivers of the individual.
148 (5) A designated caregiver registered with the department under Subsection (3) may
149 carry an individual's valid medical cannabis patient card and purchase and possess, in

150 accordance with this chapter, cannabis, a cannabis product, or a cannabis device on behalf of
151 the individual.

152 (6) A medical cannabis patient card the department issues under Subsection (1) or (2)
153 is:

154 (a) valid for the lesser of:

155 (i) an amount of time determined by the physician who recommends treatment with
156 cannabis or a cannabis product under Subsection (1) or (2); and

157 (ii) two years; and

158 (b) renewable, if, at the time of renewal, the individual with the medical cannabis
159 patient card meets the requirements of either Subsection (1) or (2).

160 Section 4. Section **53-17-104** is enacted to read:

161 **53-17-104. Electronic verification system.**

162 (1) The department shall contract, in accordance with Title 63G, Chapter 3, Utah
163 Administrative Rulemaking Act, with a private person to implement and maintain an electronic
164 verification system that:

165 (a) allows an individual, under Subsection [53-17-103\(1\)](#), or an individual who is the
166 parent or legal guardian of a minor under Subsection [53-17-103\(2\)](#), to apply, in the presence of
167 a physician, to the department for a medical cannabis patient card;

168 (b) allows a physician to electronically recommend, during a visit with a patient,
169 treatment with cannabis or a cannabis product for the patient;

170 (c) issues to an individual, if the individual meets the requirements in Section
171 [53-17-103](#), a medical cannabis patient card;

172 (d) accepts and holds funds from an individual with a medical cannabis patient card;

173 (e) allows an individual with a medical cannabis patient card to use the funds described
174 in Subsection (1)(e) to purchase cannabis, a cannabis product, or a cannabis device from a
175 cannabis dispensary;

176 (f) transmits the funds described in Subsection (1)(e) to a cannabis dispensary for the
177 purchase of cannabis, a cannabis product, or a cannabis device;

178 (g) remits to the State Tax Commission the state sales tax due for a purchase of
179 cannabis, a cannabis product, or a cannabis device;

180 (h) connects with an inventory control system used by a cannabis dispensary, described

181 in Section 58-85-104, to track, in real time, for the purchase of cannabis or a cannabis product
182 by a medical cannabis patient card holder:

- 183 (i) the time and date of the purchase;
- 184 (ii) the quantity and type of cannabis or a cannabis product purchased;
- 185 (iii) the amount of money the medical cannabis patient card holder spent; and
- 186 (iv) any medical cannabis establishment associated with the cannabis or cannabis
187 product;

- 188 (i) is accessible by the department; and
- 189 (j) is accessible by state or local law enforcement during a traffic stop.

190 (2) An individual with a medical cannabis patient card may only purchase cannabis, a
191 cannabis product, or a cannabis device using funds transmitted in advance to the individual's
192 account with the provider of the electronic verification system described in Subsection (1).

193 (3) The department may release, in a format such that it is impossible to determine the
194 identity of an individual medical cannabis patient card holder, the data collected by the system
195 under Subsection (1) for the purpose of conducting medical research.

196 Section 5. Section **53-17-105** is enacted to read:

197 **53-17-105. Standard of care -- Medical practitioners not liable -- No private right**
198 **of action.**

199 (1) It is not a breach of the applicable standard of care for a physician, other licensed to
200 recommend treatment with cannabis or a cannabis product to an individual under this chapter.

201 (2) A physician that recommends treatment with cannabis or a cannabis product to an
202 individual under this chapter may not, solely based on the cannabis or cannabis product
203 recommendation, be subject to:

- 204 (a) civil liability;
- 205 (b) criminal liability; or
- 206 (c) licensure sanctions under:
 - 207 (i) Title 58, Chapter 67, Utah Medical Practice Act; or
 - 208 (ii) Title 58, Chapter 68, Utah Osteopathic Medical Practice Act.

209 Section 6. Section **58-37-3.6** is enacted to read:

210 **58-37-3.6. Exemption for possession or use of cannabis to treat a qualifying**
211 **illness.**

212 (1) As used in this section:

213 (a) "Cannabis" means marijuana.

214 (b) "Cannabis device" means a device, except for a device that facilitates cannabis
215 combustion, that is used to aid an individual in ingesting cannabis or a cannabis product.

216 (c) "Cannabis product" means a product that:

217 (i) is intended for human ingestion; and

218 (ii) contains cannabis or tetrahydrocannabinol.

219 (d) "Designated caregiver" means an individual who a patient with a medical cannabis
220 patient card designates, with the Department of Public Safety, as the patient's caregiver under
221 Section [53-17-103](#).

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

223 (f) "Marijuana" means the same as that term is defined in Section [58-37-2](#).

224 (g) "Medical cannabis establishment" means the same as that term is defined in Section
225 [58-85-102](#).

226 (h) "Medical cannabis patient card" means an official document or card, issued by the
227 Department of Public Safety under Section [53-17-103](#), that is connected to the electronic
228 verification system described in Section [53-17-104](#).

229 (i) "Qualifying illness" means:

230 (i) acquired immune deficiency syndrome;

231 (ii) Alzheimer's disease;

232 (iii) amyotrophic lateral sclerosis;

233 (iv) an autoimmune disorder;

234 (v) cachexia or physical wasting, nausea, and malnutrition associated with chronic
235 disease;

236 (vi) Crohn's disease;

237 (vii) epilepsy, or a condition that causes debilitating seizures;

238 (viii) glaucoma;

239 (ix) multiple sclerosis or a similar condition that causes persistent and debilitating
240 muscle spasms;

241 (x) post-traumatic stress disorder; or

242 (xi) severe, chronic pain;

243 (A) that is not responsive to conventional treatment; and

244 (B) for which a physician determines the individual with the severe, chronic pain is at
245 risk of abusing, becoming chemically dependent on, or overdosing on pain medication.

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

248 (2) Notwithstanding any other provision of this chapter, except as described in
249 Subsection (7), an individual who possesses or uses cannabis, a cannabis product, or a cannabis
250 device is not subject to, for the possession or use of the cannabis, cannabis product, or cannabis
251 device, the penalties described in this title for possession or use of marijuana,
252 tetrahydrocannabinol, or drug paraphernalia, if the individual holds a valid medical cannabis
253 patient card.

254 (3) Notwithstanding any other provision of this chapter, except as described in
255 Subsection (7), an individual who possesses cannabis, a cannabis product, or a cannabis device,
256 or who distributes cannabis, a cannabis product, or a cannabis device to a patient is not subject
257 to, for the possession or distribution of the cannabis, cannabis product, or cannabis device, the
258 penalties described in this title for possession or distribution of marijuana,
259 tetrahydrocannabinol, or drug paraphernalia, if the individual:

260 (a) if the patient is a minor, is the patient's parent or guardian and holds a valid medical
261 cannabis patient card; or

262 (b) if the patient is 18 years of age or older and holds a medical cannabis patient card,
263 is the patient's designated caregiver.

264 (4) Notwithstanding any other provision of this chapter, except as described in
265 Subsection (7), a person who possesses, sells, or offers to sell cannabis, a cannabis product, or
266 a cannabis device is not subject to, for the possession, sale, or offer for sale of cannabis, the
267 cannabis product, or the cannabis device, the penalties described in this chapter for the
268 possession, sale, or offering for sale of marijuana, tetrahydrocannabinol, or drug paraphernalia
269 if the person:

270 (a) produces, sells, or offers to sell the cannabis, cannabis product, or cannabis device
271 for the end purpose of providing the cannabis, cannabis product, or cannabis device to a patient
272 with a qualifying illness;

273 (b) is licensed with the division under Title 58, Chapter 85, Medical Cannabis

274 Establishment Licensing Act; and

275 (c) complies with the operating requirements for a medical cannabis establishment
276 under Title 58, Chapter 85, Part 1, Medical Cannabis Establishments.

277 (5) Notwithstanding any other provision of this chapter, a person who grows, sells, or
278 offers to sell cannabis is not subject to, for the growth or sale of the cannabis, the penalties
279 described in this chapter for the growth or sale of marijuana, if the person:

280 (a) grows the cannabis only for the purpose of selling the cannabis to a licensed
281 medical cannabis establishment, for the end purpose of providing the cannabis to a patient with
282 a qualifying illness;

283 (b) is licensed with the division under Title 58, Chapter 85, Medical Cannabis
284 Establishment Licensing Act; and

285 (c) complies with the operating requirements for a cannabis cultivation facility under
286 Title 58, Chapter 85, Part 1, Medical Cannabis Establishments.

287 (6) Notwithstanding any other provision of this chapter, except as described in
288 Subsection (7), an individual who grows cannabis, or possesses, sells, or offers to sell cannabis,
289 a cannabis product, or a cannabis device is not subject to, for the growth of cannabis, or for the
290 possession, sale, or offer for sale of cannabis, the cannabis product, or the cannabis device, the
291 penalties described in this chapter for the growth, possession, sale, or offering for sale of
292 marijuana, tetrahydrocannabinol, or drug paraphernalia if the individual:

293 (a) grows, possesses, sells, or offers to sell the cannabis as an agent of a medical
294 cannabis establishment that is licensed with the division under Title 58, Chapter 85, Medical
295 Cannabis Establishment Licensing Act;

296 (b) is a valid medical cannabis establishment agent registration card holder; and

297 (c) complies with the employment requirements for a medical cannabis establishment
298 agent under Title 58, Chapter 85, Part 2, Medical Cannabis Establishment Agents.

299 (7) An individual is not exempt from the penalties described in Subsections (2) through
300 (6) if the individual:

301 (a) uses cannabis through a means involving cannabis combustion; or

302 (b) uses or possesses a cannabis device that facilitates the use of cannabis through
303 cannabis combustion.

304 Section 7. Section **58-85-101** is enacted to read:

305 CHAPTER 85. MEDICAL CANNABIS ESTABLISHMENT LICENSING ACT

306 Part 1. Medical Cannabis Establishments

307 **58-85-101. Title.**

308 (1) This chapter is known as "Medical Cannabis Establishment Licensing Act."

309 (2) This part is known as "Medical Cannabis Establishments."

310 Section 8. Section **58-85-102** is enacted to read:

311 **58-85-102. Definitions.**

312 As used in this chapter:

313 (1) "Cannabis" means the same as that term is defined in Section [58-37-2](#).

314 (2) "Cannabis cultivation facility" means a person that:

315 (a) is licensed by the commission under Section [58-85-103](#); and

316 (b) possesses, grows, and sells cannabis to:

317 (i) a cannabis dispensary;

318 (ii) a cannabis processing facility; or

319 (iii) another cannabis cultivation facility.

320 (3) "Cannabis device" means a device, except for a device that facilitates cannabis
321 combustion, that is used to aid an individual in ingesting cannabis or a cannabis product.

322 (4) "Cannabis dispensary" means a business that:

323 (a) is licensed by the division to act as a cannabis dispensary under Section [58-85-103](#);

324 and

325 (b) purchases, possesses, or sells cannabis, a cannabis product, or a cannabis device.

326 (5) "Cannabis processing facility" means a person that:

327 (a) is licensed by the division to act as a cannabis processing facility under Section
328 [58-85-103](#);

329 (b) purchases cannabis from a cannabis cultivation facility;

330 (c) possesses cannabis or a cannabis product; and

331 (d) manufactures a cannabis product for sale to a cannabis dispensary.

332 (6) "Cannabis product" means a product that:

333 (a) is intended for human ingestion; and

334 (b) contains cannabis or tetrahydrocannabinol.

335 (7) "Crime of violence" means any felony involving the use or threatened use of force

336 or violence against the person or property of another.

337 (8) "Electronic verification system" means the system described in Section [53-17-104](#).

338 (9) (a) "Excluded felony offense" means, for an individual:

339 (i) a crime of violence; or

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

341 (b) "Excluded felony offense" does not include a criminal offense for which the
342 individual completed the individual's sentence, including any term of probation, incarceration,
343 or supervised release, more than 10 years before the day on which the individual applies for a
344 medical cannabis patient card or a medical cannabis establishment agent registration card.

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

346 (a) is licensed by the division under Section [58-85-103](#); and

347 (b) meets the requirements of Section [58-85-108](#).

348 (11) "Inventory control system" means a connected electronic database and associated
349 tracking devices that monitor the chain of custody of cannabis from the point of the cannabis's
350 first cultivation to the point the cannabis is sold to a medical cannabis patient card holder.

351 (12) "Medical cannabis establishment" means:

352 (a) an independent testing laboratory;

353 (b) a cultivation facility;

354 (c) a cannabis processing facility; or

355 (d) a cannabis dispensary.

356 (13) "Medical cannabis establishment agent" means an owner, officer, board member,
357 employee, or volunteer of a medical cannabis establishment.

358 (14) "Medical cannabis establishment agent registration card" means a registration card
359 that is issued by the division under Section [58-28-203](#) that authorizes an individual to volunteer
360 or work at a medical cannabis establishment.

361 (15) "Medical cannabis patient card" means an official document or card, issued by the
362 Department of Public Safety under Section [53-17-103](#), that is connected to an electronic
363 verification system.

364 (16) "Physician" means an individual who:

365 (a) is licensed to practice:

366 (i) medicine, under Title 58, Chapter 67, Utah Medical Practice Act; or

367 (ii) osteopathic medicine, under Title 58, Chapter 68, Utah Osteopathic Medical
368 Practice Act; and

369 (b) has completed a residency or fellowship in:

370 (i) anesthesiology;

371 (ii) gastroenterology;

372 (iii) neurology

373 (iv) oncology;

374 (v) ophthalmology;

375 (vi) physiatry; or

376 (vi) psychiatry.

377 (17) "Tetrahydrocannabinol" means a substance that meets the description in
378 Subsection 58-37-4(2)(a)(iii)(AA).

379 Section 9. Section **58-85-103** is enacted to read:

380 **58-85-103. Medical cannabis establishment -- License -- General operating**
381 **requirements.**

382 (1) Subject to Subsection (2), the division shall issue a license to operate a medical
383 cannabis establishment to a person who submits to the division:

384 (a) a proposed name, address, and physical location where the person will operate the
385 medical cannabis establishment;

386 (b) evidence that the person possesses or controls a minimum of \$750,000 in liquid
387 assets;

388 (c) a \$5,000 application fee;

389 (d) evidence that the person meets the eligibility requirements for:

390 (i) a cannabis cultivation facility;

391 (ii) a cannabis processing facility;

392 (iii) a cannabis dispensary; or

393 (iv) an independent cannabis testing laboratory;

394 (e) a security plan for the medical cannabis establishment;

395 (f) evidence that the person will implement an inventory control system at the medical
396 cannabis establishment; and

397 (g) the results of a criminal background check for each owner, principal, or shareholder

398 of the person that will operate the medical cannabis establishment.

399 (2) The division shall, for a medical cannabis establishment to which the division
400 issues a license under Subsection (1), designate whether the license authorizes the medical
401 cannabis establishment to operate as:

- 402 (a) a cannabis cultivation facility;
- 403 (b) a cannabis processing facility;
- 404 (c) a cannabis dispensary; or
- 405 (d) an independent cannabis testing laboratory.

406 (3) The commission may not issue more than the greater of, in each county in the state:

- 407 (a) one cannabis dispensary license; or
- 408 (b) one cannabis dispensary license per 200,000 county residents.

409 (4) A medical cannabis establishment licensed by the division under Subsection (1)
410 shall:

- 411 (a) operate in a facility that houses, for the medical cannabis establishment's business
412 address, only the medical cannabis establishment; and
- 413 (b) have a single, secure public entrance.

414 (5) A medical cannabis establishment may not allow any person to consume cannabis
415 on the property or premises of the establishment.

416 (6) The division may inspect the records of a medical cannabis establishment in order
417 to determine if the medical cannabis establishment complies with the licensing requirements of
418 this chapter.

419 (7) A medical cannabis establishment may only accept payment for cannabis, a
420 cannabis product, or a cannabis device, in a transaction facilitated by the inventory control
421 system described in Section [58-85-104](#) and the electronic verification system described in
422 Section [53-17-104](#).

423 (8) Except as provided in Subsection (9), a medical cannabis establishment may not
424 advertise in any medium.

425 (9) A medical cannabis establishment may have a sign on the outside of the medical
426 cannabis establishment that includes only:

- 427 (a) the medical cannabis establishment's name; and
- 428 (b) a green cross.

429 (10) A municipality or local government may not enact a zoning ordinance that
430 prohibits a medical cannabis establishment from operating in a location within the
431 municipality's or local government's jurisdiction, on the basis that the medical cannabis
432 establishment is a medical cannabis establishment.

433 (11) A municipality or local government shall allow a medical cannabis establishment
434 to operate in:

435 (a) if the medical cannabis establishment is a cannabis dispensary, as a permitted use,
436 in an agricultural, industrial, or commercial zone; and

437 (b) if the medical cannabis establishment is a cannabis cultivation facility, a cannabis
438 processing facility, or an independent testing laboratory:

439 (i) as a permitted use, in an agricultural or industrial zone; and

440 (ii) as a conditional use, in a commercial zone.

441 (12) A physician may not serve as an owner, principal, or shareholder of a medical
442 cannabis establishment.

443 (13) The division may revoke the license of a medical cannabis establishment under
444 this section if the medical cannabis establishment violates the requirements of this chapter.

445 Section 10. Section **58-85-104** is enacted to read:

446 **58-85-104. Inventory control system.**

447 Each medical cannabis establishment licensed under Section [58-85-103](#) shall maintain
448 an inventory control system that:

449 (1) is capable of tracking, in real time, cannabis from the first point the cannabis is
450 planted as a seed, a clone, or a cutting, until the cannabis is sold, in the form of unprocessed
451 cannabis or a cannabis product, to a medical cannabis patient card holder;

452 (2) stores, in real time, a record of the amount of cannabis or cannabis products in a
453 medical cannabis establishment's possession;

454 (3) keeps a record of the medical cannabis establishment's sales to medical cannabis
455 patient card holders and other medical cannabis establishments;

456 (4) is capable of interfacing with the electronic verification system maintained by the
457 Department of Public Safety under Section [53-17-104](#) in order for an individual with a medical
458 cannabis patient card who purchases cannabis, a cannabis product, or a cannabis device to:

459 (a) identify the origin of the cannabis or cannabis product the individual purchased;

460 and

461 (b) identify each medical cannabis establishment that had contact with the cannabis the
462 individual purchased;

463 (5) transmits, for each medical cannabis purchase by an individual with a medical
464 cannabis patient card, a 25 cents transaction fee to the Department of Public Safety;

465 (6) transfers funds used for cannabis or a cannabis product between medical cannabis
466 establishments;

467 (7) includes a video recording system that monitors all activity related to handling
468 cannabis or a cannabis product that is tamper proof and capable of storing a video record for a
469 minimum of 90 days; and

470 (8) is accessible by the Department of Public Safety.

471 Section 11. Section **58-85-105** is enacted to read:

472 **58-85-105. Cannabis cultivation facility -- Operating requirements.**

473 (1) A cannabis cultivation facility shall cultivate cannabis only:

474 (a) indoors, in an enclosed, locked facility that is accessible only by an individual with
475 a valid medical cannabis agent registration card under Section [58-85-202](#); and

476 (b) at the physical address provided to the division under Section [58-85-103](#).

477 (2) A cannabis cultivation facility shall ensure that any cannabis growing inside the
478 facility is not visible from outside the building.

479 (3) A cannabis cultivation facility shall use a unique batch identifier for each batch of
480 cannabis transferred to a cannabis dispensary or cannabis processing facility.

481 Section 12. Section **58-85-106** is enacted to read:

482 **58-85-106. Cannabis processing facility -- Eligibility requirements -- Operating**
483 **requirements.**

484 (1) A cannabis processing facility shall ensure that a cannabis product that the cannabis
485 processing facility sells or provides to a cannabis dispensary:

486 (a) has a label that:

487 (i) clearly and unambiguously states that the cannabis product contains cannabis;

488 (ii) clearly displays the full cannabinoid profile of the cannabis product; and

489 (iii) has a unique batch identifier;

490 (b) is sold in packaging that:

- 491 (i) is not appealing to children;
- 492 (ii) is opaque;
- 493 (iii) makes a physician's instructions easy to follow; and
- 494 (iv) allows the cannabis product to be tracked by an inventory control system; and
- 495 (c) is not configured or colored to resemble candy.
- 496 (2) A cannabis processing facility shall produce a cannabis product only:
- 497 (a) in an enclosed, locked facility that is accessible only by an individual with a valid
- 498 medical cannabis agent registration card under Section [58-85-202](#); and
- 499 (b) at the physical address provided to the division under Section [58-85-103](#).
- 500 Section 13. Section **58-85-107** is enacted to read:
- 501 **58-85-107. Cannabis dispensary -- Eligibility requirements -- Operating**
- 502 **requirements.**
- 503 (1) A cannabis dispensary shall ensure that:
- 504 (a) the cannabinoid profile in cannabis or a cannabis product that the dispensary sells
- 505 or offers for sale is clearly and accurately stated on the cannabis or cannabis product
- 506 packaging;
- 507 (b) the cannabis dispensary does not sell to an individual, in any one 14-day period:
- 508 (i) an amount of cannabis that exceeds two ounces by weight; or
- 509 (ii) an amount of cannabis products that exceeds the amount recommended by the
- 510 individual's physician; and
- 511 (c) the legal limit on the purchase of cannabis is posted clearly and conspicuously
- 512 within the public area of the cannabis dispensary.
- 513 (2) A cannabis dispensary may only sell cannabis or a cannabis product that has been
- 514 inspected by an independent testing laboratory to determine the concentration, in the cannabis
- 515 or cannabis product, of:
- 516 (a) cannabinoids;
- 517 (b) organic and non-organic substances in the cannabis or cannabis product;
- 518 (c) mold and fungus;
- 519 (d) pesticides and fertilizers; and
- 520 (e) nutrients.
- 521 (3) A cannabis dispensary may only sell:

- 522 (a) cannabis;
- 523 (b) a cannabis product; or
- 524 (c) a cannabis device.

525 (4) A cannabis dispensary may not sell a cannabis device that is constructed or
526 produced such that, when an individual uses the cannabis device, the use imitates smoking.

527 (5) A cannabis dispensary may only sell cannabis, a cannabis product, or a cannabis
528 device in a separate and defined area where only an individual with a medical cannabis patient
529 card, or a designated caregiver authorized to use a medical cannabis patient card, may enter.

530 Section 14. Section **58-85-108** is enacted to read:

531 **58-85-108. Independent cannabis testing laboratory -- Eligibility requirements --**
532 **Operating requirements.**

533 (1) In addition to the requirements described in Section [58-85-104](#), the division shall
534 license a private laboratory as an independent cannabis testing laboratory if the laboratory is
535 able to determine accurately, for cannabis or a cannabis product that a cannabis dispensary sells
536 or offers to sell:

- 537 (a) the concentration of cannabinoids in the cannabis or cannabis product;
- 538 (b) whether the cannabis or cannabis product is or contains organic or nonorganic
539 material;

540 (c) whether the cannabis or cannabis product contains mold or fungus;

541 (d) the concentration of pesticides and fertilizers in the cannabis or cannabis product;

542 and

543 (e) the concentration of nutrients in the cannabis or cannabis product.

544 (2) An independent cannabis testing laboratory may not have an owner, principal, or
545 shareholder who is an owner, principal, or shareholder, of another medical cannabis
546 establishment.

547 Section 15. Section **58-85-201** is enacted to read:

548 **Part 2. Medical Cannabis Establishment Agents**

549 **58-85-201. Title.**

550 This part is known as "Medical Cannabis Establishment Agents."

551 Section 16. Section **58-85-202** is enacted to read:

552 **58-85-202. Medical cannabis establishment agent -- Registration.**

553 (1) An individual may not act as an owner, shareholder, employee, or agent of a
554 medical cannabis establishment unless the individual is registered by the division as a medical
555 cannabis establishment agent.

556 (2) The division shall register and issue a medical cannabis establishment agent
557 registration card to an individual who:

558 (a) has not been convicted of an excluded felony offense;

559 (b) provides to the division:

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

561 (ii) the name and location of licensed medical cannabis establishments where the
562 individual seeks to act as the medical cannabis establishment's agent; and

563 (c) authorizes the division to conduct a criminal background check on the individual.

564 (3) The division shall designate, for a medical cannabis establishment agent
565 registration card the division issues under Subsection (2), whether the medical cannabis
566 establishment agent registration card holder is authorized to act as an agent for:

567 (a) a cannabis cultivation facility;

568 (b) a cannabis processing facility;

569 (c) a cannabis dispensary; or

570 (d) an independent cannabis testing laboratory.

571 (4) The division may revoke the medical cannabis agent registration card of an
572 individual who:

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

574 (b) commits an excluded felony offense.

575 **Section 17. Repealer.**

576 This bill repeals:

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

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

579 Section **26-56-103, Hemp extract registration card -- Application -- Fees --**
580 **Database.**

581 Section **58-37-4.3, Exemption for use or possession of hemp extract.**