

1 **MEDICAL CANNABIDIOL AMENDMENTS**

2 2016 GENERAL SESSION

3 STATE OF UTAH

4

5 **LONG TITLE**

6 **General Description:**

7 This bill modifies and enacts provisions related to medical cannabidiol.

8 **Highlighted Provisions:**

9 This bill:

- 10 ▶ allows an individual with a qualifying illness who registers with the state electronic
11 verification system to possess and use, under certain circumstances, cannabidiol and
12 cannabidiol products;
- 13 ▶ directs the Department of Health to issue a medical cannabidiol card to an
14 individual who meets the requirements of:
- 15 • a qualified patient; or
 - 16 • a designated caregiver of a qualified patient;
- 17 ▶ directs the Department of Commerce, Division of Occupational and Professional
18 Licensing to issue:
- 19 • a license to operate a cannabidiol dispensary to a person who meets
20 certain qualifications; and
 - 21 • a registration card to an individual to act as an agent of a cannabidiol
22 dispensary to an individual who meets certain qualifications;
- 23 ▶ directs the Department of Agriculture and Food to issue:
- 24 • a license to operate a medical cannabidiol establishment to a person who meets
25 certain qualifications; and
 - 26 • a registration card to an individual to act as an agent of a medical cannabidiol
27 establishment if the individual meets certain qualifications;
- 28 ▶ requires a cannabidiol dispensary to report the distribution of cannabidiol to an
29 individual to the Utah Controlled Substance Database;
- 30 ▶ permits a political subdivision to restrict the location of and operations of a
31 cannabidiol dispensary or medical cannabidiol establishment through local zoning
32 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 and
- 44 ▶ extends the sunset date for the Hemp Extract Registration Act.

45 **Money Appropriated in this Bill:**

46 None

47 **Other Special Clauses:**

48 This bill provides a special effective date.

49 **Utah Code Sections Affected:**

50 AMENDS:

- 51 **41-6a-517**, as last amended by Laws of Utah 2013, Chapter 333
- 52 **58-38a-201**, as last amended by Laws of Utah 2011, Chapter 60
- 53 **58-38a-203**, as last amended by Laws of Utah 2011, Chapters 12 and 340
- 54 **59-12-103**, as last amended by Laws of Utah 2015, Chapter 283
- 55 **63I-1-226**, as last amended by Laws of Utah 2015, Chapters 16, 31, and 258
- 56 **63I-1-258**, as last amended by Laws of Utah 2015, Chapters 40, 186, 187, 320, 367,
 57 and 432

58 ENACTS:

- 59 **4-2-2.5**, Utah Code Annotated 1953
- 60 **26-58-101**, Utah Code Annotated 1953
- 61 **26-58-102**, Utah Code Annotated 1953
- 62 **26-58-103**, Utah Code Annotated 1953
- 63 **26-58-201**, Utah Code Annotated 1953

- 64 **26-58-202**, Utah Code Annotated 1953
 - 65 **26-58-203**, Utah Code Annotated 1953
 - 66 **26-58-204**, Utah Code Annotated 1953
 - 67 **26-58-205**, Utah Code Annotated 1953
 - 68 **26-58-301**, Utah Code Annotated 1953
 - 69 **26-58-302**, Utah Code Annotated 1953
 - 70 **26-58-303**, Utah Code Annotated 1953
 - 71 **26-58-304**, Utah Code Annotated 1953
 - 72 **26-58-305**, Utah Code Annotated 1953
 - 73 **26-58-306**, Utah Code Annotated 1953
 - 74 **26-58-307**, Utah Code Annotated 1953
 - 75 **26-58-401**, Utah Code Annotated 1953
 - 76 **26-58-402**, Utah Code Annotated 1953
 - 77 **26-58-403**, Utah Code Annotated 1953
 - 78 **26-58-404**, Utah Code Annotated 1953
 - 79 **26-58-405**, Utah Code Annotated 1953
 - 80 **26-58-406**, Utah Code Annotated 1953
 - 81 **26-58-407**, Utah Code Annotated 1953
 - 82 **26-58-408**, Utah Code Annotated 1953
 - 83 **26-58-409**, Utah Code Annotated 1953
 - 84 **26-58-501**, Utah Code Annotated 1953
 - 85 **26-58-601**, Utah Code Annotated 1953
 - 86 **26-58-602**, Utah Code Annotated 1953
 - 87 **53-1-106.5**, Utah Code Annotated 1953
 - 88 **58-1-111**, Utah Code Annotated 1953
 - 89 **58-37-3.6**, Utah Code Annotated 1953
 - 90 **58-37f-204**, Utah Code Annotated 1953
 - 91 **58-67-807**, Utah Code Annotated 1953
 - 92 **63F-1-104.5**, Utah Code Annotated 1953
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94 *Be it enacted by the Legislature of the state of Utah:*

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

96 **4-2-2.5. Medical Cannabidiol Act -- Department duties.**

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

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

100 (a) Title 26, Chapter 58, Part 4, Medical Cannabidiol Establishment License, and Part
101 5, Enforcement Actions -- Medical Cannabidiol Establishments -- Cannabidiol Dispensary; and

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

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

104 (a) this title;

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

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

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

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

111 **CHAPTER 58. MEDICAL CANNABIDIOL ACT**

112 **Part 1. General Provisions**

113 **26-58-101. Title.**

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

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

116 **26-58-102. Definitions.**

117 As used in this chapter:

118 (1) "Cannabidiol" or "CBD" means extracts or purified substances obtained from
119 industrial hemp in the following formats:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

150 (11) "Industrial hemp" has the same meaning as that term is defined in Section
151 4-41-102.

152 (12) "Industrial hemp cultivation facility" means a person that:

153 (a) is licensed by the Department of Agriculture and Food under Section 26-58-402;

154 and

155 (b) possesses, grows, and sells industrial hemp to:

- 156 (i) a cannabidiol dispensary;
157 (ii) a cannabidiol processing facility; or
158 (iii) another industrial hemp cultivation facility.
159 (13) "Inventory control system" means the system described in Sections 26-58-403.
160 (14) "Medical cannabidiol card" means an official document or card, issued by the
161 Department of Health under Section 26-58-201, that is connected to an electronic verification
162 system.
163 (15) "Medical cannabidiol establishment" means:
164 (a) an independent testing laboratory;
165 (b) an industrial hemp cultivation facility; or
166 (c) a cannabidiol processing facility.
167 (16) "Medical cannabidiol establishment agent" means an owner, officer, or employee
168 of a medical cannabidiol establishment.
169 (17) "Medical cannabidiol establishment agent registration card" means a registration
170 card, issued under Section 26-58-407, that authorizes an individual to be a medical cannabidiol
171 establishment agent.
172 (18) "Participating entity" means:
173 (a) the Department of Public Safety created in Section 53-1-103;
174 (b) the Department of Agriculture and Food created in Section 4-2-1;
175 (c) the Department of Health;
176 (d) the Division of Occupational and Professional Licensing created in Title 58,
177 Division of Occupational and Professional Licensing; and
178 (e) the Department of Technology Services created in Section 63F-1-103.
179 (19) "Physician" means an individual who:
180 (a) is licensed to practice:
181 (i) medicine, under Title 58, Chapter 67, Utah Medical Practice Act; or
182 (ii) osteopathic medicine, under Title 58, Chapter 68, Utah Osteopathic Medical
183 Practice Act;
184 (b) is certified by the appropriate American board in a specialty that is approved for
185 cannabidiol recommendation by the Controlled Substances Advisory Committee; and:
186 (c) complies with Section 58-67-807 or 58-68-807.

187 (20) "Qualifying illness" means a disease, or physical or mental symptoms that are:

188 (a) identified by the Controlled Substances Advisory Committee under Section

189 58-38c-203 as being medically appropriate for the use of cannabidiol by a human; and

190 (b) approved by the Legislature in an act signed by the Governor.

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

192 **26-58-103. Local ordinances.**

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

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

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

198 **26-58-201. Medical cannabidiol card -- Application -- Fees -- Database.**

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

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

204 (b) is a Utah resident;

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

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

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

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

210 Chapter 1, Budgetary Procedures Act; and

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

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

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

215 (2) The Department of Health may not issue a card under this chapter on behalf of a
216 minor. The department's authority to issue a card on behalf of a minor is limited to the
217 provisions of Chapter 56, Hemp Extract Registration Act.

- 218 (3) An individual who applies for a medical cannabidiol card under Subsection (1)
219 shall fill out and submit the application described in Subsection (1):
- 220 (a) online, in connection with the electronic verification system established in Section
221 26-58-202; and
- 222 (b) with a physician, during an office visit with the physician.
- 223 (4) (a) An individual who holds a valid medical cannabidiol card under Subsection (1)
224 and who a physician determines is unable to obtain cannabidiol or a cannabidiol product from a
225 cannabidiol dispensary may register with the Department of Health, via the electronic
226 verification system, up to two individuals to serve as designated caregivers of the individual.
- 227 (b) A medical cannabidiol cardholder may designate an individual as a designated
228 caregiver under Subsection (4)(a) if the individual:
- 229 (i) is 18 years old or older;
230 (ii) is a Utah resident;
231 (iii) is not the designated caregiver of a different medical cannabidiol cardholder;
232 (iv) applies online with the Department of Health through the electronic verification
233 system for a medical cannabidiol card as a designated caregiver;
- 234 (v) pays to the Department of Health a fee established in accordance with Section
235 63J-1-504 plus the cost of a criminal background check; and
- 236 (vi) complies with Section 26-58-205.
- 237 (5) A medical cannabidiol card the department issues under Subsection (1) or (4) is:
- 238 (a) valid for the lesser of:
- 239 (i) an amount of time determined by the physician who recommends treatment with
240 cannabidiol or a cannabidiol product under Subsection (1); or
- 241 (ii) two years; and
- 242 (b) (i) renewable if, at the time of renewal the individual with the medical cannabidiol
243 card meets the requirements of Subsection (1); and
- 244 (ii) renewable for a designated caregiver, if at the time of renewal, the individual
245 described in Subsection (5)(b)(i) renews the designated caregiver's designation.
- 246 (6) The Department of Health may revoke an individual's medical cannabidiol card if
247 the individual violates this chapter.
- 248 Section 6. Section **26-58-202** is enacted to read:

249 **26-58-202. Electronic verification system -- Department of Technology Services.**

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

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

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

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

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

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

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

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

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

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

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

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

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

274 (i) during a traffic stop; or

275 (ii) after obtaining a warrant; and

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

278 (2) (a) The Department of Technology Services and the participating entities shall enter
279 into a memorandum of understanding regarding the creation of and access to the electronic

280 verification system created by this section.

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

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

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

291 **26-58-203. Standard of care -- Medical practitioners not liable -- No private right**
292 **of action.**

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

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

298 (a) civil liability;

299 (b) criminal liability; or

300 (c) licensure sanctions under:

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

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

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

304 **26-58-204. Medical cannabidiol card -- Patient and designated caregiver**
305 **requirements -- Rebuttable presumption.**

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

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

310 (b) carry, with the cannabidiol or cannabidiol product, a label that identifies that the

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

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

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

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

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

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

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

331 **26-58-205. Designated caregiver -- Criminal background check.**

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

333 (a) may:

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

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

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

340 (2) Each designated caregiver shall:

341 (a) submit a fingerprint card in a form acceptable to the Department of Health and the

342 Department of Public Safety; and

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

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

345 (ii) the Federal Bureau of Investigation.

346 (3) The Department of Public Safety shall complete a Federal Bureau of Investigation

347 Criminal Background Check for each designated caregiver under Subsection (2) and report the

348 results of the background check to the Department of Health.

349 (4) (a) The Department of Health shall issue a card to a designated caregiver within 30

350 business days after the designated caregiver passes the criminal background check under

351 Subsection (2).

352 (b) The Department of Health may refuse to issue or revoke the registration of a

353 designated caregiver if the designated caregiver has committed a felony that is:

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

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

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

357 **Part 3. Cannabidiol Dispensary License**

358 **26-58-301. Licensing authority and oversight.**

359 (1) For purposes of this part, "division" means the Division of Occupational and

360 Professional Licensing within the Department of Commerce.

361 (2) The division shall license and regulate a cannabidiol dispensary in accordance with

362 this part and Section 58-1-111.

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

364 **26-58-302. Cannabidiol dispensary -- License -- Eligibility.**

365 (1) Subject to Subsections (2) and (3), the division shall, no earlier than October 1,

366 2016, and within 30 business days after receiving a complete application, issue a license to

367 operate a cannabidiol dispensary to a person who submits to the division:

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

370 (b) evidence that the person:

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

372 submitted to the division;

- 373 (ii) meets the eligibility requirements for a cannabidiol dispensary;
374 (iii) will implement an inventory control system at the cannabidiol dispensary; and
375 (iv) can obtain a business license and meet zoning requirements established by a
376 political subdivision as permitted by Section 26-58-103;
377 (c) an application fee in an amount determined by the division in accordance with
378 Section 63J-1-504;
379 (d) if the license is issued, a fee for an initial license or for a renewal in amounts
380 determined by the division in accordance with Section 63J-1-504;
381 (e) a security plan for the cannabidiol dispensary;
382 (f) an operational plan for the cannabidiol dispensary, which shall include:
383 (i) a description of employee training standards;
384 (ii) a description of security standards for the dispensary;
385 (iii) a time period in which the cannabidiol dispensary will become operational;
386 (iv) the distance of the proposed cannabidiol dispensary from another cannabidiol
387 dispensary; and
388 (v) descriptions of other operational standards required by the division; and
389 (g) the results of a criminal background check for each cannabidiol dispensary agent.
390 (2) The division may not issue more than five cannabidiol dispensary licenses in the
391 state.
392 (3) If more than one applicant for a license in a geographic area meets the
393 qualifications of this chapter for a cannabidiol dispensary, the division shall evaluate the
394 applicants to determine which applicant has best demonstrated:
395 (a) experience with:
396 (i) establishing and running a business in a related field;
397 (ii) operating a secure inventory control system;
398 (iii) complying with a regulatory environment; and
399 (iv) training, evaluating, and monitoring employees; and
400 (b) connections to the local community.
401 (4) The division shall renew a person's license under this part every year if, at the time
402 of renewal:
403 (a) the person meets the requirements of Subsection (1); and

404 (b) the division determines that the person has complied with the requirements of this
405 chapter.

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

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

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

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

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

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

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

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

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

422 (8) A physician may not:

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

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

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

427 **26-58-303. Cannabidiol dispensary -- Operating requirements.**

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

429 (i) in a medicinal dosage form; and

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

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

434 (ii) a designated caregiver with a medical cannabidiol card may not purchase for any

435 one patient an amount of cannabidiol that is greater than the amount described in Subsection
436 (1)(a)(ii).

437 (c) A cannabidiol dispensary shall:

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

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

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

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

442 determine that the patient for whom the cannabidiol is being dispensed has not exceeded the

443 amount of cannabidiol described in Subsection (1)(a)(ii).

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

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

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

451 (3) A cannabidiol dispensary may only sell:

452 (a) cannabidiol;

453 (b) a cannabidiol product; and

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

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

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

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

460 (i) mold;

461 (ii) fungus;

462 (iii) pesticides;

463 (iv) fertilizers; or

464 (v) other contaminants.

465 (5) A cannabidiol dispensary may only sell cannabidiol or a cannabidiol product in a

466 secure area where only an individual with a medical cannabidiol card may enter.

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

468 (a) a video recording system that:

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

470 (ii) is tamper proof; and

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

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

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

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

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

476 stored.

477 (7) Except as provided in Subsection (9), a cannabidiol dispensary may not advertise in

478 any medium.

479 (8) A cannabidiol dispensary may:

480 (a) display signage on the outside of the cannabidiol dispensary that includes only the

481 cannabidiol dispensary's name and hours of operation; and

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

483 products and services available at the dispensary, and educational materials related to the use of

484 medical cannabidiol.

485 (9) A cannabidiol dispensary shall comply with operating, labeling, and record keeping

486 standards established by the division by rule made in accordance with Title 63G, Chapter 3,

487 Utah Administrative Rulemaking Act.

488 (10) (a) A cannabidiol dispensary shall employ an individual licensed under Title 58,

489 Chapter 17b, Pharmacy Practice Act as a consultant.

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

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

492 patient; and

493 (ii) answer patient questions.

494 (11) A cannabidiol dispensary may not sell cannabidiol, a cannabidiol product, or a

495 cannabidiol device before January 1, 2017.

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

497 **26-58-304. Cannabidiol dispensary agent -- Registration card.**

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

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

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

504 (b) provides to the division:

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

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

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

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

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

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

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

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

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

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

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

525 **26-58-305. Inventory control system.**

526 Each cannabidiol dispensary licensed under this part shall maintain an inventory control
527 system that:

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

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

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

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

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

538 **26-58-306. Cannabidiol dispensary agents -- Criminal background checks.**

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

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

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

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

545 (ii) the Federal Bureau of Investigation.

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

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

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

553 **26-58-307. Cannabidiol dispensary agent registration card -- Rebuttable**
554 **presumption.**

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

558 (a) carry with the individual, the individual's cannabidiol dispensary agent registration

559 card;

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

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

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

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

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

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

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

575 **26-58-401. Licensing authority and oversight.**

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

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

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

581 **26-58-402. Medical cannabidiol establishment -- License -- Eligibility.**

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

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

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

589 (c) evidence, for each location of a medical cannabis establishment for which the

590 person applies, that the person qualifies for a business license and is capable of meeting the
591 zoning requirements established by a political subdivision, as permitted by Section 26-58-103:

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

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

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

597 (i) a cannabidiol cultivation facility;

598 (ii) a cannabidiol processing facility; or

599 (iii) an independent cannabidiol testing laboratory;

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

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

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

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

608 (a) a cannabidiol cultivation facility;

609 (b) a cannabidiol processing facility; or

610 (c) an independent cannabidiol testing laboratory.

611 (3) (a) The department:

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

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

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

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

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

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

620 (B) if the owner, principal, or shareholder of the medical cannabidiol establishment is a

621 physician; and

622 (iv) may not issue any more than:

623 (A) two active cannabidiol cultivation facility licenses in the state;

624 (B) two active cannabidiol processing facility licenses in the state; and

625 (C) two active cannabidiol independent testing laboratories in the state.

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

627 (i) issued to an individual:

628 (A) who holds a license or has an ownership interest in a cannabidiol dispensary, a

629 cannabidiol processing facility, or a cannabidiol cultivation facility; or

630 (B) whose immediate family member holds a license or has an ownership interest in a

631 cannabidiol dispensary, a cannabidiol processing facility, or a cannabidiol cultivation facility;

632 and

633 (ii) operated at the same physical location as a cannabidiol dispensary or another type

634 of medical cannabidiol establishment.

635 (4) If the department receives more than two applications for an available license for a

636 particular type of cannabidiol establishment that meet the qualifications of this chapter for a

637 cannabidiol establishment license, the department shall evaluate the applicants to determine

638 which applicant has best demonstrated:

639 (a) experience with:

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

641 (ii) operating a secure inventory control system;

642 (iii) complying with a regulatory environment; and

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

644 (b) connections to the local community.

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

646 (a) at the time of renewal, the person meets the requirements of Subsection (1); and

647 (b) the department determines that the person has complied with the requirements of

648 this chapter.

649 (6) If license holder abandons a license, as determined by the department by

650 administrative rule, the department shall publish a notice of an available license electronically

651 or in a newspaper of general circulation.

652 (7) A medical cannabidiol establishment licensed by the department under Subsection
653 (1):
654 (a) shall operate in a structure that:
655 (i) has a secure public entrance; and
656 (ii) complies with other structural requirements established by the department by rule
657 made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, in order
658 to ensure public safety and to prevent diversion of hemp or cannabidiol from the establishment;
659 (b) may not allow any person to consume cannabidiol on the property or premises of
660 the establishment;
661 (c) may not operate without a video recording system that:
662 (i) monitors all activity related to handling cannabidiol or a cannabidiol product;
663 (ii) is tamper proof; and
664 (iii) is capable of storing a video record for a minimum of one year;
665 (d) shall have a:
666 (i) security system with a back up power source in the event of a power outage, to:
667 (A) detect and record entry at all times the medical cannabidiol establishment is closed;
668 and
669 (B) provide notice of unauthorized entry to local law enforcement; and
670 (ii) lock on any entrance to the part of the premises where medical cannabidiol is
671 stored; and
672 (e) may not advertise in any medium to the general public.
673 (8) (a) In accordance with Subsection (8)(b), the department shall inspect the facility
674 and the records of a medical cannabidiol establishment in order to determine if the medical
675 cannabidiol establishment complies with the licensing requirements of this chapter.
676 (b) The department may inspect the records and the facility of a medical cannabidiol
677 establishment at any time.
678 Section 19. Section **26-58-403** is enacted to read:
679 **26-58-403. Inventory control system.**
680 Each medical cannabidiol establishment licensed under this part shall maintain an
681 inventory control system that:
682 (1) is capable of tracking, in real time, cannabidiol from the first point the cannabidiol

683 is planted as a seed, a clone, or a cutting, until the cannabidiol is sold, in the form of
684 unprocessed cannabidiol or a cannabidiol product, to a medical cannabidiol cardholder;

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

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

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

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

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

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

697 Section 20. Section **26-58-404** is enacted to read:

698 **26-58-404. Cannabidiol cultivation facility -- Operating requirements.**

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

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

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

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

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

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

712 (5) A cannabidiol cultivation facility may allow the press, a visitor, or a contractor
713 access to the facility if:

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

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

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

718 **26-58-405. Cannabidiol processing facility -- Operating requirements.**

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

721 (a) has a label that:

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

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

724 (iii) has a unique batch identifier; and

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

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

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

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

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

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

733 (a) shall produce a cannabidiol product only:

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

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

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

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

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

744 (b) the cannabidiol processing facility's production process is safe for employees of the

745 cannabidiol processing facility; and

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

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

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

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

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

754 **26-58-406. Independent cannabidiol testing laboratory -- Operating requirements.**

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

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

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

762 (i) mold;

763 (ii) fungus;

764 (iii) pesticides;

765 (iv) fertilizers; or

766 (v) other contaminants.

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

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

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

775 (i) report to the Department of Agriculture any lab results that indicate that the medical

- 776 cannabidiol batch that was tested:
- 777 (A) may be unsafe for human consumption; or
- 778 (B) contains a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent on a
- 779 dry weight basis; and
- 780 (ii) provide the department with a designated period of time in which to respond to the
- 781 lab results before the independent lab releases the batch of cannabidiol to another cannabidiol
- 782 establishment or a cannabidiol dispensary.
- 783 (4) An independent cannabidiol testing laboratory may allow the press, a visitor, or a
- 784 contractor access to the facility if:
- 785 (a) the facility tracks and monitors the individual at all times while the individual is in
- 786 the facility; and
- 787 (b) a record of the individual's access to the facility is maintained by the facility.
- 788 Section 23. Section **26-58-407** is enacted to read:
- 789 **26-58-407. Medical cannabidiol establishment agent -- Registration.**
- 790 (1) An individual may not act as an owner, shareholder, employee, or agent of a
- 791 medical cannabidiol establishment unless the individual is registered by the department as a
- 792 medical cannabidiol establishment agent.
- 793 (2) The department shall, within 15 business days after receiving a complete
- 794 application, register and issue a medical cannabidiol establishment agent registration card to an
- 795 individual who:
- 796 (a) has not been convicted of an offense that is a felony under either state or federal
- 797 law;
- 798 (b) provides to the department:
- 799 (i) the individual's name and address;
- 800 (ii) the name and location of licensed medical cannabidiol establishments where the
- 801 individual seeks to act as the medical cannabidiol establishment's agent; and
- 802 (iii) payment of a fee determined by the department in accordance with Section
- 803 63J-1-504, that is necessary to cover the department's cost to implement this part;
- 804 (c) complies with the requirement for, and passes, a criminal background check
- 805 described in Section 26-58-408; and
- 806 (d) demonstrates that to the department that the individual has completed a training

807 program that meets standards approved by the department by administrative rule made in
808 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

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

812 (a) a cannabidiol cultivation facility;

813 (b) a cannabidiol processing facility;

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

815 (d) an independent cannabidiol testing laboratory.

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

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

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

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

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

824 **26-58-408. Medical cannabidiol establishment agents -- Criminal background**
825 **checks.**

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

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

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

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

832 (ii) the Federal Bureau of Investigation.

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

836 (3) The department may revoke or refuse to issue an individual's medical cannabidiol
837 establishment agent registration card if the individual has committed an offense that is a felony

838 under state or federal law.

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

840 **26-58-409. Medical establishment agent registration card -- Rebuttable**
841 **presumption.**

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

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

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

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

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

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

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

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

861 **Part 5. Enforcement Actions -- Medical Cannabidiol**

862 **Establishments -- Cannabidiol Dispensary**

863 **26-58-501. Penalty for unlawful conduct -- Threat to public health safety and**
864 **welfare -- Fines -- Citations.**

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

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

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

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

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

881 (ii) assess administrative penalties; and

882 (iii) take any other appropriate administrative action.

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

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

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

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

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

894 (i) may:

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

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

899 (ii) shall, when a determination is made under Subsection (3)(a)(i):

900 (A) issue the person a citation in writing;
 901 (B) attempt to negotiate a stipulated settlement; or
 902 (C) direct the person to appear before an adjudicative proceeding conducted under Title
 903 63G, Chapter 4, Administrative Procedures Act.

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

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

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

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

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

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

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

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

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

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

928 **26-58-601. Title.**

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

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

931 **26-58-602. Medical Cannabidiol Research License.**

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

933 (2) The department may issue a license to a higher education institution to conduct
934 medical research on cannabidiol if the higher education institution submits to the department:

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

936 (b) the name of an employee of the higher education institution who will supervise the
937 medical cannabidiol research.

938 (3) Notwithstanding the provisions of Title 58, Chapter 37, Controlled Substances Act,
939 a higher education institution to which the department issues a medical cannabidiol research
940 license under this chapter may:

941 (a) purchase cannabidiol or a cannabidiol product from a person licensed under Title
942 26, Chapter 58, Part 4, Medical Cannabidiol Establishment License;

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

944 (b) provide cannabidiol or a cannabidiol product to a patient as part of a medical
945 research study approved by the department.

946 (4) The department may establish rules made in accordance with Title 63G, Chapter 3,
947 Utah Administrative Rulemaking Act that provide:

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

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

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

951 **41-6a-517. Definitions -- Driving with any measurable controlled substance in the**
952 **body -- Penalties -- Arrest without warrant.**

953 (1) As used in this section:

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

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

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

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

958 (2) In cases not amounting to a violation of Section 41-6a-502, a person may not
959 operate or be in actual physical control of a motor vehicle within this state if the person has any
960 measurable controlled substance or metabolite of a controlled substance in the person's body.

961 (3) It is an affirmative defense to prosecution under this section that the controlled

962 substance was:

963 (a) involuntarily ingested by the accused;

964 (b) prescribed by a practitioner for use by the accused; [or]

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

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

967 [~~(c)~~] (d) otherwise legally ingested.

968 (4) (a) A person convicted of a violation of Subsection (2) is guilty of a class B

969 misdemeanor.

970 (b) A person who violates this section is subject to conviction and sentencing under

971 both this section and any applicable offense under Section 58-37-8.

972 (5) A peace officer may, without a warrant, arrest a person for a violation of this

973 section when the officer has probable cause to believe the violation has occurred, although not

974 in the officer's presence, and if the officer has probable cause to believe that the violation was

975 committed by the person.

976 (6) The Driver License Division shall, if the person is 21 years of age or older on the

977 date of arrest:

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

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

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

982 (ii) the current violation under Subsection (2) is committed on or after July 1, 2009,

983 and within a period of 10 years after the date of the prior violation.

984 (7) The Driver License Division shall, if the person is 19 years of age or older but

985 under 21 years of age on the date of arrest:

986 (a) suspend, until the person is 21 years of age or for a period of one year, whichever is

987 longer, the driver license of a person convicted under Subsection (2) of an offense committed

988 on or after July 1, 2011; or

989 (b) revoke, until the person is 21 years of age or for a period of two years, whichever is

990 longer, the driver license of a person if:

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

992 (ii) the current violation under Subsection (2) is committed on or after July 1, 2009,

993 and within a period of 10 years after the date of the prior violation.

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

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

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

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

1000 (ii) the current violation under Subsection (2) is committed on or after July 1, 2009,
1001 and within a period of 10 years after the date of the prior violation.

1002 (9) The Driver License Division shall subtract from any suspension or revocation
1003 period the number of days for which a license was previously suspended under Section
1004 53-3-223 or 53-3-231, if the previous suspension was based on the same occurrence upon
1005 which the record of conviction is based.

1006 (10) The Driver License Division shall:

1007 (a) deny, suspend, or revoke a person's license for the denial and suspension periods in
1008 effect prior to July 1, 2009, for a conviction of a violation under Subsection (2) that was
1009 committed prior to July 1, 2009; or

1010 (b) deny, suspend, or revoke the operator's license of a person for the denial,
1011 suspension, or revocation periods in effect from July 1, 2009, through June 30, 2011, if:

1012 (i) the person was 20 years of age or older but under 21 years of age at the time of
1013 arrest; and

1014 (ii) the conviction under Subsection (2) is for an offense that was committed on or after
1015 July 1, 2009, and prior to July 1, 2011.

1016 (11) A court that reported a conviction of a violation of this section for a violation that
1017 occurred on or after July 1, 2009, to the Driver License Division may shorten the suspension
1018 period imposed under Subsection (7)(a) or (8)(a) prior to completion of the suspension period
1019 if the person:

1020 (a) completes at least six months of the license suspension;

1021 (b) completes a screening;

1022 (c) completes an assessment, if it is found appropriate by a screening under Subsection

1023 (11)(b);

1024 (d) completes substance abuse treatment if it is found appropriate by the assessment
1025 under Subsection (11)(c);

1026 (e) completes an educational series if substance abuse treatment is not required by the
1027 assessment under Subsection (11)(c) or the court does not order substance abuse treatment;

1028 (f) has not been convicted of a violation of any motor vehicle law in which the person
1029 was involved as the operator of the vehicle during the suspension period imposed under
1030 Subsection (7)(a) or (8)(a);

1031 (g) has complied with all the terms of the person's probation or all orders of the court if
1032 not ordered to probation; and

1033 (h) (i) is 18 years of age or older and provides a sworn statement to the court that the
1034 person has not consumed a controlled substance not prescribed by a practitioner for use by the
1035 person or unlawfully consumed alcohol during the suspension period imposed under
1036 Subsection (7)(a) or (8)(a); or

1037 (ii) is under 18 years of age and has the person's parent or legal guardian provide an
1038 affidavit or other sworn statement to the court certifying that to the parent or legal guardian's
1039 knowledge the person has not consumed a controlled substance not prescribed by a practitioner
1040 for use by the person or unlawfully consumed alcohol during the suspension period imposed
1041 under Subsection (7)(a) or (8)(a).

1042 (12) If the court shortens a person's license suspension period in accordance with the
1043 requirements of Subsection (11), the court shall forward the order shortening the person's
1044 license suspension period prior to the completion of the suspension period imposed under
1045 Subsection (7)(a) or (8)(a) to the Driver License Division.

1046 (13) (a) The court shall notify the Driver License Division if a person fails to:

1047 (i) complete all court ordered screening and assessment, educational series, and
1048 substance abuse treatment; or

1049 (ii) pay all fines and fees, including fees for restitution and treatment costs.

1050 (b) Upon receiving the notification, the division shall suspend the person's driving
1051 privilege in accordance with Subsections 53-3-221(2) and (3).

1052 (14) The court shall order supervised probation in accordance with Section 41-6a-507
1053 for a person convicted under Subsection (2).

1054 Section 30. Section **53-1-106.5** is enacted to read:

1055 **53-1-106.5. Medical Cannabidiol Act -- Department duties.**

1056 In addition to the duties described in Section 53-1-106, the department shall:

1057 (1) enter into a memorandum of understanding with the participating entities, as that
1058 term is defined in Section 26-58-102, for the purpose of providing peace officers and law
1059 enforcement agencies with access to the electronic verification system as described in Section
1060 26-58-202; and

1061 (2) provide standards for the training of peace officers and law enforcement agencies in
1062 the use of the electronic verification system.

1063 Section 31. Section **58-1-111** is enacted to read:

1064 **58-1-111. Duty to license cannabidiol dispensaries under the Medical Cannabidiol**
1065 **Act.**

1066 (1) The division shall administer and enforce the licensing of a cannabidiol dispensary
1067 in accordance with:

1068 (a) Title 26, Chapter 58, Part 3, Cannabidiol Dispensary License; and

1069 (b) the powers and duties provided to the division in this title.

1070 (2) The division shall adopt administrative rules in accordance with:

1071 (a) this title;

1072 (b) Title 26, Chapter 58, Part 3, Cannabidiol Dispensary License; and

1073 (c) Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

1074 (3) The division shall enter into a memorandum of understanding with participating
1075 entities, as that term is defined in Section 26-58-102, in accordance with Section 26-58-202.

1076 Section 32. Section **58-37-3.6** is enacted to read:

1077 **58-37-3.6. Exemption for possession or use of cannabidiol to treat a qualifying**
1078 **illness.**

1079 (1) As used in this section:

1080 (a) "Cannabidiol" or "CBD means extracts or purified substances obtained from
1081 industrial hemp in the following formats:

1082 (i) the plant cannabis sativa and part of the plant, whether grown or not, with a delta-9
1083 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis; and

1084 (ii) extracts of the plant described in Subsection (1)(a) containing predominantly
1085 cannabidiol.

- 1086 (b) "Cannabidiol dispensary" means the same as that term is defined in Section
1087 26-58-102.
- 1088 (c) "Cannabidiol product" means a product that:
- 1089 (i) is intended for human ingestion; and
- 1090 (ii) contains cannabidiol.
- 1091 (d) "Designated caregiver" means the same as that term is defined in Section
1092 26-58-102.
- 1093 (e) "Drug paraphernalia" means the same as that term is defined in Section 58-37a-3.
- 1094 (f) "Industrial hemp" has the same meaning as that term is defined in Section 4-41-102.
- 1095 (g) "Medical cannabidiol establishment" means the same as that term is defined in
1096 Section 26-58-102.
- 1097 (h) "Medical cannabidiol card" means an official document or card, issued by the
1098 Department of Health under Section 26-58-201, that is connected to the electronic verification
1099 system described in Section 26-58-202.
- 1100 (i) "Qualifying illness" means the same as that term is defined in Section 26-58-102.
- 1101 (j) "Tetrahydrocannabinol" means a substance derived from cannabidiol that meets the
1102 description in Subsection 58-37-4(2)(a)(iii)(AA).
- 1103 (2) Notwithstanding any other provision of this chapter, except as described in
1104 Subsection (7), an individual who possesses or uses cannabidiol or a cannabidiol product is not
1105 subject to, for the possession or use of the cannabidiol or cannabidiol product, the penalties
1106 described in this title for possession or use of marijuana or tetrahydrocannabinol if the
1107 individual holds a valid medical cannabidiol card.
- 1108 (3) Notwithstanding any other provision of this chapter, except as described in
1109 Subsection (7), an individual who possesses cannabidiol or a cannabidiol product or who
1110 distributes cannabidiol or a cannabidiol product to a patient is not subject to, for the possession
1111 or distribution of the cannabidiol or cannabidiol product, the penalties described in this title for
1112 possession or distribution of marijuana or tetrahydrocannabinol if the individual:
- 1113 (a) for a patient that is 18 years of age or older, is the patient who holds a valid medical
1114 cannabidiol card; or
- 1115 (b) for a patient that is 18 years of age or older, is the patient's designated caregiver and
1116 holds a valid medical cannabidiol card that names the patient and the designated caregiver.

1117 (4) Notwithstanding any other provision of this chapter, except as described in
1118 Subsection (7), a person who possesses, sells, or offers to sell cannabidiol or a cannabidiol
1119 product is not subject to, for the possession, sale, or offer for sale of cannabidiol or the
1120 cannabidiol product, the penalties described in this title for the possession, sale, or offering for
1121 sale of marijuana or tetrahydrocannabinol if the person:

1122 (a) produces, sells, or offers to sell the cannabidiol or cannabidiol product for the end
1123 purpose of providing the cannabidiol or cannabidiol product to a patient with a qualifying
1124 illness;

1125 (b) is licensed under Title 26, Chapter 58, Medical Cannabidiol Act; and

1126 (c) complies with the operating requirements for:

1127 (i) a cannabidiol dispensary under Title 26, Chapter 58, Part 3, Cannabidiol Dispensary
1128 License; or

1129 (ii) a medical cannabidiol establishment under Title 26, Chapter 58, Part 4, Medical
1130 Cannabidiol Establishment License.

1131 (5) Notwithstanding any other provision of this chapter, a person who grows, sells, or
1132 offers to sell cannabidiol is not subject to, for the growth or sale of the cannabidiol, the
1133 penalties described in this title for the growth or sale of marijuana, if the person:

1134 (a) grows, sells, or offers to sell the cannabidiol only for the purpose of selling the
1135 cannabidiol to a licensed medical cannabidiol establishment or a licensed medical cannabidiol
1136 dispensary, or a higher education institution licensed under Section 26-58-602, for the end
1137 purpose of providing the cannabidiol to a patient with a qualifying illness;

1138 (b) is licensed under Title 26, Chapter 58, Medical Cannabidiol Act; and

1139 (c) complies with the operating requirements for:

1140 (i) a cannabidiol dispensary under Title 26, Chapter 58, Part 3, Cannabidiol Dispensary
1141 License; or

1142 (ii) a medical cannabidiol establishment under Title 26, Chapter 58, Part 4, Medical
1143 Cannabidiol Establishment License.

1144 (6) Notwithstanding any other provision of this chapter, except as described in
1145 Subsection (7), an individual who grows cannabidiol, or possesses, sells, or offers to sell
1146 cannabidiol or a cannabidiol product is not subject to, for the growth of cannabidiol, or for the
1147 possession, sale, or offer for sale of cannabidiol or the cannabidiol product, the penalties

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

1150 (a) grows, possesses, sells, or offers to sell the cannabidiol as an agent of:

1151 (i) a cannabidiol dispensary that is licensed under Title 26, Chapter 58, Part 3,

1152 Cannabidiol Dispensary License; or

1153 (ii) a medical cannabidiol establishment that is licensed under Title 26, Chapter 58,

1154 Part 4, Medical Cannabidiol Establishment License;

1155 (b) is the holder of a valid:

1156 (i) medical cannabidiol establishment agent registration card; or

1157 (ii) cannabidiol dispensary agent registration card; and

1158 (c) complies with the administrative rules for a medical cannabidiol establishment

1159 agent or a cannabidiol dispensary agent adopted under Title 26, Chapter 58, Medical

1160 Cannabidiol Act.

1161 (7) An individual is not exempt from the penalties described in Subsections (2) through

1162 (6) if the individual:

1163 (a) uses or possesses marijuana or tetrahydrocannabinol in any form other than

1164 cannabidiol as permitted by Title 26, Chapter 58, Medical Cannabidiol Act, or Section

1165 58-37-4.3; or

1166 (b) uses cannabidiol through a means other than a medical dosage implement

1167 recommended by a physician.

1168 Section 33. Section **58-37f-204** is enacted to read:

1169 **58-37f-204. Controlled substance database and medical cannabidiol.**

1170 (1) (a) The division shall establish a process for a cannabidiol agent of a cannabidiol

1171 dispensary to submit, at a specified time during each 24 hour period, the information required

1172 by this section.

1173 (b) A cannabidiol dispensary shall comply with the with process established by the

1174 division under Subsection (1)(a).

1175 (2) The cannabidiol dispensary agent of the cannabidiol dispensary where a

1176 cannabidiol product, as that term is defined in Section 26-58-102, is dispensed shall submit the

1177 data described in this section to the division:

1178 (i) in accordance with the requirements of this section;

- 1179 (ii) in accordance with the procedures established by the division; and
1180 (iii) in the format established by the division.
- 1181 (3) The cannabidiol dispensary agent described in Subsection (2) shall, for each
1182 cannabidiol product dispensed by the cannabidiol dispensary, submit to the division the
1183 following information:
- 1184 (a) the name of the physician who recommended the use of the cannabidiol product and
1185 a unique number identifying the recommendation;
- 1186 (b) the date of the recommendation;
- 1187 (c) the date the cannabidiol product was dispensed;
- 1188 (d) the name of the individual for whom the recommendation for the cannabidiol
1189 product was written;
- 1190 (e) positive identification of the individual receiving the cannabidiol product, including
1191 the type of identification and any identifying numbers on the identification;
- 1192 (f) a description of the cannabinoid profile described in Subsection 26-58-303(2)(a);
- 1193 (g) the quantity of the cannabidiol product recommended;
- 1194 (h) the quantity of the cannabidiol product dispensed;
- 1195 (i) the dosage, quantity and frequency as recommended;
- 1196 (j) the name of the cannabidiol dispensary dispensing the cannabidiol product;
- 1197 (k) the name of the cannabidiol dispensary agent dispensing the cannabidiol product;
- 1198 and
- 1199 (l) any other information required by the division by rule made in accordance with Title
1200 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 1201 (4) An individual whose records are in the database may obtain those records upon
1202 submission of a written request to the division.
- 1203 (5) (a) A patient whose record is in the database may contact the division in writing to
1204 request correction of any of the patient's database information that is incorrect. The patient
1205 shall provide a postal address for the division's response.
- 1206 (b) The division shall grant or deny the request within 30 days from receipt of the
1207 request and shall advise the requesting patient of its decision by mail postmarked within 35
1208 days of receipt of the request.
- 1209 (c) If the division denies a request under this Subsection (5) or does not respond within

1210 35 days, the patient may submit an appeal to the Department of Commerce, within 60 days
1211 after the postmark date of the patient's letter making a request for a correction under this
1212 Subsection (5).

1213 (6) The division shall make rules, in accordance with Title 63G, Chapter 3, Utah
1214 Administrative Rulemaking Act, to establish submission requirements under this part,
1215 including the electronic format in which the information required under this section shall be
1216 submitted to the division.

1217 (7) The division shall ensure that the database system records and maintains for
1218 reference:

1219 (a) the identification of each individual who requests or receives information from the
1220 database;

1221 (b) the information provided to each individual; and

1222 (c) the date and time that the information is requested or provided.

1223 (8) A cannabidiol dispensary agent may access the controlled substance database in the
1224 same manner and for the same purposes as a pharmacist may access the database under
1225 Subsection 58-37f-301(2)(i).

1226 Section 34. Section **58-38a-201** is amended to read:

1227 **58-38a-201. Controlled Substances Advisory Committee.**

1228 There is created within the Division of Occupational and Professional Licensing the
1229 Controlled Substances Advisory Committee. The committee consists of:

1230 (1) the director of the Department of Health or the director's designee;

1231 (2) the State Medical Examiner or the examiner's designee;

1232 (3) the commissioner of the Department of Public Safety or the commissioner's
1233 designee;

1234 (4) one physician who is a member of the Physicians Licensing Board and is
1235 designated by that board;

1236 (5) one pharmacist who is a member of the Utah State Board of Pharmacy and is
1237 designated by that board;

1238 (6) one dentist who is a member of the Dentist and Dental Hygienist Licensing Board
1239 and is designated by that board;

1240 (7) one physician who is currently licensed and practicing in the state, to be appointed

1241 by the governor;

1242 (8) one psychiatrist who is currently licensed and practicing in the state, to be
1243 appointed by the governor;

1244 (9) one individual with expertise in substance abuse addiction, to be appointed by the
1245 governor;

1246 (10) one representative from the Statewide Association of Prosecutors, to be
1247 designated by that association;

1248 (11) one naturopathic physician who is currently licensed and practicing in the state, to
1249 be appointed by the governor;

1250 (12) one advanced practice registered nurse who is currently licensed and practicing in
1251 this state, to be appointed by the governor; ~~[and]~~

1252 (13) one member of the public, to be appointed by the governor~~[-];~~

1253 (14) one member of the House of Representatives, appointed by the speaker of the
1254 House of Representatives; and

1255 (15) one member of the Senate, appointed by the president of the Senate.

1256 Section 35. Section **58-38a-203** is amended to read:

1257 **58-38a-203. Duties of the committee.**

1258 (1) The committee serves as a consultative and advisory body to the Legislature
1259 regarding:

1260 (a) the movement of a controlled substance from one schedule or list to another;

1261 (b) the removal of a controlled substance from any schedule or list; ~~[and]~~

1262 (c) the designation of a substance as a controlled substance and the placement of the
1263 substance in a designated schedule or list~~[-]; and~~

1264 (d) the designation of a medical condition as a qualified illness for the purposes of Title
1265 26, Chapter 58, Medical Cannabidiol Act, and a corresponding list of acceptable dosage forms
1266 for each medical condition.

1267 (2) On or before September 30 of each year, the committee shall submit to the Health
1268 and Human Services Interim Committee a written report:

1269 (a) describing any substances recommended by the committee for scheduling,
1270 rescheduling, listing, or deletion from the schedules or list by the Legislature; ~~[and]~~

1271 (b) describing any medical condition recommended by the committee for designation

1272 as a qualified illness, along with acceptable dosage forms, for the purposes of Title 26, Chapter
1273 58, Medical Cannabidiol Act; and

1274 [~~(b)~~] (c) stating the reasons for the recommendation.

1275 (3) In advising the Legislature regarding the need to add, delete, relist, or reschedule a
1276 substance, the committee shall consider:

1277 (a) the actual or probable abuse of the substance, including:

1278 (i) the history and current pattern of abuse both in Utah and in other states;

1279 (ii) the scope, duration, and significance of abuse;

1280 (iii) the degree of actual or probable detriment to public health which may result from
1281 abuse of the substance; and

1282 (iv) the probable physical and social impact of widespread abuse of the substance;

1283 (b) the biomedical hazard of the substance, including:

1284 (i) its pharmacology, including the effects and modifiers of the effects of the substance;

1285 (ii) its toxicology, acute and chronic toxicity, interaction with other substances,
1286 whether controlled or not, and the degree to which it may cause psychological or physiological
1287 dependence; and

1288 (iii) the risk to public health and the particular susceptibility of segments of the
1289 population;

1290 (c) whether the substance is an immediate precursor, as defined in Section 58-37-2, of
1291 a substance that is currently a controlled substance;

1292 (d) the current state of scientific knowledge regarding the substance, including whether
1293 there is any acceptable means to safely use the substance under medical supervision;

1294 (e) the relationship between the use of the substance and criminal activity, including
1295 whether:

1296 (i) persons engaged in illicit trafficking of the substance are also engaged in other
1297 criminal activity;

1298 (ii) the nature and relative profitability of manufacturing or delivering the substance
1299 encourages illicit trafficking in the substance;

1300 (iii) the commission of other crimes is one of the recognized effects of abuse of the
1301 substance; and

1302 (iv) addiction to the substance relates to the commission of crimes to facilitate the

1303 continued use of the substance;

1304 (f) whether the substance has been scheduled by other states; and

1305 (g) whether the substance has any accepted medical use in treatment in the United
1306 States.

1307 (4) In advising the Legislature on the need to designate a medical condition as a
1308 qualified illness, along with acceptable dosage forms, for the purposes of Title 26, Chapter 58,
1309 Medical Cannabidiol Act, the committee shall consider any available medically relevant
1310 information regarding the response of a patient diagnosed with the medical condition to
1311 treatment with cannabidiol.

1312 [~~(4)~~] (5) The committee's duties under this chapter do not include tobacco products as
1313 defined in Section 59-14-102 or alcoholic beverages as defined in Section 32B-1-102.

1314 Section 36. Section **58-67-807** is enacted to read:

1315 **58-67-807. Recommendation of Cannabidiol -- Registration with division and**
1316 **Department of Health.**

1317 A physician may recommend the use of cannabidiol to a patient in accordance with
1318 Title 26, Chapter 58, Medical Cannabidiol Act, if the physician:

1319 (1) registers with the division and the Department of Health as a physician who intends
1320 to recommend cannabidiol;

1321 (2) consults the Controlled Substance Database before a recommendation to determine
1322 if the patient is abusing cannabidiol;

1323 (3) completes training regarding the medical use of cannabidiol that:

1324 (a) meets requirements established by the division through administrative rule made in
1325 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and

1326 (b) includes training on using caution when recommending cannabidiol to avoid abuse;

1327 (4) limits the number of patients for whom the physician recommends the use of
1328 cannabidiol to no more than 100;

1329 (5) reports adverse events experienced by a patient from the use of medical cannabidiol
1330 to the Department of Health in accordance with Section 26-58-206; and

1331 (6) reports any other data on medical cannabidiol recommendations and patient
1332 outcomes required by the Department of Health, by rule made in accordance with Title 63G,
1333 Chapter 3, Utah Administrative Rulemaking Act, to facilitate academic research on medical

1334 cannabidiol.

1335 Section 37. Section **59-12-103** is amended to read:

1336 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
1337 **tax revenues.**

1338 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or
1339 charged for the following transactions:

1340 (a) retail sales of tangible personal property made within the state;

1341 (b) amounts paid for:

1342 (i) telecommunications service, other than mobile telecommunications service, that
1343 originates and terminates within the boundaries of this state;

1344 (ii) mobile telecommunications service that originates and terminates within the
1345 boundaries of one state only to the extent permitted by the Mobile Telecommunications
1346 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

1347 (iii) an ancillary service associated with a:

1348 (A) telecommunications service described in Subsection (1)(b)(i); or

1349 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

1350 (c) sales of the following for commercial use:

1351 (i) gas;

1352 (ii) electricity;

1353 (iii) heat;

1354 (iv) coal;

1355 (v) fuel oil; or

1356 (vi) other fuels;

1357 (d) sales of the following for residential use:

1358 (i) gas;

1359 (ii) electricity;

1360 (iii) heat;

1361 (iv) coal;

1362 (v) fuel oil; or

1363 (vi) other fuels;

1364 (e) sales of prepared food;

1365 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
1366 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
1367 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
1368 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
1369 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
1370 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
1371 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
1372 horseback rides, sports activities, or any other amusement, entertainment, recreation,
1373 exhibition, cultural, or athletic activity;

1374 (g) amounts paid or charged for services for repairs or renovations of tangible personal
1375 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

1376 (i) the tangible personal property; and

1377 (ii) parts used in the repairs or renovations of the tangible personal property described
1378 in Subsection (1)(g)(i), regardless of whether:

1379 (A) any parts are actually used in the repairs or renovations of that tangible personal
1380 property; or

1381 (B) the particular parts used in the repairs or renovations of that tangible personal
1382 property are exempt from a tax under this chapter;

1383 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
1384 assisted cleaning or washing of tangible personal property;

1385 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
1386 accommodations and services that are regularly rented for less than 30 consecutive days;

1387 (j) amounts paid or charged for laundry or dry cleaning services;

1388 (k) amounts paid or charged for leases or rentals of tangible personal property if within
1389 this state the tangible personal property is:

1390 (i) stored;

1391 (ii) used; or

1392 (iii) otherwise consumed;

1393 (l) amounts paid or charged for tangible personal property if within this state the
1394 tangible personal property is:

1395 (i) stored;

- 1396 (ii) used; or
- 1397 (iii) consumed; [~~and~~]
- 1398 (m) amounts paid or charged for a sale:
- 1399 (i) (A) of a product transferred electronically; or
- 1400 (B) of a repair or renovation of a product transferred electronically; and
- 1401 (ii) regardless of whether the sale provides:
- 1402 (A) a right of permanent use of the product; or
- 1403 (B) a right to use the product that is less than a permanent use, including a right:
- 1404 (I) for a definite or specified length of time; and
- 1405 (II) that terminates upon the occurrence of a condition[-]; and
- 1406 (n) retail sales of:
- 1407 (i) a cannabidiol product as that term is defined in Section 58-37-3.6; and
- 1408 (ii) a cannabidiol device as that term is defined in Section 58-37-3.6.
- 1409 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
- 1410 is imposed on a transaction described in Subsection (1) equal to the sum of:
- 1411 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 1412 (A) 4.70%; and
- 1413 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
- 1414 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
- 1415 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
- 1416 State Sales and Use Tax Act; and
- 1417 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
- 1418 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
- 1419 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
- 1420 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- 1421 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 1422 transaction under this chapter other than this part.
- 1423 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
- 1424 on a transaction described in Subsection (1)(d) equal to the sum of:
- 1425 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 1426 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the

1427 transaction under this chapter other than this part.

1428 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
1429 on amounts paid or charged for food and food ingredients equal to the sum of:

1430 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
1431 a tax rate of 1.75%; and

1432 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
1433 amounts paid or charged for food and food ingredients under this chapter other than this part.

1434 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
1435 tangible personal property other than food and food ingredients, a state tax and a local tax is
1436 imposed on the entire bundled transaction equal to the sum of:

1437 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

1438 (I) the tax rate described in Subsection (2)(a)(i)(A); and

1439 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
1440 Sales and Use Tax Act, if the location of the transaction as determined under Sections
1441 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
1442 Additional State Sales and Use Tax Act; and

1443 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
1444 Sales and Use Tax Act, if the location of the transaction as determined under Sections
1445 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
1446 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

1447 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
1448 described in Subsection (2)(a)(ii).

1449 (ii) If an optional computer software maintenance contract is a bundled transaction that
1450 consists of taxable and nontaxable products that are not separately itemized on an invoice or
1451 similar billing document, the purchase of the optional computer software maintenance contract
1452 is 40% taxable under this chapter and 60% nontaxable under this chapter.

1453 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled
1454 transaction described in Subsection (2)(d)(i) or (ii):

1455 (A) if the sales price of the bundled transaction is attributable to tangible personal
1456 property, a product, or a service that is subject to taxation under this chapter and tangible
1457 personal property, a product, or service that is not subject to taxation under this chapter, the

1458 entire bundled transaction is subject to taxation under this chapter unless:

1459 (I) the seller is able to identify by reasonable and verifiable standards the tangible
1460 personal property, product, or service that is not subject to taxation under this chapter from the
1461 books and records the seller keeps in the seller's regular course of business; or

1462 (II) state or federal law provides otherwise; or

1463 (B) if the sales price of a bundled transaction is attributable to two or more items of
1464 tangible personal property, products, or services that are subject to taxation under this chapter
1465 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
1466 higher tax rate unless:

1467 (I) the seller is able to identify by reasonable and verifiable standards the tangible
1468 personal property, product, or service that is subject to taxation under this chapter at the lower
1469 tax rate from the books and records the seller keeps in the seller's regular course of business; or

1470 (II) state or federal law provides otherwise.

1471 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
1472 seller's regular course of business includes books and records the seller keeps in the regular
1473 course of business for nontax purposes.

1474 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
1475 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
1476 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
1477 of tangible personal property, other property, a product, or a service that is not subject to
1478 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
1479 the seller, at the time of the transaction:

1480 (A) separately states the portion of the transaction that is not subject to taxation under
1481 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

1482 (B) is able to identify by reasonable and verifiable standards, from the books and
1483 records the seller keeps in the seller's regular course of business, the portion of the transaction
1484 that is not subject to taxation under this chapter.

1485 (ii) A purchaser and a seller may correct the taxability of a transaction if:

1486 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
1487 the transaction that is not subject to taxation under this chapter was not separately stated on an
1488 invoice, bill of sale, or similar document provided to the purchaser because of an error or

1489 ignorance of the law; and

1490 (B) the seller is able to identify by reasonable and verifiable standards, from the books
1491 and records the seller keeps in the seller's regular course of business, the portion of the
1492 transaction that is not subject to taxation under this chapter.

1493 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
1494 in the seller's regular course of business includes books and records the seller keeps in the
1495 regular course of business for nontax purposes.

1496 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
1497 personal property, products, or services that are subject to taxation under this chapter at
1498 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
1499 unless the seller, at the time of the transaction:

1500 (A) separately states the items subject to taxation under this chapter at each of the
1501 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

1502 (B) is able to identify by reasonable and verifiable standards the tangible personal
1503 property, product, or service that is subject to taxation under this chapter at the lower tax rate
1504 from the books and records the seller keeps in the seller's regular course of business.

1505 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
1506 seller's regular course of business includes books and records the seller keeps in the regular
1507 course of business for nontax purposes.

1508 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax
1509 rate imposed under the following shall take effect on the first day of a calendar quarter:

1510 (i) Subsection (2)(a)(i)(A);

1511 (ii) Subsection (2)(b)(i);

1512 (iii) Subsection (2)(c)(i); or

1513 (iv) Subsection (2)(d)(i)(A)(I).

1514 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
1515 begins on or after the effective date of the tax rate increase if the billing period for the
1516 transaction begins before the effective date of a tax rate increase imposed under:

1517 (A) Subsection (2)(a)(i)(A);

1518 (B) Subsection (2)(b)(i);

1519 (C) Subsection (2)(c)(i); or

1520 (D) Subsection (2)(d)(i)(A)(I).

1521 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
1522 statement for the billing period is rendered on or after the effective date of the repeal of the tax
1523 or the tax rate decrease imposed under:

1524 (A) Subsection (2)(a)(i)(A);

1525 (B) Subsection (2)(b)(i);

1526 (C) Subsection (2)(c)(i); or

1527 (D) Subsection (2)(d)(i)(A)(I).

1528 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is
1529 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
1530 change in a tax rate takes effect:

1531 (A) on the first day of a calendar quarter; and

1532 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

1533 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:

1534 (A) Subsection (2)(a)(i)(A);

1535 (B) Subsection (2)(b)(i);

1536 (C) Subsection (2)(c)(i); or

1537 (D) Subsection (2)(d)(i)(A)(I).

1538 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1539 the commission may by rule define the term "catalogue sale."

1540 (3) (a) The following state taxes shall be deposited into the General Fund:

1541 (i) the tax imposed by Subsection (2)(a)(i)(A);

1542 (ii) the tax imposed by Subsection (2)(b)(i);

1543 (iii) the tax imposed by Subsection (2)(c)(i); or

1544 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

1545 (b) The following local taxes shall be distributed to a county, city, or town as provided
1546 in this chapter:

1547 (i) the tax imposed by Subsection (2)(a)(ii);

1548 (ii) the tax imposed by Subsection (2)(b)(ii);

1549 (iii) the tax imposed by Subsection (2)(c)(ii); and

1550 (iv) the tax imposed by Subsection (2)(d)(i)(B).

1551 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
1552 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
1553 through (g):

1554 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

1555 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

1556 (B) for the fiscal year; or

1557 (ii) \$17,500,000.

1558 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
1559 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
1560 Department of Natural Resources to:

1561 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
1562 protect sensitive plant and animal species; or

1563 (B) award grants, up to the amount authorized by the Legislature in an appropriations
1564 act, to political subdivisions of the state to implement the measures described in Subsections
1565 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

1566 (ii) Money transferred to the Department of Natural Resources under Subsection
1567 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
1568 person to list or attempt to have listed a species as threatened or endangered under the
1569 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

1570 (iii) At the end of each fiscal year:

1571 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
1572 Conservation and Development Fund created in Section 73-10-24;

1573 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
1574 Program Subaccount created in Section 73-10c-5; and

1575 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
1576 Program Subaccount created in Section 73-10c-5.

1577 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
1578 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
1579 created in Section 4-18-106.

1580 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
1581 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water

1582 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
1583 water rights.

1584 (ii) At the end of each fiscal year:

1585 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
1586 Conservation and Development Fund created in Section 73-10-24;

1587 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
1588 Program Subaccount created in Section 73-10c-5; and

1589 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
1590 Program Subaccount created in Section 73-10c-5.

1591 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
1592 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development
1593 Fund created in Section 73-10-24 for use by the Division of Water Resources.

1594 (ii) In addition to the uses allowed of the Water Resources Conservation and
1595 Development Fund under Section 73-10-24, the Water Resources Conservation and
1596 Development Fund may also be used to:

1597 (A) conduct hydrologic and geotechnical investigations by the Division of Water
1598 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
1599 quantifying surface and ground water resources and describing the hydrologic systems of an
1600 area in sufficient detail so as to enable local and state resource managers to plan for and
1601 accommodate growth in water use without jeopardizing the resource;

1602 (B) fund state required dam safety improvements; and

1603 (C) protect the state's interest in interstate water compact allocations, including the
1604 hiring of technical and legal staff.

1605 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
1606 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount
1607 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

1608 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
1609 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount
1610 created in Section 73-10c-5 for use by the Division of Drinking Water to:

1611 (i) provide for the installation and repair of collection, treatment, storage, and
1612 distribution facilities for any public water system, as defined in Section 19-4-102;

- 1613 (ii) develop underground sources of water, including springs and wells; and
1614 (iii) develop surface water sources.
- 1615 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
1616 2006, the difference between the following amounts shall be expended as provided in this
1617 Subsection (5), if that difference is greater than \$1:
- 1618 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
1619 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and
1620 (ii) \$17,500,000.
- 1621 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:
1622 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
1623 credits; and
1624 (B) expended by the Department of Natural Resources for watershed rehabilitation or
1625 restoration.
- 1626 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
1627 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
1628 created in Section 73-10-24.
- 1629 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
1630 remaining difference described in Subsection (5)(a) shall be:
1631 (A) transferred each fiscal year to the Division of Water Resources as dedicated
1632 credits; and
1633 (B) expended by the Division of Water Resources for cloud-seeding projects
1634 authorized by Title 73, Chapter 15, Modification of Weather.
- 1635 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
1636 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
1637 created in Section 73-10-24.
- 1638 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the
1639 remaining difference described in Subsection (5)(a) shall be deposited into the Water
1640 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
1641 Division of Water Resources for:
1642 (i) preconstruction costs:
1643 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter

1644 26, Bear River Development Act; and
1645 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
1646 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
1647 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
1648 Chapter 26, Bear River Development Act;
1649 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
1650 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and
1651 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and
1652 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).
1653 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
1654 Subsection (5)(f), 6% of the remaining difference described in Subsection (5)(a) shall be
1655 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
1656 incurred for employing additional technical staff for the administration of water rights.
1657 (f) At the end of each fiscal year, any unexpended dedicated credits described in
1658 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
1659 Fund created in Section 73-10-24.
1660 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
1661 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
1662 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in
1663 the Transportation Fund created by Section 72-2-102.
1664 (7) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of
1665 Finance shall deposit into the Transportation Investment Fund of 2005 created in Section
1666 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
1667 by a 1/64% tax rate on the taxable transactions under Subsection (1).
1668 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
1669 Subsection (7), and subject to Subsection (8)(b), for a fiscal year beginning on or after July 1,
1670 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
1671 created by Section 72-2-124:
1672 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
1673 the revenues collected from the following taxes, which represents a portion of the
1674 approximately 17% of sales and use tax revenues generated annually by the sales and use tax

1675 on vehicles and vehicle-related products:

1676 (A) the tax imposed by Subsection (2)(a)(i)(A);

1677 (B) the tax imposed by Subsection (2)(b)(i);

1678 (C) the tax imposed by Subsection (2)(c)(i); and

1679 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

1680 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
1681 current fiscal year from the sales and use taxes described in Subsections (8)(a)(i)(A) through
1682 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
1683 (8)(a)(i)(A) through (D) in the 2010-11 fiscal year.

1684 (b) (i) Subject to Subsections (8)(b)(ii) and (iii), in any fiscal year that the portion of
1685 the sales and use taxes deposited under Subsection (8)(a) represents an amount that is a total
1686 lower percentage of the sales and use taxes described in Subsections (8)(a)(i)(A) through (D)
1687 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
1688 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
1689 (8)(a) equal to the product of:

1690 (A) the total percentage of sales and use taxes deposited under Subsection (8)(a) in the
1691 previous fiscal year; and

1692 (B) the total sales and use tax revenue generated by the taxes described in Subsections
1693 (8)(a)(i)(A) through (D) in the current fiscal year.

1694 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
1695 Subsection (8)(a) would exceed 17% of the revenues collected from the sales and use taxes
1696 described in Subsections (8)(a)(i)(A) through (D) in the current fiscal year, the Division of
1697 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
1698 Subsections (8)(a)(i)(A) through (D) for the current fiscal year under Subsection (8)(a).

1699 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
1700 from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) was deposited
1701 under Subsection (8)(a), the Division of Finance shall annually deposit 17% of the revenues
1702 collected from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) in the
1703 current fiscal year under Subsection (8)(a).

1704 (9) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under
1705 Subsections (7) and (8), for a fiscal year beginning on or after July 1, 2012, the Division of

1706 Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under
1707 Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section
1708 72-2-124.

1709 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
1710 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
1711 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

1712 (11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),
1713 and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July
1714 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
1715 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the
1716 transactions described in Subsection (1).

1717 (b) For purposes of Subsection (11)(a), the Division of Finance may not deposit into
1718 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or
1719 charged for food and food ingredients, except for tax revenue generated by a bundled
1720 transaction attributable to food and food ingredients and tangible personal property other than
1721 food and food ingredients described in Subsection (2)(d).

1722 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection
1723 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the
1724 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a
1725 .025% tax rate on the transactions described in Subsection (1) to be expended to address
1726 chokepoints in construction management.

1727 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into
1728 the Transportation Fund any tax revenue generated by amounts paid or charged for food and
1729 food ingredients, except for tax revenue generated by a bundled transaction attributable to food
1730 and food ingredients and tangible personal property other than food and food ingredients
1731 described in Subsection (2)(d).

1732 (13) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
1733 fiscal year during which the Division of Finance receives notice under Subsection
1734 63N-2-510[~~(3)~~](2) that construction on a qualified hotel, as defined in Section 63N-2-502, has
1735 begun, the Division of Finance shall, for two consecutive fiscal years, annually deposit
1736 \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel

1737 Impact Mitigation Fund, created in Section 63N-2-512.

1738 (14) Notwithstanding Subsections (4) through (13), an amount required to be expended
1739 or deposited in accordance with Subsections (4) through (13) may not include an amount the
1740 Division of Finance deposits in accordance with Section 59-12-103.2.

1741 Section 38. Section **63F-1-104.5** is enacted to read:

1742 **63F-1-104.5. Medical Cannabidiol Act - Duties of department.**

1743 In addition to the duties and purposes of the department in Section 63F-1-104, the
1744 department shall:

1745 (1) enter into a memorandum of understanding with participating entities, as that term
1746 is defined in Section 26-58-102, for the purposes described in Section 26-58-202; and

1747 (2) coordinate the development and maintenance of the databases described in Section
1748 26-58-202.

1749 Section 39. Section **63I-1-226** is amended to read:

1750 **63I-1-226. Repeal dates, Title 26.**

1751 (1) Title 26, Chapter 9f, Utah Digital Health Service Commission Act, is repealed July
1752 1, 2025.

1753 (2) Section 26-10-11 is repealed July 1, 2020.

1754 (3) Section 26-21-23, Licensing of non-Medicaid nursing care facility beds, is repealed
1755 July 1, 2018.

1756 (4) Title 26, Chapter 33a, Utah Health Data Authority Act, is repealed July 1, 2024.

1757 (5) Title 26, Chapter 36a, Hospital Provider Assessment Act, is repealed July 1, 2016.

1758 (6) Section 26-38-2.5 is repealed July 1, 2017.

1759 (7) Section 26-38-2.6 is repealed July 1, 2017.

1760 (8) Title 26, Chapter 56, Hemp Extract Registration Act, is repealed [~~July 1, 2016~~]
1761 January 1, 2021.

1762 Section 40. Section **63I-1-258** is amended to read:

1763 **63I-1-258. Repeal dates, Title 58.**

1764 (1) Title 58, Chapter 13, Health Care Providers Immunity from Liability Act, is
1765 repealed July 1, 2026.

1766 (2) Title 58, Chapter 15, Health Facility Administrator Act, is repealed July 1, 2025.

1767 (3) Title 58, Chapter 20a, Environmental Health Scientist Act, is repealed July 1, 2018.

- 1768 (4) Section 58-37-4.3 is repealed [~~July 1, 2016~~] January 1, 2021.
- 1769 (5) Title 58, Chapter 40, Recreational Therapy Practice Act, is repealed July 1, 2023.
- 1770 (6) Title 58, Chapter 41, Speech-Language Pathology and Audiology Licensing Act, is
1771 repealed July 1, 2019.
- 1772 (7) Title 58, Chapter 42a, Occupational Therapy Practice Act, is repealed July 1, 2025.
- 1773 (8) Title 58, Chapter 46a, Hearing Instrument Specialist Licensing Act, is repealed July
1774 1, 2023.
- 1775 (9) Title 58, Chapter 47b, Massage Therapy Practice Act, is repealed July 1, 2024.
- 1776 (10) Title 58, Chapter 61, Part 7, Behavior Analyst Licensing Act, is repealed July 1,
1777 2026.
- 1778 (11) Title 58, Chapter 72, Acupuncture Licensing Act, is repealed July 1, 2017.
- 1779 Section 41. **Effective date.**
- 1780 This bill takes effect on July 1, 2016.