

Cannabis Production Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Paul A. Cutler

Senate Sponsor: Evan J. Vickers

LONG TITLE**General Description:**

This bill amends provisions related to medical cannabis production.

Highlighted Provisions:

This bill:

- requires cannabis production establishments to include in their operating plan methods to reduce odor;
- creates requirements regarding tenancy and certain cannabis production establishments;
- requires the Department of Agriculture and Food to create recommendations for odor control; and
- amends provisions related to land use for medical cannabis production establishments.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

4-41a-204, as last amended by Laws of Utah 2023, Chapter 327

4-41a-406, as last amended by Laws of Utah 2024, Chapter 238

26B-1-310, as last amended by Laws of Utah 2023, Chapters 273, 281 and renumbered and amended by Laws of Utah 2023, Chapter 305 and last amended by Coordination Clause, Laws of Utah 2023, Chapter 305

ENACTS:

4-41a-204.1, Utah Code Annotated 1953

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

Section 1. Section **4-41a-204** is amended to read:

4-41a-204 . Operating plan.

- 31 (1) A person applying for a cannabis production establishment license or license renewal
32 shall submit to the department for the department's review a proposed operating plan
33 that complies with this section and that includes:
- 34 (a) a description of the physical characteristics of the proposed facility or, for a cannabis
35 cultivation facility, no more than two facility locations, including a floor plan and an
36 architectural elevation;
 - 37 (b) a description of the credentials and experience of:
 - 38 (i) each officer, director, and owner of the proposed cannabis production
39 establishment; and
 - 40 (ii) any highly skilled or experienced prospective employee;
 - 41 (c) the cannabis production establishment's employee training standards;
 - 42 (d) a security plan;
 - 43 (e) a description of the cannabis production establishment's inventory control system,
44 including a description of how the inventory control system is compatible with the
45 state electronic verification system described in Section 26B-4-202;
 - 46 (f) storage protocols, both short- and long-term, to ensure that cannabis is stored in a
47 manner that is sanitary and preserves the integrity of the cannabis;
 - 48 (g) for a cannabis cultivation facility, the information described in Subsection (2);
 - 49 (h) for a cannabis processing facility, the information described in Subsection (3); ~~and~~
 - 50 (i) for an independent cannabis testing laboratory, the information described in
51 Subsection (4)~~[:]~~ ; and
 - 52 (j) for a cannabis production establishment located in an industrial zone, a plan to reduce
53 odor created by the cannabis production establishment that:
 - 54 (i) meets local ordinance nuisance laws; and
 - 55 (ii) identifies:
 - 56 (A) operations and materials that generate odors; and
 - 57 (B) equipment, operations, or materials the cannabis production establishment will
58 use to mitigate odor emissions, including plans to maintain equipment.
- 59 (2)(a) A cannabis cultivation facility shall ensure that the facility's operating plan
60 includes the facility's intended:
- 61 (i) cannabis cultivation practices, including the facility's intended pesticide use and
62 fertilizer use; and
 - 63 (ii) subject to Subsection (2)(b), acreage or square footage under cultivation and
64 anticipated cannabis yield.

- 65 (b) Except as provided in Subsection (2)(c)(i) or (c)(ii), a cannabis cultivation facility
66 may not:
- 67 (i) for a facility that cultivates cannabis only indoors, use more than 100,000 total
68 square feet of cultivation space;
- 69 (ii) for a facility that cultivates cannabis only outdoors, use more than four acres for
70 cultivation; and
- 71 (iii) for a facility that cultivates cannabis through a combination of indoor and
72 outdoor cultivation, use more combined indoor square footage and outdoor
73 acreage than allowed under the department's formula described in Subsection
74 (2)(e).
- 75 (c)(i) Each licensee may apply to the department for:
- 76 (A) a one-time, permanent increase of up to 20% of the limitation on the cannabis
77 cultivation facility's cultivation space; or
- 78 (B) a short-term increase, not to exceed 12 months, of up to 40% of the limitation
79 on the cannabis cultivation facility's cultivation space.
- 80 (ii) After conducting a review equivalent to the review described in Subsection
81 4-41a-205(2)(a), if the department determines that additional cultivation is
82 needed, the department may:
- 83 (A) grant the one-time, permanent increase described in Subsection (2)(c)(i)(A); or
84 (B) grant the short-term increase described in Subsection (2)(c)(i)(B).
- 85 (d) If a licensee describes an intended acreage or square footage under cultivation under
86 Subsection (2)(a)(ii) that is less than the limitation described in Subsection (2)(b), the
87 licensee may not cultivate more than the licensee's identified intended acreage or
88 square footage under cultivation.
- 89 (e) The department shall, in accordance with Title 63G, Chapter 3, Utah Administrative
90 Rulemaking Act, establish a formula for combined usage of indoor and outdoor
91 cultivation that:
- 92 (i) does not exceed, in estimated cultivation yield, the aggregate limitations described
93 in Subsection (2)(b)(i) or (ii); and
- 94 (ii) allows a cannabis cultivation facility to operate both indoors and outdoors.
- 95 (f)(i) The department may authorize a cannabis cultivation facility to operate at no
96 more than two separate locations.
- 97 (ii) If the department authorizes multiple locations under Subsection (2)(f)(i), the two
98 cannabis cultivation facility locations combined may not exceed the cultivation

99 limitations described in this Subsection (2).

- 100 (3) A cannabis processing facility's operating plan shall include the facility's intended
 101 cannabis processing practices, including the cannabis processing facility's intended:
 102 (a) offered variety of cannabis product;
 103 (b) cannabinoid extraction method;
 104 (c) cannabinoid extraction equipment;
 105 (d) processing equipment;
 106 (e) processing techniques; and
 107 (f) sanitation and manufacturing safety procedures for items for human consumption.

- 108 (4) An independent cannabis testing laboratory's operating plan shall include the
 109 laboratory's intended:
 110 (a) cannabis and cannabis product testing capability;
 111 (b) cannabis and cannabis product testing equipment; and
 112 (c) testing methods, standards, practices, and procedures for testing cannabis and
 113 cannabis products.

- 114 (5) Notwithstanding an applicant's proposed operating plan, a cannabis production
 115 establishment is subject to land use regulations, as defined in Sections 10-9a-103 and
 116 17-27a-103, regarding the availability of outdoor cultivation in an industrial zone.

117 ~~¶~~ → **[(6)(a) Unless otherwise permitted by local ordinance, an indoor cannabis production**
 118 **establishment:]**

119 **[(i) shall be located in a stand-alone building; and]**

120 **[(ii) may not be located in a stand-alone building that has other tenants located in the**
 121 **building unless the other tenant is a cannabis production establishment or a**
 122 **cannabinoid processor as that term is defined in Section 4-41-102.]**

123 **[(b) Subsection (6)(a) does not apply to a cannabis production establishment that:]**

124 **[(i) as of May 7, 2025, is located in a building with other tenants;]**

125 **[(ii) continuously remains in the same building described in Subsection (6)(b)(i); and]**

126 **[(iii) has not entered into a lease agreement to become the sole tenant of the building**
 127 **described in Subsection (6)(b)(i).] ← ¶**

128 Section 2. Section **4-41a-204.1** is enacted to read:

129 **4-41a-204.1 . Odor control recommendations.**

- 130 (1) As used in this section, "objectionable odor" means pollution of the ambient air beyond
 131 the property line of a facility consisting of an odor that, considering the odor's
 132 characteristics, intensity, frequency, and duration:

- 133 (a) is, or can reasonably be expected to be, injurious to public health or welfare; or
 134 (b) unreasonably interferes with the enjoyment of life or the use of a person's property
 135 that is exposed to the odor.

136 (2)(a) Before January 1, 2026, the department shall provide a report with
 137 recommendations to the Medical Cannabis Governance Structure Working Group
 138 created in Section 36-12-8.2 regarding objectionable odor control standards for
 139 cannabis production establishments.

140 (b) The department shall ~~it~~ :

140a (i) ~~it~~ work with a cannabis production establishment to monitor odor
 141 emitted by the cannabis production establishment ~~it~~ ; **and**

141a (ii) **consult with each county and municipality that currently has a cannabis**
 141b **production establishment sited within the county or municipality's boundaries**
 141c **regarding potential standards for the maximum amounts of objectionable odors**
 141d **emitted by a cannabis production establishment.** ~~it~~

142 (c) A cannabis production establishment shall provide information related to the
 143 cannabis production establishment's odor emissions to the department upon request.

144 (d) The report shall include an analysis regarding:

145 (i) potential standards for measurement of objectionable odors related to cannabis
 146 production and distinct levels of odor tolerability;

147 (ii) the feasibility of setting a universal odor control standard;

148 (iii) the feasibility of enforcing odor control standards;

149 (iv) cost incurred by a cannabis production establishment to comply with potential
 150 odor control standards;

151 (v) interests of other businesses and community members affected by objectionable
 152 odor; and

153 (vi) other information the department deems relevant.

154 (3) The department shall examine odor control regulation from other locales.

155 (4) The department may collaborate with other state agencies when creating the
 156 recommendations.

157 Section 3. Section **4-41a-406** is amended to read:

158 **4-41a-406 . Local control.**

159 (1) As used in this section:

160 (a) "Cannabis production establishment" means the same as that term is defined in
 161 Section 4-41a-102 and includes a closed-door medical cannabis pharmacy.

162 (b) "Land use application" means the same as that term is defined in Sections 10-9a-103
 163 and 17-27a-103.

164 [~~(b)~~] (c) "Land use decision" means the same as that term is defined in Sections
 165 10-9a-103 and 17-27a-103.

166 [~~(c)~~] (d) "Land use permit" means the same as that term is defined in Sections 10-9a-103
 167 and 17-27a-103.

168 [~~(d)~~] (e) "Land use regulation" means the same as that term is defined in Sections
 169 10-9a-103 and 17-27a-103.

170 (2)(a) If a municipality's or county's zoning ordinances provide for an industrial zone,
 171 the operation of a cannabis production establishment shall be a permitted industrial
 172 use in any industrial zone unless the municipality or county has designated by
 173 ordinance ~~it~~ → [] ← ~~it~~ , **before an individual submits a land use permit application for**
 173a **a cannabis**
 174 **production establishment, it → [] ← ~~it~~ at least one industrial zone in which the operation of a
 175 cannabis production establishment is a permitted use.**

176 (b) If a municipality's or county's zoning ordinances provide for an agricultural zone, the
 177 operation of a cannabis production establishment shall be a permitted agricultural use
 178 in any agricultural zone unless the municipality or county has designated by
 ordinance ~~it~~ → [] ← ~~it~~

179 , **before an individual submits a land use permit application for a cannabis production**
 180 **establishment, it → [] ← ~~it~~ at least one agricultural zone in which the operation of a cannabis
 181 production establishment is a permitted use.**

182 (c) The operation of a cannabis production establishment shall be a permitted use on
 183 land that the municipality or county has not zoned.

184 (3) A municipality or county may not:

185 (a) on the sole basis that the applicant, or cannabis production establishment violates
 186 federal law regarding the legal status of cannabis, deny or revoke:

187 (i) a land use permit to operate a cannabis production facility; or
 188 (ii) a business license to operate a cannabis production facility; or

189 (b) require a certain distance between a cannabis production establishment and:

190 (i) another cannabis production establishment;

191 (ii) a medical cannabis pharmacy;

192 (iii) a retail tobacco specialty business, as that term is defined in Section 26B-7-501;

193 or

- 194 (iv) an outlet, as that term is defined in Section 32B-1-202[; or] .
- 195 [~~(e) in accordance with Subsections 10-9a-509(1) and 17-27a-508(1), enforce a land use~~
- 196 ~~regulation against a cannabis production establishment that was not in effect on the~~
- 197 ~~day on which the cannabis production establishment submitted a complete land use~~
- 198 ~~application.]~~
- 199 (4)(a) Subject to the provisions of this section, when evaluating and approving a land
- 200 use application for a cannabis production establishment:
- 201 (i) a municipality shall comply with Section 10-9a-509; and
- 202 (ii) a county shall comply with Section 17-27a-508.
- 203 (b) An applicant for a land use permit to operate a cannabis production establishment
- 204 shall comply with the land use requirements and application process described in:
- 205 [~~(a)~~] (i) Title 10, Chapter 9a, Municipal Land Use, Development, and Management
- 206 Act[~~, including Section 10-9a-528~~]; and
- 207 [~~(b)~~] (ii) Title 17, Chapter 27a, County Land Use, Development, and Management Act[
- 208 ~~, including Section 17-27a-525~~].
- 209 Section 4. Section **26B-1-310** is amended to read:
- 210 **26B-1-310 . Qualified Patient Enterprise Fund -- Creation -- Revenue neutrality**
- 211 **-- Uniform fee.**
- 212 (1) There is created an enterprise fund known as the "Qualified Patient Enterprise Fund."
- 213 (2) The fund created in this section is funded from:
- 214 (a) money the department deposits into the fund under Chapter 4, Part 2, Cannabinoid
- 215 Research and Medical Cannabis;
- 216 (b) appropriations the Legislature makes to the fund; and
- 217 (c) the interest described in Subsection (3).
- 218 (3) Interest earned on the fund shall be deposited into the fund.
- 219 (4) Money deposited into the fund may only be used by:
- 220 (a) the department to accomplish the department's responsibilities described in Chapter
- 221 4, Part 2, Cannabinoid Research and Medical Cannabis; [~~and~~]
- 222 (b) the Center for Medical Cannabis Research created in Section 53B-17-1402 to
- 223 accomplish the Center for Medical Cannabis Research's responsibilities[~~-~~] ; and
- 224 (c) the Department of Agriculture and Food for the one time purchase of equipment to
- 225 meet the requirements described in Section 4-41a-204.1.
- 226 (5) The department shall set fees authorized under Chapter 4, Part 2, Cannabinoid Research
- 227 and Medical Cannabis, in amounts that the department anticipates are necessary, in total,

228 to cover the department's cost to implement Chapter 4, Part 2, Cannabinoid Research
229 and Medical Cannabis.

230 (6) The department may impose a uniform fee on each medical cannabis transaction in a
231 medical cannabis pharmacy in an amount that, subject to Subsection (5), the department
232 sets in accordance with Section 63J-1-504.

233 Section 5. **Effective Date.**

234 This bill takes effect on May 7, 2025.