

Evan J. Vickers proposes the following substitute bill:

Medical Cannabis Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Evan J. Vickers

House Sponsor: Walt Brooks

LONG TITLE

General Description:

This bill amends provisions related to medical cannabis.

Highlighted Provisions:

This bill:

- amends surveillance requirements;
- allows the Cannabis Production Establishment and Pharmacy Licensing Advisory Board (licensing board) to renew or approve medical cannabis courier licenses;
- allows the licensing board to renew licenses as necessary instead of only in December;
- amends reporting requirements;
- allows the Department of Agriculture and Food to issue letters of concern;
- removes the requirement that pharmacy and courier agent registration cards include the agent's employer on the card;
- allows for medical cannabis cardholders to bring their own opaque bag or box to transport medical cannabis from the pharmacy;
- requires medical cannabis pharmacies and couriers to report a change in ownership at least 45 days before the change occurs;
- requires qualified medical provider employee proxies to complete a course on health information privacy;
- removes certain information from the medical cannabis card;
- repeals provisions related to the Division of Finance and the medical cannabis program;
- aligns continuing education provisions of qualified medical providers and pharmacy medical providers;
- includes a coordination clause with H.B. 21, Criminal Code Recodification and Cross References, to align a definition and cross reference; and
- makes technical and conforming changes.

29 **Money Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 This bill provides a coordination clause.

33 **Utah Code Sections Affected:**34 **AMENDS:**35 **4-41a-102**, as last amended by Laws of Utah 2024, Chapters 217, 238 and 24036 **4-41a-103**, as last amended by Laws of Utah 2023, Chapter 32737 **4-41a-201**, as last amended by Laws of Utah 2024, Chapter 21738 **4-41a-201.1**, as last amended by Laws of Utah 2024, Chapter 21739 **4-41a-401**, as last amended by Laws of Utah 2024, Chapter 21740 **4-41a-801**, as renumbered and amended by Laws of Utah 2018, Third Special Session,
41 Chapter 142 **4-41a-802**, as last amended by Laws of Utah 2024, Chapter 21743 **4-41a-1001**, as last amended by Laws of Utah 2024, Chapters 217, 238 and 24044 **4-41a-1005**, as last amended by Laws of Utah 2024, Chapter 21745 **4-41a-1101**, as last amended by Laws of Utah 2024, Chapter 21746 **4-41a-1102**, as last amended by Laws of Utah 2024, Chapters 217, 24047 **4-41a-1106**, as last amended by Laws of Utah 2024, Chapter 21748 **4-41a-1202**, as last amended by Laws of Utah 2024, Chapters 217, 24049 **4-41a-1204**, as last amended by Laws of Utah 2023, Chapter 317 and renumbered and
50 amended by Laws of Utah 2023, Chapters 273, 307 and last amended by Coordination Clause,
51 Laws of Utah 2023, Chapter 30752 **26B-1-435**, as last amended by Laws of Utah 2024, Chapters 238, 24053 **26B-4-202**, as last amended by Laws of Utah 2024, Chapters 217, 24054 **26B-4-204**, as last amended by Laws of Utah 2024, Chapter 21755 **26B-4-213**, as last amended by Laws of Utah 2024, Chapters 217, 24056 **26B-4-219**, as last amended by Laws of Utah 2024, Chapter 50757 **26B-4-222**, as last amended by Laws of Utah 2024, Chapter 24058 **REPEALS:**59 **4-41a-108**, as renumbered and amended by Laws of Utah 2023, Chapters 273, 307 and
60 last amended by Coordination Clause, Laws of Utah 2023, Chapter 30761 **4-41a-801.1**, as renumbered and amended by Laws of Utah 2023, Chapters 273, 307 and
62 last amended by Coordination Clause, Laws of Utah 2023, Chapter 307

Utah Code Sections affected by Coordination Clause:

4-41a-102, as last amended by Laws of Utah 2024, Chapters 217, 238 and 240

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

The following section is affected by a coordination clause at the end of this bill.

Section 1. Section **4-41a-102** is amended to read:

4-41a-102 . Definitions.

As used in this chapter:

- (1) "Adulterant" means any poisonous or deleterious substance in a quantity that may be injurious to health, including:
 - (a) pesticides;
 - (b) heavy metals;
 - (c) solvents;
 - (d) microbial life;
 - (e) artificially derived cannabinoid;
 - (f) toxins; or
 - (g) foreign matter.
- (2) "Advertise" or "advertising" means information provided by a person in any medium:
 - (a) to the public; and
 - (b) that is not age restricted to an individual who is at least 21 years old.
- (3) "Advisory board" means the Medical Cannabis Policy Advisory Board created in Section 26B-1-435.
- (4)(a) "Anticompetitive business practice" ~~[means any practice that reduces the amount of competition in the medical cannabis market that would be considered an attempt to monopolize, as defined in Section 76-10-3103]~~ means any practice that is an illegal anticompetitive activity under Section 76-10-3104.
 - (b) "Anticompetitive business practice" may include:
 - (i) agreements that may be considered unreasonable when competitors interact to the extent that they are:
 - (A) no longer acting independently; or
 - (B) when collaborating are able to wield market power together;
 - (ii) monopolizing or attempting to monopolize trade by:
 - (A) acting to maintain or acquire a dominant position in the market; or
 - (B) preventing new entry into the market; or

- 97 (iii) other conduct outlined in rule.
- 98 (5)(a) "Artificially derived cannabinoid" means a chemical substance that is created by a
99 chemical reaction that changes the molecular structure of any chemical substance
100 derived from the cannabis plant.
- 101 (b) "Artificially derived cannabinoid" does not include:
- 102 (i) a naturally occurring chemical substance that is separated from the cannabis plant
103 by a chemical or mechanical extraction process; or
- 104 (ii) a cannabinoid that is produced by decarboxylation from a naturally occurring
105 cannabinoid acid without the use of a chemical catalyst.
- 106 (6) "Cannabis Research Review Board" means the Cannabis Research Review Board
107 created in Section 26B-1-420.
- 108 (7) "Cannabis" means the same as that term is defined in Section 26B-4-201.
- 109 (8) "Cannabis concentrate" means:
- 110 (a) the product of any chemical or physical process applied to naturally occurring
111 biomass that concentrates or isolates the cannabinoids contained in the biomass; and
- 112 (b) any amount of a natural cannabinoid or artificially derived cannabinoid in an
113 artificially derived cannabinoid's purified state.
- 114 (9) "Cannabis cultivation byproduct" means any portion of a cannabis plant that is not
115 intended to be sold as a cannabis plant product.
- 116 (10) "Cannabis cultivation facility" means a person that:
- 117 (a) possesses cannabis;
- 118 (b) grows or intends to grow cannabis; and
- 119 (c) sells or intends to sell cannabis to a cannabis cultivation facility, a cannabis
120 processing facility, or a medical cannabis research licensee.
- 121 (11) "Cannabis cultivation facility agent" means an individual who
122 holds a valid cannabis production establishment agent registration card with a cannabis
123 cultivation facility designation.
- 124 (12) "Cannabis derivative product" means a product made using cannabis concentrate.
- 125 (13) "Cannabis plant product" means any portion of a cannabis plant intended to be sold in
126 a form that is recognizable as a portion of a cannabis plant.
- 127 (14) "Cannabis processing facility" means a person that:
- 128 (a) acquires or intends to acquire cannabis from a cannabis production establishment;
- 129 (b) possesses cannabis with the intent to manufacture a cannabis product;
- 130 (c) manufactures or intends to manufacture a cannabis product from unprocessed

- 131 cannabis or a cannabis extract; and
- 132 (d) sells or intends to sell a cannabis product to a medical cannabis pharmacy or a
- 133 medical cannabis research licensee.
- 134 (15) "Cannabis processing facility agent" means an individual who
- 135 holds a valid cannabis production establishment agent registration card with a cannabis
- 136 processing facility designation.
- 137 (16) "Cannabis product" means the same as that term is defined in Section 26B-4-201.
- 138 (17) "Cannabis production establishment" means a cannabis cultivation facility, a cannabis
- 139 processing facility, or an independent cannabis testing laboratory.
- 140 (18) "Cannabis production establishment agent" means a cannabis cultivation facility agent,
- 141 a cannabis processing facility agent, or an independent cannabis testing laboratory agent.
- 142 (19) "Cannabis production establishment agent registration card" means a registration card
- 143 that the department issues that:
- 144 (a) authorizes an individual to act as a cannabis production establishment agent; and
- 145 (b) designates the type of cannabis production establishment for which an individual is
- 146 authorized to act as an agent.
- 147 (20) "Closed-door medical cannabis pharmacy" means a facility operated by a home
- 148 delivery medical cannabis pharmacy for delivering cannabis or a medical cannabis
- 149 product.
- 150 (21) "Community location" means a public or private elementary or secondary school, a
- 151 church, a public library, a public playground, or a public park.
- 152 (22) "Cultivation space" means, quantified in square feet, the horizontal area in which a
- 153 cannabis cultivation facility cultivates cannabis, including each level of horizontal area
- 154 if the cannabis cultivation facility hangs, suspends, stacks, or otherwise positions plants
- 155 above other plants in multiple levels.
- 156 (23) "Delivery address" means:
- 157 (a) for a medical cannabis cardholder who is not a facility:
- 158 (i) the medical cannabis cardholder's home address; or
- 159 (ii) an address designated by the medical cannabis cardholder that:
- 160 (A) is the medical cannabis cardholder's workplace; and
- 161 (B) is not a community location; or
- 162 (b) for a medical cannabis cardholder that is a facility, the facility's address.
- 163 (24) "Department" means the Department of Agriculture and Food.
- 164 (25) "Family member" means a parent, step-parent, spouse, child, sibling, step-sibling,

uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandparent, or grandchild.

(26) "Government issued photo identification" means the same as that term is defined in Section 26B-4-201, including expired identification in accordance with Section 26B-4-244.

(27) "Home delivery medical cannabis pharmacy" means a medical cannabis pharmacy that the department authorizes, as part of the pharmacy's license, to deliver medical cannabis shipments to a delivery address to fulfill electronic orders that the state central patient portal facilitates.

(28)(a) "Independent cannabis testing laboratory" means a person that:

- (i) conducts a chemical or other analysis of cannabis or a cannabis product; or
- (ii) acquires, possesses, and transports cannabis or a cannabis product with the intent to conduct a chemical or other analysis of the cannabis or cannabis product.

(b) "Independent cannabis testing laboratory" includes a laboratory that the department or a research university operates in accordance with Subsection 4-41a-201(14).

(29) "Independent cannabis testing laboratory agent" means an individual who holds a valid cannabis production establishment agent registration card with an independent cannabis testing laboratory designation.

(30) "Inventory control system" means a system described in Section 4-41a-103.

(31) "Licensing board" or "board" means the Cannabis Production Establishment and Pharmacy Licensing Advisory Board created in Section 4-41a-201.1.

(32) "Medical cannabis" means the same as that term is defined in Section 26B-4-201.

(33) "Medical cannabis card" means the same as that term is defined in Section 26B-4-201.

(34) "Medical cannabis courier" means a courier that:

- (a) the department licenses in accordance with Section 4-41a-1201; and
- (b) contracts with a home delivery medical cannabis pharmacy to deliver medical cannabis shipments to fulfill electronic orders that the state central patient portal facilitates.

(35) "Medical cannabis courier agent" means an individual who:

- (a) is an employee of a medical cannabis courier; and
- (b) who holds a valid medical cannabis courier agent registration card.

(36) "Medical cannabis pharmacy" means the same as that term is defined in Section 26B-4-201.

(37) "Medical cannabis pharmacy agent" means the same as that term is defined in Section

- 199 26B-4-201.
- 200 (38) "Medical cannabis research license" means a license that the department issues to a
201 research university for the purpose of obtaining and possessing medical cannabis for
202 academic research.
- 203 (39) "Medical cannabis research licensee" means a research university that the department
204 licenses to obtain and possess medical cannabis for academic research, in accordance
205 with Section 4-41a-901.
- 206 (40) "Medical cannabis shipment" means a shipment of medical cannabis that a home
207 delivery medical cannabis pharmacy or a medical cannabis courier delivers to a delivery
208 address to fulfill an electronic medical cannabis order that the state central patient portal
209 facilitates.
- 210 (41) "Medical cannabis treatment" means the same as that term is defined in Section
211 26B-4-201.
- 212 (42) "Medicinal dosage form" means the same as that term is defined in Section 26B-4-201.
- 213 (43) "Pharmacy ownership limit" means an amount equal to 30% of the total number of
214 medical cannabis pharmacy licenses issued by the department rounded down to the
215 nearest whole number.
- 216 (44) "Pharmacy medical provider" means the same as that term is defined in Section
217 26B-4-201.
- 218 (45) "Qualified medical provider" means the same as that term is defined in Section
219 26B-4-201.
- 220 (46) "Qualified Production Enterprise Fund" means the fund created in Section 4-41a-104.
- 221 (47) "Recommending medical provider" means the same as that term is defined in Section
222 26B-4-201.
- 223 (48) "Research university" means the same as that term is defined in Section 53B-7-702 and
224 a private, nonprofit college or university in the state that:
- 225 (a) is accredited by the Northwest Commission on Colleges and Universities;
226 (b) grants doctoral degrees; and
227 (c) has a laboratory containing or a program researching a schedule I controlled
228 substance described in Section 58-37-4.
- 229 (49) "State electronic verification system" means the system described in Section 26B-4-202.
- 230 (50) "Targeted marketing" means the promotion of a cannabis product, medical cannabis
231 brand, or a medical cannabis device using any of the following methods:
232 (a) electronic communication to an individual who is at least 21 years old and has

requested to receive promotional information;

(b) an in-person marketing event that is:

(i) held inside a medical cannabis pharmacy; and

(ii) in an area where only a medical cannabis cardholder may access the event;

(c) other marketing material that is physically available or digitally displayed in a medical cannabis pharmacy; or

(d) a leaflet a medical cannabis pharmacy places in the opaque package or box that is provided to an individual when obtaining medical cannabis:

(i) in the medical cannabis pharmacy;

(ii) at the medical cannabis pharmacy's drive-through pick up window; or

(iii) in a medical cannabis shipment.

(51) "Tetrahydrocannabinol" or "THC" means the same as that term is defined in Section 4-41-102.

(52) "THC analog" means the same as that term is defined in Section 4-41-102.

(53) "Total composite tetrahydrocannabinol" means all detectable forms of tetrahydrocannabinol.

(54) "Total tetrahydrocannabinol" or "total THC" means the same as that term is defined in Section 4-41-102.

Section 2. Section **4-41a-103** is amended to read:

4-41a-103 . Inventory control system.

(1) Each cannabis production establishment and each medical cannabis pharmacy shall maintain an inventory control system that meets the requirements of this section.

(2) A cannabis production establishment and a medical cannabis pharmacy shall ensure that the inventory control system maintained by the establishment or pharmacy:

(a) tracks cannabis using a unique identifier, in real time, from the point that a cannabis plant is eight inches tall and has a root ball until the cannabis is disposed of or sold, in the form of unprocessed cannabis or a cannabis product, to an individual with a medical cannabis card;

(b) maintains in real time a record of the amount of cannabis and cannabis products in the possession of the establishment or pharmacy; and

~~[(e) includes a video recording system that:]~~

~~[(i) tracks all handling and processing of cannabis or a cannabis product in the establishment or pharmacy;]~~

~~[(ii) is tamper proof; and]~~

~~[(iii) stores a video record for at least 45 days; and]~~

~~[(d)] (c) preserves compatibility with the state electronic verification system described in Section 26B-4-202.~~

(3) A cannabis production establishment and a medical cannabis pharmacy shall allow the following to access the cannabis production establishment's or the medical cannabis pharmacy's inventory control system at any time:

(a) the department; and

(b) the Department of Health and Human Services~~[-and]~~ .

~~[(e) a financial institution that the Division of Finance validates, in accordance with Subsection (6).]~~

(4) The department may establish compatibility standards for an inventory control system by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(5)(a) The department shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, establishing requirements for aggregate or batch records regarding the planting and propagation of cannabis before being tracked in an inventory control system described in this section.

(b) The department shall ensure that the rules described in Subsection (5)(a) address record-keeping for the amount of planted seed, number of cuttings taken, date and time of cutting and planting, number of plants established, and number of plants culled or dead.

(6)(a) The department may provide reports from the inventory control system to a financial institution to allow them to reconcile transactions and other financial activity of cannabis production establishments, medical cannabis pharmacies, and medical cannabis couriers that use financial services that the financial institution provides.

(b) A report:

(i) may only include information related to financial transactions; and

(ii) may not include any identifying patient information.

~~[(6)(a) The Division of Finance shall, in consultation with the state treasurer:]~~

~~[(i) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules to:]~~

~~[(A) establish a process for validating financial institutions for access to an inventory control system in accordance with Subsections (3)(c) and (6)(b); and]~~

- 301 ~~[(B) establish qualifications for the validation described in Subsection (6)(a)(i)(A);]~~
302 ~~[(ii) review applications the Division of Finance receives in accordance with the~~
303 ~~process established under Subsection (6)(a)(i);]~~
304 ~~[(iii) validate a financial institution that meets the qualifications described in~~
305 ~~Subsection (6)(a)(i); and]~~
306 ~~[(iv) provide a list of validated financial institutions to the department and the~~
307 ~~Department of Health and Human Services.]~~
308 ~~[(b) A financial institution that the Division of Finance validates under Subsection (6)(a):]~~
309 ~~[(i) may only access an inventory control system for the purpose of reconciling~~
310 ~~transactions and other financial activity of cannabis production establishments,~~
311 ~~medical cannabis pharmacies, and medical cannabis couriers that use financial~~
312 ~~services that the financial institution provides;]~~
313 ~~[(ii) may only access information related to financial transactions; and]~~
314 ~~[(iii) may not access any identifying patient information.]~~

315 Section 3. Section **4-41a-201** is amended to read:

316 **4-41a-201 . Cannabis production establishment -- License.**

- 317 (1) Except as provided in Subsection (14), a person may not operate a cannabis production
318 establishment without a license that the department issues under this chapter.
- 319 (2)(a)(i) Subject to Subsections (6), (7), (8), and (13) and to Section 4-41a-205, for a
320 licensing process that the department initiates after March 17, 2021, the
321 department, through the licensing board, shall issue licenses in accordance with
322 Section 4-41a-201.1.
- 323 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
324 the department shall make rules to specify a transparent and efficient process to:
- 325 (A) solicit applications for a license under this section;
326 (B) allow for comments and questions in the development of applications;
327 (C) timely and objectively evaluate applications;
328 (D) hold public hearings that the department deems appropriate; and
329 (E) select applicants to receive a license.
- 330 (iii) The department may not issue a license to operate a cannabis production
331 establishment to an applicant who is not eligible for a license under this section.
- 332 (b) An applicant is eligible for a license under this section if the applicant submits to the
333 licensing board:
- 334 (i) subject to Subsection (2)(c), a proposed name and address or, for a cannabis

- 335 cultivation facility, addresses of no more than two facility locations, located in a
336 zone described in Subsection 4-41a-406(2)(a) or (b), where the applicant will
337 operate the cannabis production establishment;
- 338 (ii) the name and address of any individual who has:
- 339 (A) for a publicly traded company, a financial or voting interest of 10% or greater
340 in the proposed cannabis production establishment;
- 341 (B) for a privately held company, a financial or voting interest in the proposed
342 cannabis production establishment; or
- 343 (C) the power to direct or cause the management or control of a proposed cannabis
344 production establishment;
- 345 (iii) an operating plan that:
- 346 (A) complies with Section 4-41a-204;
- 347 (B) includes operating procedures that comply with this chapter and any law the
348 municipality or county in which the person is located adopts that is consistent
349 with Section 4-41a-406; and
- 350 (C) the department or licensing board approves;
- 351 (iv) a statement that the applicant will obtain and maintain a liquid cash account with
352 a financial institution or a performance bond that a surety authorized to transact
353 surety business in the state issues in an amount of at least:
- 354 (A) \$100,000 for each cannabis cultivation facility for which the applicant applies;
355 or
- 356 (B) \$50,000 for each cannabis processing facility or independent cannabis testing
357 laboratory for which the applicant applies;
- 358 (v) an application fee in an amount that, subject to Subsection 4-41a-104(5), the
359 department sets in accordance with Section 63J-1-504; and
- 360 (vi) a description of any investigation or adverse action taken by any licensing
361 jurisdiction, government agency, law enforcement agency, or court in any state for
362 any violation or detrimental conduct in relation to any of the applicant's
363 cannabis-related operations or businesses.
- 364 (c)(i) A person may not locate a cannabis production establishment:
- 365 (A) within 1,000 feet of a community location; or
- 366 (B) in or within 600 feet of a district that the relevant municipality or county has
367 zoned as primarily residential.
- 368 (ii) The proximity requirements described in Subsection (2)(c)(i) shall be measured

- 369 from the nearest entrance to the cannabis production establishment by following
370 the shortest route of ordinary pedestrian travel to the property boundary of the
371 community location or residential area.
- 372 (iii) The licensing board may grant a waiver to reduce the proximity requirements in
373 Subsection (2)(c)(i) by up to 20% if the licensing board determines that it is not
374 reasonably feasible for the applicant to site the proposed cannabis production
375 establishment without the waiver.
- 376 (iv) An applicant for a license under this section shall provide evidence of
377 compliance with the proximity requirements described in Subsection (2)(c)(i).
- 378 (3) If the licensing board approves an application for a license under this section and
379 Section 4-41a-201.1:
- 380 (a) the applicant shall pay the ~~[department]~~ department an initial license fee in an
381 amount that, subject to Subsection 4-41a-104(5), the department sets in accordance
382 with Section 63J-1-504; and
- 383 (b) the department shall notify the Department of Public Safety of the license approval
384 and the names of each individual described in Subsection (2)(b)(ii).
- 385 (4)(a) Except as provided in Subsection (4)(b), a cannabis production establishment shall
386 obtain a separate license for each type of cannabis production establishment and each
387 location of a cannabis production establishment.
- 388 (b) The licensing board may issue a cannabis cultivation facility license and a cannabis
389 processing facility license to a person to operate at the same physical location or at
390 separate physical locations.
- 391 (5) If the licensing board receives more than one application for a cannabis production
392 establishment within the same city or town, the licensing board shall consult with the
393 local land use authority before approving any of the applications pertaining to that city
394 or town.
- 395 (6) The licensing board may not issue a license to operate an independent cannabis testing
396 laboratory to a person who:
- 397 (a) holds a license or has an ownership interest in a medical cannabis pharmacy, a
398 cannabis processing facility, or a cannabis cultivation facility;
- 399 (b) has an owner, officer, director, or employee whose family member holds a license or
400 has an ownership interest in a medical cannabis pharmacy, a cannabis processing
401 facility, or a cannabis cultivation facility; or
- 402 (c) proposes to operate the independent cannabis testing laboratory at the same physical

location as a medical cannabis pharmacy, a cannabis processing facility, or a cannabis cultivation facility.

- (7) The licensing board may not issue a license to operate a cannabis production establishment to an applicant if any individual described in Subsection (2)(b)(ii):
- (a) has been convicted under state or federal law of:
 - (i) a felony in the preceding 10 years; or
 - (ii) after December 3, 2018, a misdemeanor for drug distribution;
 - (b) is younger than 21 years old; or
 - (c) after September 23, 2019, until January 1, 2023, is actively serving as a legislator.

- (8)(a) If an applicant for a cannabis production establishment license under this section holds a license under Title 4, Chapter 41, Hemp and Cannabinoid Act, the licensing board may not give preference to the applicant based on the applicant's status as a holder of the license.

- (b) If an applicant for a license to operate a cannabis cultivation facility under this section holds a license to operate a medical cannabis pharmacy under this title, the licensing board may give consideration to the applicant based on the applicant's status as a holder of a medical cannabis pharmacy license if:

- (i) the applicant demonstrates that a decrease in costs to patients is more likely to result from the applicant's vertical integration than from a more competitive marketplace; and
- (ii) the licensing board finds multiple other factors, in addition to the existing license, that support granting the new license.

- (9) The licensing board may revoke a license under this part:

- (a) if the cannabis production establishment does not begin cannabis production operations within one year after the day on which the licensing board issues the initial license;
- (b) after the third of the same violation of this chapter in any of the licensee's licensed cannabis production establishments or medical cannabis pharmacies;
- (c) if any individual described in Subsection (2)(b) is convicted, while the license is active, under state or federal law of:
 - (i) a felony; or
 - (ii) after December 3, 2018, a misdemeanor for drug distribution;
- (d) if the licensee fails to provide the information described in Subsection (2)(b)(vi) at the time of application, or fails to supplement the information described in

Subsection (2)(b)(vi) with any investigation or adverse action that occurs after the submission of the application within 14 calendar days after the licensee receives notice of the investigation or adverse action;

(e) if the cannabis production establishment demonstrates a willful or reckless disregard for the requirements of this chapter or the rules the department makes in accordance with this chapter;

(f) if, after a change of ownership described in Subsection (15)(b), the board determines that the cannabis production establishment no longer meets the minimum standards for licensure and operation of the cannabis production establishment described in this chapter;

(g) for an independent cannabis testing laboratory, if the independent cannabis testing laboratory fails to substantially meet the performance standards described in Subsection (14)(b); or

(h) if, following an investigation conducted pursuant to Subsection 4-41a-201.1(11), the board ~~[identifies]~~ finds that the licensee has participated in an anticompetitive business ~~[practiees]~~ practice.

(10)(a) A person who receives a cannabis production establishment license under this chapter, if the municipality or county where the licensed cannabis production establishment will be located requires a local land use permit, shall submit to the licensing board a copy of the licensee's approved application for the land use permit within 120 days after the day on which the licensing board issues the license.

(b) If a licensee fails to submit to the licensing board a copy of the licensee's approved land use permit application in accordance with Subsection (10)(a), the licensing board may revoke the licensee's license.

(11) The department shall deposit the proceeds of a fee that the department imposes under this section into the Qualified Production Enterprise Fund.

(12) The department shall begin accepting applications under this part on or before January 1, 2020.

(13)(a) The department's authority, and consequently the licensing board's authority, to issue a license under this section is plenary and is not subject to review.

(b) Notwithstanding Subsection (2)(a)(ii)(A), the decision of the department to award a license to an applicant is not subject to:

(i) Title 63G, Chapter 6a, Part 16, Protests; or

(ii) Title 63G, Chapter 6a, Part 17, Procurement Appeals Board.

471 (14)(a) Notwithstanding this section, the department:

472 (i) may operate or partner with a research university to operate an independent
473 cannabis testing laboratory;

474 (ii) if the department operates or partners with a research university to operate an
475 independent cannabis testing laboratory, may not cease operating or partnering
476 with a research university to operate the independent cannabis testing laboratory
477 unless:

478 (A) the department issues at least two licenses to independent cannabis testing
479 laboratories; and

480 (B) the department has ensured that the licensed independent cannabis testing
481 laboratories have sufficient capacity to provide the testing necessary to support
482 the state's medical cannabis market; and

483 (iii) after ceasing department or research university operations under Subsection
484 (14)(a)(ii) shall resume independent cannabis testing laboratory operations at any
485 time if:

486 (A) fewer than two licensed independent cannabis testing laboratories are
487 operating; or

488 (B) the licensed independent cannabis testing laboratories become, in the
489 department's determination, unable to fully meet the market demand for testing.

490 (b)(i) The department shall make rules, in accordance with Title 63G, Chapter 3,
491 Utah Administrative Rulemaking Act, to establish performance standards for the
492 operation of an independent cannabis testing laboratory, including deadlines for
493 testing completion.

494 (ii) A license that the department issues to an independent cannabis testing laboratory
495 is contingent upon substantial satisfaction of the performance standards described
496 in Subsection (14)(b)(i), as determined by the board.

497 (15)(a) A cannabis production establishment license is not transferrable or assignable.

498 (b) If the ownership of a cannabis production establishment changes by 50% or more:

499 (i) the cannabis production establishment shall submit a new application described in
500 Subsection (2)(b), subject to Subsection (2)(c);

501 (ii) within 30 days of the submission of the application, the board shall:

502 (A) conduct the application review described in Section 4-41a-201.1; and

503 (B) award a license to the cannabis production establishment for the remainder of
504 the term of the cannabis production establishment's license before the

505 ownership change if the cannabis production establishment meets the minimum
506 standards for licensure and operation of the cannabis production establishment
507 described in this chapter; and

508 (iii) if the board approves the license application, notwithstanding Subsection (3), the
509 cannabis production establishment shall pay a license fee that the department sets
510 in accordance with Section 63J-1-504 in an amount that covers the board's cost of
511 conducting the application review.

512 Section 4. Section **4-41a-201.1** is amended to read:

513 **4-41a-201.1 . Cannabis Production Establishment and Pharmacy Licensing**

514 **Advisory Board -- Composition -- Duties.**

515 (1) There is created within the department the Cannabis Production Establishment and
516 Pharmacy Licensing Advisory Board.

517 (2) The commissioner shall:

518 (a) appoint the members of the ~~[board]~~ licensing board;

519 (b) submit the name of each individual that the commissioner appoints under Subsection
520 (2)(a) to the governor for confirmation or rejection; and

521 (c) if the governor rejects an appointee that the commissioner submits under Subsection
522 (2)(b), appoint another individual in accordance with this Subsection (2).

523 (3)(a) Except as provided in Subsection ~~[(3)(e)]~~ (3)(b), the ~~[board]~~ licensing board shall
524 consist of the following eight members:

525 (i) the following seven voting members whom the commissioner appoints:

526 (A) one member of the public;

527 (B) one member with knowledge and experience in the pharmaceutical or
528 nutraceutical manufacturing industry;

529 (C) one member representing law enforcement;

530 (D) one member whom an organization representing medical cannabis patients
531 recommends;

532 (E) a chemist who has experience with cannabis and who is associated with a
533 research university;

534 (F) a pharmacist who is not associated with the medical cannabis industry; and

535 (G) an accountant; and

536 (ii) the commissioner or the commissioner's designee as a non-voting member, except
537 to cast a deciding vote in the event of a tie.

538 (b) The commissioner may appoint a ninth member to the ~~[board]~~ licensing board who

539 has a background in the cannabis cultivation and processing industry.

540 (c) The commissioner or the commissioner's designee shall serve as the chair of the [
541 ~~board~~] licensing board.

542 (d) An individual is not eligible for appointment to be a member of the [~~board~~] licensing
543 board if the individual:

544 (i) has any commercial or ownership interest in a cannabis production establishment,
545 medical cannabis pharmacy, or medical cannabis courier;

546 (ii) has an owner, officer, director, or employee whose family member holds a license
547 or has an ownership interest in a cannabis production establishment, medical
548 cannabis pharmacy, or medical cannabis courier; or

549 (iii) is employed or contracted to lobby on behalf of any cannabis production
550 establishment, medical cannabis pharmacy, or medical cannabis courier.

551 (4)(a) Except as provided in Subsection (4)(b), a voting [~~board~~] licensing board member
552 shall serve a term of four years, beginning July 1 and ending June 30.

553 (b) Notwithstanding Subsection (4)(a), for the initial appointments to the [~~board~~]
554 licensing board, the commissioner shall stagger the length of the terms of [~~board~~]
555 licensing board members to ensure that the commissioner appoints two or three [~~board~~]
556 licensing board members every two years.

557 (c) As a [~~board~~] licensing board member's term expires:

558 (i) the [~~board~~] licensing board member is eligible for reappointment; and

559 (ii) the commissioner shall make an appointment, in accordance with Subsection (2),
560 for the new term before the end of the member's term.

561 (d) When a vacancy occurs on the [~~board~~] licensing board for any reason other than the
562 expiration of a [~~board~~] licensing board member's term, the commissioner shall appoint
563 a replacement to the vacant position, in accordance with Subsection (2), for the
564 unexpired term.

565 (e) In making appointments, the commissioner shall ensure that no two members of the [
566 ~~board~~] licensing board are employed by or represent the same company or nonprofit
567 organization.

568 (f) The commissioner may remove a [~~board~~] licensing board member for cause, neglect
569 of duty, inefficiency, or malfeasance.

570 (5)(a)(i) Five members of the [~~board~~] licensing board constitute a quorum of the [
571 ~~board~~] licensing board.

572 (ii) An action of the majority of the [~~board~~] licensing board members when a quorum

- 573 is present constitutes an action of the [board] licensing board.
- 574 (b) The department shall provide staff support to the [board] licensing board.
- 575 (c) A member of the [board] licensing board may not receive compensation or benefits
576 for the member's service, but may receive per diem and travel expenses in accordance
577 with:
- 578 (i) Section 63A-3-106;
- 579 (ii) Section 63A-3-107; and
- 580 (iii) rules made by the Division of Finance in accordance with Sections 63A-3-106
581 and 63A-3-107.
- 582 (6) The [board] licensing board shall:
- 583 (a) meet as called by the chair to review cannabis production establishment~~[-and]~~ ,
584 medical cannabis pharmacy, and medical cannabis courier license applications;
- 585 (b) review each license application for compliance with:
- 586 (i) this chapter; and
- 587 (ii) department rules;
- 588 (c) conduct a public hearing to consider the license application;
- 589 (d) approve the department's license application forms and checklists; and
- 590 (e) make a determination on each license application.
- 591 (7) The [board] licensing board shall hold a public hearing to review a cannabis production
592 establishment's or medical cannabis pharmacy's license if the establishment:
- 593 (a) changes ownership by an interest of 20% or more;
- 594 (b) changes or adds a location;
- 595 (c) upgrades to a different licensing tier under department rule;
- 596 (d) changes extraction or formulation standard operating procedures;
- 597 (e) adds an industrial hemp processing or cultivation license to the same location as the
598 cannabis production establishment's processing facility; or
- 599 (f) as necessary based on the recommendation of the department.
- 600 (8) In a public hearing held under Subsection (7), the [board] licensing board may consider
601 the following in determining whether to approve a request to change pharmacy locations:
- 602 (a) medical cannabis availability, quality, and variety;
- 603 (b) whether geographic dispersal among licensees is sufficient to reasonably maximize
604 access to the largest number of medical cannabis cardholders;
- 605 (c) the extent to which the pharmacy can increase efficiency and reduce the cost to
606 patients of medical cannabis; and

(d) the factors listed in Subsection 4-41a-1004(7).

(9) In a public hearing held pursuant to Subsection (7), the [board] licensing board may not approve a request to change a medical cannabis pharmacy location outside of the pharmacy's current region established under Subsection 4-41a-1005(1)(c)(ii)(A).

(10)(a) The [board] licensing board shall meet [~~annually in December~~] as necessary to consider cannabis production establishment[~~and~~] , medical cannabis pharmacy, and medical cannabis courier license renewal applications.

(b) During the meeting described in Subsection (10)(a):

(i) a representative from each applicant for renewal shall:

(A) attend in person or electronically; or

(B) submit information before the meeting, as the [board] licensing board may require, for the [board's] licensing board's consideration;

(ii) the [board] licensing board shall consider, for each cannabis cultivation facility seeking renewal, information including:

(A) the amount of biomass the licensee produced during the current calendar year;

(B) the amount of biomass the licensee projects to produce during the following year;

(C) the amount of hemp waste the licensee currently holds;

(D) the current square footage or acres of growing area the licensee uses; and

(E) the square footage or acres of growing area the licensee projects to use in the following year;

(iii) the [board] licensing board shall consider, for each cannabis processing facility seeking renewal, information including:

(A) methods and procedures for extraction;

(B) standard operating procedures; and

(C) a complete listing of the medical dosage forms that the licensee produces; and

(iv) the [board] licensing board shall consider, for each cannabis pharmacy seeking renewal, information including:

(A) product availability, quality, and variety;

(B) the pharmacy's operating procedures and practices; and

(C) the factors listed in Subsection 4-41a-1003(1).

(c) Following consideration of the information provided under Subsection (10)(b), the [board] licensing board may elect to approve, deny, or issue conditional approval of a cannabis production establishment or pharmacy license renewal application.

(d) The information a licensee or license applicant provides to the [board] licensing board for a license determination constitutes a protected record under Subsection 63G-2-305 (1) or (2) if the applicant or licensee provides the [board] licensing board with the information regarding business confidentiality required in Section 63G-2-309.

(11)(a) In cooperation with the attorney general, the [board] licensing board may investigate information received by the department indicating that a licensee is potentially engaging in anticompetitive business practices.

(b) In investigating potential anticompetitive business practices under this section, the attorney general may issue civil investigative demands as set forth in Section 76-10-3107.

(12) The department shall:

(a) provide staff support for the licensing board;

(b) assist the licensing board in conducting meetings; and

(c) review all submitted applications for completion and accuracy.

Section 5. Section **4-41a-401** is amended to read:

4-41a-401 . Cannabis production establishment -- General operating requirements.

(1)(a) A cannabis production establishment shall operate in accordance with the operating plan described in Sections 4-41a-201 and 4-41a-204.

(b) A cannabis production establishment shall notify the department before a change in the cannabis production establishment's operating plan.

(c)(i) If a cannabis production establishment changes the cannabis production establishment's operating plan, the establishment shall ensure that the new operating plan complies with this chapter.

(ii) The department shall establish by rule, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, a process to:

(A) review a change notification described in Subsection (1)(b);

(B) identify for the cannabis production establishment each point of noncompliance between the new operating plan and this chapter;

(C) provide an opportunity for the cannabis production establishment to address each identified point of noncompliance; and

(D) suspend or revoke a license if the cannabis production establishment fails to cure the noncompliance.

(2) A cannabis production establishment shall operate:

- (a) except as provided in Subsection (5), in a facility that is accessible only by an individual with a valid cannabis production establishment agent registration card issued under Section 4-41a-301; and
- (b) at the physical address provided to the department under Section 4-41a-201.
- (3) A cannabis production establishment may not employ an individual who is younger than 21 years old.
- (4) A cannabis production establishment may not employ an individual who has been convicted, under state or federal law, of:
- (a) a felony in the preceding 10 years; or
- (b) after December 3, 2018, a misdemeanor for drug distribution.
- (5) A cannabis production establishment may authorize an individual who is at least 18 years old and is not a cannabis production establishment agent to access the cannabis production establishment if the cannabis production establishment:
- (a) tracks and monitors the individual at all times while the individual is at the cannabis production establishment; and
- (b) maintains a record of the individual's access, including arrival and departure.
- (6) A cannabis production establishment shall operate in a facility that has:
- (a) a single, secure public entrance;
- (b) a security system with a backup power source that:
- (i) detects and records entry into the cannabis production establishment; and
- (ii) provides notice of an unauthorized entry to law enforcement when the cannabis production establishment is closed; and
- (c) a lock or equivalent restrictive security feature on any area where the cannabis production establishment stores cannabis or a cannabis product.

(7)(a) A cannabis production establishment shall maintain a video surveillance system that:

- (i) tracks all handling and processing of cannabis or a cannabis product in the establishment;
- (ii) is tamper proof; and
- (iii) stores a video record for at least 45 days.
- (b) A cannabis production establishment shall provide the department access to the video surveillance system upon request.

Section 6. Section **4-41a-801** is amended to read:

4-41a-801 . Enforcement -- Fine -- Citation.

- (1)(a) If a person that is a cannabis production establishment, ~~[or]~~ a cannabis production establishment agent, a medical cannabis pharmacy, a medical cannabis pharmacy agent, or a medical cannabis courier, violates this chapter, the department may:
- ~~[(a)]~~ (i) revoke the person's license or ~~[cannabis production establishment]~~ agent registration card;
 - ~~[(b)]~~ (ii) decline to renew the person's license or ~~[cannabis production establishment]~~ agent registration card;~~[-or]~~
 - ~~[(c)]~~ (iii) assess the person an administrative penalty that the department establishes by rule in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act~~[-]~~ ; or
 - (iv) provide a letter of concern in accordance with Subsection (8).
- (b) Except for a violation that threatens public health, the department shall issue a letter of concern before taking other administrative action under this section.
- (2) The department shall deposit an administrative penalty imposed under this section into the General Fund.
- (3)(a) The department may take an action described in Subsection (3)(b) if the department concludes, upon investigation, that, for a person that is a cannabis production establishment,~~[-or]~~ a cannabis production establishment agent, a medical cannabis pharmacy, a medical cannabis pharmacy agent, or a medical cannabis courier:
- (i) the person has violated the provisions of this chapter, a rule made under this chapter, or an order issued under this chapter; or
 - (ii) the person produced cannabis or a cannabis product batch that contains a substance, other than cannabis, that poses a significant threat to human health.
- (b) If the department makes the determination about a person described in Subsection (3)(a), the department ~~[shall]~~ may:
- (i) issue the person a written administrative citation;
 - (ii) attempt to negotiate a stipulated settlement;
 - (iii) seize, embargo, or destroy the cannabis or cannabis product batch;
 - (iv) order the person to cease and desist from the action that creates a violation; ~~[and]~~ or
 - (v) direct the person to appear before an adjudicative proceeding conducted under Title 63G, Chapter 4, Administrative Procedures Act.
- (4) The department may, for a person subject to an uncontested citation, a stipulated

743 settlement, or a finding of a violation in an adjudicative proceeding under this section,
744 for a fine amount not already specified in law, assess the person, who is not an
745 individual, a fine of up to \$5,000 per violation, in accordance with a fine schedule that
746 the department establishes by rule in accordance with Title 63G, Chapter 3, Utah
747 Administrative Rulemaking Act.

748 (5) The department may not revoke a [~~cannabis production establishment's~~] license without
749 first directing the [~~cannabis production establishment~~] licensee to appear before an
750 adjudicative proceeding conducted under Title 63G, Chapter 4, Administrative
751 Procedures Act.

752 (6) If within 20 calendar days after the day on which a department serves a citation for a
753 violation of this chapter, the person that is the subject of the citation fails to request a
754 hearing to contest the citation, the citation becomes the department's final order.

755 (7) The department may, for a person who fails to comply with a citation under this section:

756 (a) refuse to issue or renew the person's license or [~~cannabis production establishment~~]
757 agent registration card; or

758 (b) suspend, revoke, or place on probation the person's license or [~~cannabis production~~
759 ~~establishment~~] registration card.

760 (8)(a) A letter of concern shall describe:

761 (i) the violation including the statute or rule being violated;

762 (ii) possible options to remedy the issue; and

763 (iii) possible consequences for not remedying the violation.

764 (b) Under a letter of concern, the department shall provide the person at least 30 days to
765 remedy the violation.

766 (c) If the person fails to remedy the violation described in a letter of concern, the
767 department may take other enforcement action as described in this section.

768 (d) If a letter of concern is resolved without an enforcement action being taken under
769 Subsection (8)(c), the department may not report that a letter of concern was issued to
770 the licensing board.

771 [(8)] (9)(a) Except where a criminal penalty is expressly provided for a specific violation
772 of this chapter, or where civil and criminal penalties are provided for violations of
773 Section 76-10-31, if an individual:

774 (i) violates a provision of this chapter, the individual is:

775 (A) guilty of an infraction; and

776 (B) subject to a \$100 fine; or

(ii) intentionally or knowingly violates a provision of this chapter or violates this chapter three or more times, the individual is:

(A) guilty of a class B misdemeanor; and

(B) subject to a \$1,000 fine.

(b) An individual who is guilty of a violation described in Subsection (8)(a) is not guilty of a violation of Title 58, Chapter 37, Utah Controlled Substances Act, for the conduct underlying the violation described in Subsection (8)(a).

~~[(9)]~~ (10) Nothing in this section prohibits:

(a) the department from referring potential criminal activity to law enforcement[-] ; or

(b) the attorney general from investigating or prosecuting individuals or businesses for violations of Title 76, Chapter 10, Part 31, Utah Antitrust Act.

Section 7. Section **4-41a-802** is amended to read:

4-41a-802 . Report.

(1) At or before the November interim meeting each year, the department shall report to the Health and Human Services Interim Committee on:

(a) the number of applications and renewal applications that the department receives under this chapter;

(b) the number of each type of ~~[cannabis production facility]~~ license that the department [~~licenses~~] issues in each county;

(c) the amount of cannabis that licensees grow;

(d) the amount of cannabis that licensees manufacture into cannabis products;

(e) the number of licenses the department revokes under this chapter;

(f) the department's operation of an independent cannabis testing laboratory under Section 4-41a-201, including:

(i) the cannabis and cannabis products the department tested; and

(ii) the results of the tests the department performed;

(g) the expenses incurred and revenues generated under this chapter;~~[-and]~~

(h) the total quantity of medical cannabis shipments;

(i) the number of overall purchases of medical cannabis from each medical cannabis pharmacy; and

~~[(h)]~~ (j) an analysis of product availability in medical cannabis pharmacies in consultation with the Department of Health and Human Services.

(2) The department may not include personally identifying information in the report described in this section.

- (3) The department shall report to the working group described in Section 36-12-8.2 as requested by the working group.

Section 8. Section **4-41a-1001** is amended to read:

4-41a-1001 . Medical cannabis pharmacy -- License -- Eligibility.

- (1) A person may not:

- (a) operate as a medical cannabis pharmacy without a license that the department issues under this part;
- (b) obtain a medical cannabis pharmacy license if obtaining the license would cause the person to exceed the pharmacy ownership limit;
- (c) obtain a partial ownership share of a medical cannabis pharmacy if obtaining the partial ownership share would cause the person to exceed the pharmacy ownership limit; or
- (d) enter into any contract or agreement that allows the person to directly or indirectly control the operations of a medical cannabis pharmacy if the person's control of the medical cannabis pharmacy would cause the person to effectively exceed the pharmacy ownership limit.

- (2)(a)(i) Subject to Subsections (4) and (5) and to Section 4-41a-1005, the [~~department shall issue a license to operate a medical cannabis pharmacy through the licensing board created under Section 4-41a-201.1~~] licensing board shall issue a license to operate a medical cannabis pharmacy.

- (ii) The [~~department~~] licensing board may not issue a license to operate a medical cannabis pharmacy to an applicant who is not eligible for a license under this section.

- (b) An applicant is eligible for a license under this section if the applicant submits to the [~~department~~] licensing board:

- (i) subject to Subsection (2)(c), a proposed name and address where the applicant will operate the medical cannabis pharmacy;
- (ii) the name and address of an individual who:
 - (A) for a publicly traded company, has a financial or voting interest of 10% or greater in the proposed medical cannabis pharmacy;
 - (B) for a privately held company, a financial or voting interest in the proposed medical cannabis pharmacy; or
 - (C) has the power to direct or cause the management or control of a proposed medical cannabis pharmacy;

- 845 (iii) for each application that the applicant submits to the department, a statement
846 from the applicant that the applicant will obtain and maintain:
- 847 (A) a performance bond in the amount of \$100,000 issued by a surety authorized
848 to transact surety business in the state; or
- 849 (B) a liquid cash account in the amount of \$100,000 with a financial institution;
- 850 (iv) an operating plan that:
- 851 (A) complies with Section 4-41a-1004;
- 852 (B) includes operating procedures to comply with the operating requirements for a
853 medical cannabis pharmacy described in this part and with a relevant municipal
854 or county law that is consistent with Section 4-41a-1106; and
- 855 (C) the department approves;
- 856 (v) an application fee in an amount that, subject to Subsection 4-41a-104(5), the
857 department sets in accordance with Section 63J-1-504; and
- 858 (vi) a description of any investigation or adverse action taken by any licensing
859 jurisdiction, government agency, law enforcement agency, or court in any state for
860 any violation or detrimental conduct in relation to any of the applicant's
861 cannabis-related operations or businesses.
- 862 (c)(i) A person may not locate a medical cannabis pharmacy:
- 863 (A) within 200 feet of a community location; or
- 864 (B) in or within 600 feet of a district that the relevant municipality or county has
865 zoned as primarily residential.
- 866 (ii) The proximity requirements described in Subsection (2)(c)(i) shall be measured
867 from the nearest entrance to the medical cannabis pharmacy establishment by
868 following the shortest route of ordinary pedestrian travel to the property boundary
869 of the community location or residential area.
- 870 (iii) The [department] licensing board may grant a waiver to reduce the proximity
871 requirements in Subsection (2)(c)(i) by up to 20% if the department determines
872 that it is not reasonably feasible for the applicant to cite the proposed medical
873 cannabis pharmacy without the waiver.
- 874 (iv) An applicant for a license under this section shall provide evidence of
875 compliance with the proximity requirements described in Subsection (2)(c)(i).
- 876 (d) The [department] licensing board may not issue a license to an eligible applicant that
877 the department has selected to receive a license until the selected eligible applicant
878 complies with the bond or liquid cash requirement described in Subsection (2)(b)(iii).

(e) If the [department] licensing board receives more than one application for a medical cannabis pharmacy within the same city or town, the department shall consult with the local land use authority before approving any of the applications pertaining to that city or town.

(f) In considering the issuance of a medical cannabis pharmacy license under this section, the [department] licensing board may consider the extent to which the pharmacy can increase efficiency and reduce cost to patients of medical cannabis.

(3) If the [department] licensing board selects an applicant for a medical cannabis pharmacy license under this section, the department shall:

(a) charge the applicant an initial license fee in an amount that, subject to Subsection 4-41a-104(5), the department sets in accordance with Section 63J-1-504;

(b) notify the Department of Public Safety of the license approval and the names of each individual described in Subsection (2)(b)(ii); and

(c) charge the licensee a fee in an amount that, subject to Subsection 4-41a-104(5), the department sets in accordance with Section 63J-1-504, for any change in location, ownership, or company structure.

(4) The [department] licensing board may not issue a license to operate a medical cannabis pharmacy to an applicant if an individual described in Subsection (2)(b)(ii):

(a) has been convicted under state or federal law of:

(i) a felony in the preceding 10 years; or

(ii) after December 3, 2018, a misdemeanor for drug distribution;

(b) is younger than 21 years old; or

(c) after September 23, 2019, until January 1, 2023, is actively serving as a legislator.

(5)(a) If an applicant for a medical cannabis pharmacy license under this section holds another license under this chapter, the [department] licensing board may not give preference to the applicant based on the applicant's status as a holder of the license.

(b) If an applicant for a medical cannabis pharmacy license under this section holds a license to operate a cannabis cultivation facility under this section, the [department] licensing board may give consideration to the applicant's status as a holder of the license if:

(i) the applicant demonstrates that a decrease in costs to patients is more likely to result from the applicant's vertical integration than from a more competitive marketplace; and

(ii) the department finds multiple other factors, in addition to the existing license, that

- 913 support granting the new license.
- 914 (6) The ~~[licensing board]~~ licensing board may revoke a license under this part:
- 915 (a) if the medical cannabis pharmacy does not begin operations within one year after the
- 916 day on which the department issues an announcement of the department's intent to
- 917 award a license to the medical cannabis pharmacy;
- 918 (b) after the third of the same violation of this chapter in any of the licensee's licensed
- 919 cannabis production establishments or medical cannabis pharmacies;
- 920 (c) if an individual described in Subsection (2)(b)(ii) is convicted, while the license is
- 921 active, under state or federal law of:
- 922 (i) a felony; or
- 923 (ii) after December 3, 2018, a misdemeanor for drug distribution;
- 924 (d) if the licensee fails to provide the information described in Subsection (2)(b)(vi) at
- 925 the time of application, or fails to supplement the information described in
- 926 Subsection (2)(b)(vi) with any investigation or adverse action that occurs after the
- 927 submission of the application within 14 calendar days after the licensee receives
- 928 notice of the investigation or adverse action;
- 929 (e) if the medical cannabis pharmacy demonstrates a willful or reckless disregard for the
- 930 requirements of this chapter or the rules the department makes in accordance with
- 931 this chapter;
- 932 (f) if, after a change of ownership described in Subsection ~~[(11)(e)]~~ (10)(c), the
- 933 department determines that the medical cannabis pharmacy no longer meets the
- 934 minimum standards for licensure and operation of the medical cannabis pharmacy
- 935 described in this chapter; or
- 936 (g) if through an investigation conducted under Subsection 4-41a-201.1(11) and in
- 937 accordance with Title 63G, Chapter 4, Administrative Procedures Act, the ~~[board]~~
- 938 licensing board finds that the licensee has participated in anticompetitive business
- 939 practices.
- 940 (7)(a) A person who receives a medical cannabis pharmacy license under this chapter, if
- 941 the municipality or county where the licensed medical cannabis pharmacy will be
- 942 located requires a local land use permit, shall submit to the department a copy of the
- 943 licensee's approved application for the land use permit within 120 days after the day
- 944 on which the department issues the license.
- 945 (b) If a licensee fails to submit to the department a copy the licensee's approved land use
- 946 permit application in accordance with Subsection (7)(a), the department may revoke

the licensee's license.

(8) The department shall deposit the proceeds of a fee imposed by this section into the Qualified Production Enterprise Fund.

~~[(9) The department shall begin accepting applications under this part on or before March 1, 2020.]~~

~~[(10)]~~ (9)(a) The [department's] licensing board's authority to issue a license under this section is plenary and is not subject to review.

(b) Notwithstanding Subsection (2), the decision of the department to award a license to an applicant is not subject to:

(i) Title 63G, Chapter 6a, Part 16, Protests; or

(ii) Title 63G, Chapter 6a, Part 17, Procurement Appeals Board.

~~[(11)]~~ (10)(a) A medical cannabis pharmacy license is not transferrable or assignable.

(b) A medical cannabis pharmacy shall report in writing to the department no later than [~~10~~] 45 business days before the date of any change of ownership of the medical cannabis pharmacy.

(c) If the ownership of a medical cannabis pharmacy changes by 50% or more:

(i) concurrent with the report described in Subsection ~~[(11)(b)]~~ (10)(b), the medical cannabis pharmacy shall submit a new application described in Subsection (2)(b), subject to Subsection (2)(c);

(ii) within 30 days of the submission of the application, the [department] licensing board shall:

(A) conduct an application review; and

(B) award a license to the medical cannabis pharmacy for the remainder of the term of the medical cannabis pharmacy's license before the ownership change if the medical cannabis pharmacy meets the minimum standards for licensure and operation of the medical cannabis pharmacy described in this chapter; and

(iii) if the department approves the license application, notwithstanding Subsection (3), the medical cannabis pharmacy shall pay a license fee that the department sets in accordance with Section 63J-1-504 in an amount that covers the department's cost of conducting the application review.

Section 9. Section **4-41a-1005** is amended to read:

4-41a-1005 . Maximum number of licenses.

(1)(a) Except as provided in Subsection (1)(b) or (d), if a sufficient number of applicants apply, the department shall issue up to 15 medical cannabis pharmacy licenses in

981 accordance with this section.

982 (b) If an insufficient number of qualified applicants apply for the available number of
983 medical cannabis pharmacy licenses, the department shall issue a medical cannabis
984 pharmacy license to each qualified applicant.

985 (c) The department may issue the licenses described in Subsection (1)(a) in accordance
986 with this Subsection (1)(c).

987 (i) Using one procurement process, the department may issue eight licenses to an
988 initial group of medical cannabis pharmacies and six licenses to a second group of
989 medical cannabis pharmacies.

990 (ii) The department shall:

991 (A) divide the state into no less than four geographic regions, set by the
992 department in rule;

993 (B) issue at least one license in each geographic region during each phase of
994 issuing licenses; and

995 (C) complete the process of issuing medical cannabis pharmacy licenses no later
996 than July 1, 2020.

997 (iii) In issuing a 15th license under Subsection (1), the department shall ensure that
998 the license recipient will locate the medical cannabis pharmacy within Dagget,
999 Duchesne, Uintah, Carbon, Sevier, Emery, Grand, or San Juan County.

1000 (d)(i) The department may issue licenses to operate a medical cannabis pharmacy in
1001 addition to the licenses described in Subsection (1)(a) if the department
1002 determines, in consultation with the Department of Health and Human Services
1003 and after an annual or more frequent analysis of the current and anticipated market
1004 for medical cannabis, that each additional license is necessary to provide an
1005 adequate supply, quality, or variety of medical cannabis to medical cannabis
1006 cardholders.

1007 (ii) The department shall:

1008 (A) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
1009 Act, make rules to establish criteria and processes for the consultation,
1010 analysis, and application for a license described in Subsection (1)(d)(i); and

1011 (B) report to the Executive Appropriations Committee of the Legislature before
1012 each time the department issues an additional license under Subsection
1013 (1)(d)(i) regarding the results of the consultation and analysis described in

1014 Subsection (1)(d)(i) and the application of the criteria described in Subsection

1015 (1)(d)(ii)(A).

1016 (2)(a) If there are more qualified applicants than there are available licenses for medical
1017 cannabis pharmacies, the department shall:

1018 (i) evaluate each applicant and award the license to the applicant that best
1019 demonstrates:

1020 (A) experience with establishing and successfully operating a business that
1021 involves complying with a regulatory environment, tracking inventory, and
1022 training, evaluating, and monitoring employees;

1023 (B) an operating plan that will best ensure the safety and security of patrons and
1024 the community;

1025 (C) positive connections to the local community;

1026 (D) the suitability of the proposed location and the location's accessibility for
1027 qualifying patients;

1028 (E) the extent to which the applicant can increase efficiency and reduce the cost of
1029 medical cannabis for patients; and

1030 (F) a strategic plan described in Subsection 4-41a-1004(7) that has a
1031 comparatively high likelihood of success; and

1032 (ii) ensure a geographic dispersal among licensees that is sufficient to reasonably
1033 maximize access to the largest number of medical cannabis cardholders.

1034 (b) In making the evaluation described in Subsection (2)(a), the department may give
1035 increased consideration to applicants who indicate a willingness to[:]

1036 [(i)] operate as a home delivery medical cannabis pharmacy that accepts electronic
1037 medical cannabis orders that the state central patient portal facilitates[;and] .

1038 [(ii) accept payments through:]

1039 [(A) a payment provider that the Division of Finance approves, in consultation
1040 with the state treasurer, in accordance with Section 4-41a-108; or]

1041 [(B) a financial institution in accordance with Subsection 4-41a-108(4).]

1042 (3) The department may conduct a face-to-face interview with an applicant for a license that
1043 the department evaluates under Subsection (2).

1044 Section 10. Section **4-41a-1101** is amended to read:

1045 **4-41a-1101 . Operating requirements -- General.**

1046 (1)(a) A medical cannabis pharmacy shall operate:

1047 (i) at the physical address provided to the department under Section 4-41a-1001; and

1048 (ii) in accordance with the operating plan provided to the department under Section

- 1049 4-41a-1001 and, if applicable, Section 4-41a-1004.
- 1050 (b) A medical cannabis pharmacy shall notify the department before a change in the
1051 medical cannabis pharmacy's physical address or operating plan.
- 1052 (2) An individual may not enter a medical cannabis pharmacy unless the individual:
- 1053 (a) is at least 18 years old or is an emancipated minor under Section 80-7-105; and
- 1054 (b) except as provided in Subsection (4):
- 1055 (i) possesses a valid:
- 1056 (A) medical cannabis pharmacy agent registration card;
- 1057 (B) pharmacy medical provider registration card; or
- 1058 (C) medical cannabis card;
- 1059 (ii) is an employee of the department performing an inspection under Section
1060 4-41a-1103; or
- 1061 (iii) is another individual as the department provides.
- 1062 (3) A medical cannabis pharmacy may not employ an individual who is younger than 21
1063 years old.
- 1064 (4) Notwithstanding Subsection (2)(a), a medical cannabis pharmacy may authorize an
1065 individual who is not a medical cannabis pharmacy agent or pharmacy medical provider
1066 to access the medical cannabis pharmacy if the medical cannabis pharmacy tracks and
1067 monitors the individual at all times while the individual is at the medical cannabis
1068 pharmacy and maintains a record of the individual's access.
- 1069 (5) A medical cannabis pharmacy shall operate in a facility that has:
- 1070 (a) a single, secure public entrance;
- 1071 (b) a security system with a backup power source that:
- 1072 (i) detects and records entry into the medical cannabis pharmacy; and
- 1073 (ii) provides notice of an unauthorized entry to law enforcement when the medical
1074 cannabis pharmacy is closed; and
- 1075 (c) a lock on each area where the medical cannabis pharmacy stores cannabis or a
1076 cannabis product.
- 1077 (6) A medical cannabis pharmacy shall post, both clearly and conspicuously in the medical
1078 cannabis pharmacy, the limit on the purchase of cannabis described in Subsection
1079 4-41a-1102(2).
- 1080 (7) Except for an emergency situation described in Subsection [~~26B-4-213(3)(e)~~]
1081 26B-4-213(3)(b), a medical cannabis pharmacy may not allow any individual to
1082 consume cannabis on the property or premises of the medical cannabis pharmacy.

- 1083 (8) A medical cannabis pharmacy may not sell cannabis or a cannabis product without first
1084 indicating on the cannabis or cannabis product label the name of the medical cannabis
1085 pharmacy.
- 1086 (9)(a) Each medical cannabis pharmacy shall retain in the pharmacy's records the
1087 following information regarding each recommendation underlying a transaction:
- 1088 (i) the recommending medical provider's name, address, and telephone number;
 - 1089 (ii) the patient's name and address;
 - 1090 (iii) the date of issuance;
 - 1091 (iv) directions of use and dosing guidelines or an indication that the recommending
1092 medical provider did not recommend specific directions of use or dosing
1093 guidelines; and
 - 1094 (v) if the patient did not complete the transaction, the name of the medical cannabis
1095 cardholder who completed the transaction.
- 1096 (b)(i) Except as provided in Subsection (9)(b)(iii), a medical cannabis pharmacy may
1097 not sell medical cannabis unless the medical cannabis has a label securely affixed
1098 to the container indicating the following minimum information:
- 1099 (A) the name, address, and telephone number of the medical cannabis pharmacy;
 - 1100 (B) the unique identification number that the medical cannabis pharmacy assigns;
 - 1101 (C) the date of the sale;
 - 1102 (D) the name of the patient;
 - 1103 (E) the name of the recommending medical provider who recommended the
1104 medical cannabis treatment;
 - 1105 (F) directions for use and cautionary statements, if any;
 - 1106 (G) the amount dispensed and the cannabinoid content;
 - 1107 (H) the suggested use date;
 - 1108 (I) for unprocessed cannabis flower, the legal use termination date; and
 - 1109 (J) any other requirements that the department determines, in consultation with the
1110 Division of Professional Licensing and the Board of Pharmacy.
- 1111 (ii) A medical cannabis pharmacy is exempt from the requirement to provide the
1112 following information under Subsection (9)(b)(i) if the information is already
1113 provided on the product label that a cannabis production establishment affixes:
- 1114 (A) a unique identification number;
 - 1115 (B) directions for use and cautionary statements;
 - 1116 (C) amount and cannabinoid content; and

- 1117 (D) a suggested use date.
- 1118 (iii) If the size of a medical cannabis container does not allow sufficient space to
1119 include the labeling requirements described in Subsection (9)(b)(i), the medical
1120 cannabis pharmacy may provide the following information described in
1121 Subsection (9)(b)(i) on a supplemental label attached to the container or an
1122 informational enclosure that accompanies the container:
- 1123 (A) the cannabinoid content;
- 1124 (B) the suggested use date; and
- 1125 (C) any other requirements that the department determines.
- 1126 (iv) A medical cannabis pharmacy may sell medical cannabis to another medical
1127 cannabis pharmacy without a label described in Subsection (9)(b)(i).
- 1128 (10) A pharmacy medical provider or medical cannabis pharmacy agent shall:
- 1129 (a) upon receipt of an order from a limited medical provider in accordance with
1130 Subsections 26B-4-204(1)(b) through (d):
- 1131 (i) for a written order or an electronic order under circumstances that the department
1132 determines, contact the limited medical provider or the limited medical provider's
1133 office to verify the validity of the recommendation; and
- 1134 (ii) for an order that the pharmacy medical provider or medical cannabis pharmacy
1135 agent verifies under Subsection (10)(a)(i) or an electronic order that is not subject
1136 to verification under Subsection (10)(a)(i), enter the limited medical provider's
1137 recommendation or renewal, including any associated directions of use, dosing
1138 guidelines, or caregiver indication, in the state electronic verification system;
- 1139 (b) in processing an order for a holder of a conditional medical cannabis card described
1140 in Subsection 26B-4-213(1)(b) that appears irregular or suspicious in the judgment of
1141 the pharmacy medical provider or medical cannabis pharmacy agent, contact the
1142 recommending medical provider or the recommending medical provider's office to
1143 verify the validity of the recommendation before processing the cardholder's order;
- 1144 (c) unless the medical cannabis cardholder has had a consultation under Subsection
1145 26B-4-231(5), verbally offer to a medical cannabis cardholder at the time of a
1146 purchase of cannabis, a cannabis product, or a medical cannabis device, personal
1147 counseling with the pharmacy medical provider; and
- 1148 (d) provide a telephone number or website by which the cardholder may contact a
1149 pharmacy medical provider for counseling.
- 1150 (11)(a) A medical cannabis pharmacy may create a medical cannabis disposal program

that allows an individual to deposit unused or excess medical cannabis or cannabis residue from a medical cannabis device in a locked box or other secure receptacle within the medical cannabis pharmacy.

(b) A medical cannabis pharmacy with a disposal program described in Subsection (11)(a) shall ensure that only a medical cannabis pharmacy agent or pharmacy medical provider can access deposited medical cannabis.

(c) A medical cannabis pharmacy shall dispose of any deposited medical cannabis by:

(i) rendering the deposited medical cannabis unusable and unrecognizable before

transporting deposited medical cannabis from the medical cannabis pharmacy; and

(ii) disposing of the deposited medical cannabis in accordance with:

(A) federal and state law, rules, and regulations related to hazardous waste;

(B) the Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6991 et seq.;

(C) Title 19, Chapter 6, Part 5, Solid Waste Management Act; and

(D) other regulations that the department makes in accordance with Title 63G,

Chapter 3, Utah Administrative Rulemaking Act.

(12) A medical cannabis pharmacy:

(a) shall employ a pharmacist who is licensed under Title 58, Chapter 17b, Pharmacy Practice Act, as a pharmacy medical provider;

(b) may employ a physician who has the authority to write a prescription and is licensed under Title 58, Chapter 67, Utah Medical Practice Act, or Title 58, Chapter 68, Utah Osteopathic Medical Practice Act, as a pharmacy medical provider;

(c) shall ensure that a pharmacy medical provider described in Subsection (12)(a) works onsite during all business hours;

(d) shall designate one pharmacy medical provider described in Subsection (12)(a) as the pharmacist-in-charge to oversee the operation of and generally supervise the medical cannabis pharmacy;[and]

(e) shall allow the pharmacist-in-charge to determine which cannabis and cannabis products the medical cannabis pharmacy maintains in the medical cannabis pharmacy's inventory[-] ;

(f) shall maintain a video surveillance system that:

(i) tracks all handling of medical cannabis in the pharmacy;

(ii) is tamper proof; and

(iii) stores a video record for at least 45 days; and

(g) shall provide the department access to the video surveillance system upon request.

(13) The department shall establish by rule, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, protocols for a recall of cannabis and cannabis products by a medical cannabis pharmacy.

Section 11. Section **4-41a-1102** is amended to read:

**4-41a-1102 . Dispensing -- Amount a medical cannabis pharmacy may dispense --
Reporting -- Form of cannabis or cannabis product.**

(1)(a) A medical cannabis pharmacy may not sell a product other than:

~~[(i) cannabis in a medicinal dosage form that the medical cannabis pharmacy
acquired from another medical cannabis pharmacy or a cannabis processing
facility that is licensed under Section 4-41a-201;]~~

~~[(ii)]~~ (i) ~~[a cannabis product in a medicinal dosage form]~~ medical cannabis that the
medical cannabis pharmacy acquired from another medical cannabis pharmacy or
a cannabis processing facility that is licensed under Section 4-41a-201;

~~[(iii)]~~ (ii) a medical cannabis device; or

~~[(iv)]~~ (iii) educational material related to the medical use of cannabis.

(b) A medical cannabis pharmacy may only sell an item listed in Subsection (1)(a) to an individual with:

(i)(A) a medical cannabis card; or

(B) a Department of Health and Human Services registration described in
Subsection 26B-4-213(10); and

(ii) a corresponding government issued photo identification.

(c) Notwithstanding Subsection (1)(a), a medical cannabis pharmacy may not sell a cannabis-based drug that the United States Food and Drug Administration has approved.

(d) Notwithstanding Subsection (1)(b), a medical cannabis pharmacy may not sell a medical cannabis device or medical cannabis to an individual described in Subsection 26B-4-213(2)(a)(i)(B) or to a minor described in Subsection 26B-4-213(2)(c) unless the individual or minor has the approval of the Compassionate Use Board in accordance with Subsection 26B-1-421(5).

(2) A medical cannabis pharmacy:

(a) may dispense to a medical cannabis cardholder, in any one 28-day period, up to the legal dosage limit of:

(i) unprocessed cannabis that:

(A) is in a medicinal dosage form; and

- 1219 (B) carries a label clearly displaying the amount of tetrahydrocannabinol and
1220 cannabidiol in the cannabis; and
- 1221 (ii) a cannabis product that is in a medicinal dosage form; and
- 1222 (b) may not dispense:
- 1223 (i) except for a medical cannabis cardholder approved under Subsection 26B-4-245(2),
1224 more medical cannabis than described in Subsection (2)(a); or
- 1225 (ii) any medical cannabis to an individual whose recommending medical provider did
1226 not recommend directions of use and dosing guidelines, until the individual
1227 consults with the pharmacy medical provider in accordance with Subsection
1228 26B-4-231(5).
- 1229 (3)(a) A medical cannabis pharmacy shall:
- 1230 (i)(A) access the state electronic verification system before dispensing [~~cannabis~~
1231 ~~or a cannabis product~~] medical cannabis to a medical cannabis cardholder in
1232 order to determine if the cardholder or, where applicable, the associated patient
1233 has met the maximum amount of medical cannabis described in Subsection (2);
1234 and
- 1235 (B) if the verification in Subsection (3)(a)(i)(A) indicates that the individual has
1236 met the maximum amount described in Subsection (2), decline the sale, and
1237 notify the recommending medical provider who made the underlying
1238 recommendation;
- 1239 (ii) submit a record to the state electronic verification system each time the medical
1240 cannabis pharmacy dispenses medical cannabis to a medical cannabis cardholder;
- 1241 (iii) ensure that the pharmacy medical provider who is a licensed pharmacist reviews
1242 each medical cannabis transaction before dispensing the medical cannabis to the
1243 cardholder in accordance with pharmacy practice standards;
- 1244 (iv) package any medical cannabis[~~that is~~] in a container that:
- 1245 (A) complies with Subsection 4-41a-602(1)(b) or, if applicable, provisions related
1246 to a container for unprocessed cannabis flower in the definition of "medicinal
1247 dosage form" in Section 26B-4-201; and
- 1248 (B) is tamper-resistant and tamper-evident;[~~and~~]
- 1249 [~~(C) provides an opaque bag or box for the medical cannabis cardholder's use in~~
1250 ~~transporting the container in public;~~]
- 1251 (v) for a product that is a cube that is designed for ingestion through chewing or
1252 holding in the mouth for slow dissolution, include a separate, off-label warning

- 1253 about the risks of over-consumption; and
- 1254 (vi) beginning January 1, 2024, for [~~a cannabis product~~] medical cannabis that is
- 1255 cannabis flower, vaporizer cartridges, or concentrate, provide the product's terpene
- 1256 profiles collected under Subsection 4-41a-701(4) at or before the point of sale.
- 1257 (b) A medical cannabis cardholder transporting or possessing the container described in
- 1258 Subsection (3)(a)(iv) in public shall keep the container within the opaque bag or box
- 1259 that the medical cannabis pharmacist provides.
- 1260 (c) A medical cannabis pharmacy shall provide an opaque bag or box for the medical
- 1261 cannabis cardholder to use in transporting the medical cannabis in public if the
- 1262 medical cannabis cardholder does not provide an opaque bag or box.
- 1263 (4)(a) Except as provided in Subsection (4)(b), a medical cannabis pharmacy may not
- 1264 sell medical cannabis in the form of a cigarette or a medical cannabis device that is
- 1265 intentionally designed or constructed to resemble a cigarette.
- 1266 (b) A medical cannabis pharmacy may sell a medical cannabis device that warms
- 1267 cannabis material into a vapor without the use of a flame and that delivers cannabis to
- 1268 an individual's respiratory system.
- 1269 (5)(a) A medical cannabis pharmacy may not give, at no cost, a product that the medical
- 1270 cannabis pharmacy is allowed to sell under Subsection (1)(a)(i)[;] or (ii)[; or (iii)].
- 1271 (b) A medical cannabis pharmacy may give, at no cost, educational material related to
- 1272 the medical use of cannabis.
- 1273 (6) A medical cannabis pharmacy may purchase and store medical cannabis devices
- 1274 regardless of whether the seller has a cannabis-related license under this chapter or Title
- 1275 26B, Utah Health and Human Services Code.
- 1276 Section 12. Section **4-41a-1106** is amended to read:
- 1277 **4-41a-1106 . Medical cannabis pharmacy agent -- Registration.**
- 1278 (1) An individual may not serve as a medical cannabis pharmacy agent of a medical
- 1279 cannabis pharmacy unless the department registers the individual as a medical cannabis
- 1280 pharmacy agent.
- 1281 (2) A recommending medical provider may not act as a medical cannabis pharmacy agent,
- 1282 have a financial or voting interest of 2% or greater in a medical cannabis pharmacy, or
- 1283 have the power to direct or cause the management or control of a medical cannabis
- 1284 pharmacy.
- 1285 (3)(a) The department shall, within 15 days after the day on which the department
- 1286 receives a complete application from a medical cannabis pharmacy on behalf of a

prospective medical cannabis pharmacy agent, register and issue a medical cannabis pharmacy agent registration card to the prospective agent if the medical cannabis pharmacy:

(i) provides to the department:

(A) the prospective agent's name and address;

(B) the name and location of the licensed medical cannabis pharmacy where the prospective agent seeks to act as the medical cannabis pharmacy agent; and

(C) the submission required under Subsection (3)(b); and

(ii) pays a fee to the department in an amount that, subject to Subsection 4-41a-104 (5), the department sets in accordance with Section 63J-1-504.

(b) Each prospective agent described in Subsection (3)(a) shall:

(i) submit to the department:

(A) a fingerprint card in a form acceptable to the Department of Public Safety; and

(B) a signed waiver in accordance with Subsection 53-10-108(4) acknowledging the registration of the prospective agent's fingerprints in the Federal Bureau of Investigation Next Generation Identification System's Rap Back Service; and

(ii) consent to a fingerprint background check by:

(A) the Bureau of Criminal Identification; and

(B) the Federal Bureau of Investigation.

(c) The Bureau of Criminal Identification shall:

(i) check the fingerprints the prospective agent submits under Subsection (3)(b) against the applicable state, regional, and national criminal records databases, including the Federal Bureau of Investigation Next Generation Identification System;

(ii) report the results of the background check to the department;

(iii) maintain a separate file of fingerprints that prospective agents submit under Subsection (3)(b) for search by future submissions to the local and regional criminal records databases, including latent prints;

(iv) request that the fingerprints be retained in the Federal Bureau of Investigation Next Generation Identification System's Rap Back Service for search by future submissions to national criminal records databases, including the Next Generation Identification System and latent prints; and

(v) establish a privacy risk mitigation strategy to ensure that the department only receives notifications for an individual with whom the department maintains an

1321 authorizing relationship.

1322 (d) The department shall:

1323 (i) assess an individual who submits fingerprints under Subsection (3)(b) a fee in an
1324 amount that the department sets in accordance with Section 63J-1-504 for the
1325 services that the Bureau of Criminal Identification or another authorized agency
1326 provides under this section; and

1327 (ii) remit the fee described in Subsection (3)(d)(i) to the Bureau of Criminal
1328 Identification.

1329 ~~[(4) The department shall designate, on an individual's medical cannabis pharmacy agent~~
1330 ~~registration card the name of the medical cannabis pharmacy where the individual is~~
1331 ~~registered as an agent.]~~

1332 ~~[(5)]~~ (4) A medical cannabis pharmacy agent shall comply with a certification standard that
1333 the department develops in collaboration with the Division of Professional Licensing
1334 and the Board of Pharmacy, or a third-party certification standard that the department
1335 designates by rule, in collaboration with the Division of Professional Licensing and the
1336 Board of Pharmacy and in accordance with Title 63G, Chapter 3, Utah Administrative
1337 Rulemaking Act.

1338 ~~[(6)]~~ (5) The department shall ensure that the certification standard described in Subsection [
1339 (5)] (4) includes training in:

1340 (a) Utah medical cannabis law; and
1341 (b) medical cannabis pharmacy best practices.

1342 ~~[(7)]~~ (6) The department may revoke the medical cannabis pharmacy agent registration card
1343 of, or refuse to issue a medical cannabis pharmacy agent registration card to, an
1344 individual who:

1345 (a) violates the requirements of this chapter; or
1346 (b) is convicted under state or federal law of:
1347 (i) a felony within the preceding 10 years; or
1348 (ii) after December 3, 2018, a misdemeanor for drug distribution.

1349 ~~[(8)]~~ (7)(a) A medical cannabis pharmacy agent registration card expires two years after
1350 the day on which the department issues or renews the card.

1351 (b) A medical cannabis pharmacy agent may renew the agent's registration card if the
1352 agent:

1353 (i) is eligible for a medical cannabis pharmacy agent registration card under this
1354 section;

- (ii) certifies to the department in a renewal application that the information in Subsection (3)(a) is accurate or updates the information; and
- (iii) pays to the department a renewal fee in an amount that:
- (A) subject to Subsection 4-41a-104(5), the department sets in accordance with Section 63J-1-504; and
- (B) may not exceed the cost of the relatively lower administrative burden of renewal in comparison to the original application process.

~~[(9)]~~ (8)(a) As a condition precedent to registration and renewal of a medical cannabis pharmacy agent registration card, a medical cannabis pharmacy agent shall:

- (i) complete at least one hour of continuing education regarding patient privacy and federal health information privacy laws that is offered by the department under Subsection ~~[(9)(b)]~~ (8)(b) or an accredited or approved continuing education provider that the department recognizes as offering continuing education appropriate for the medical cannabis pharmacy practice; and
- (ii) make a continuing education report to the department in accordance with a process that the department establishes by rule, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and in collaboration with the Division of Professional Licensing and the Board of Pharmacy.
- (b) The department may, in consultation with the Division of Professional Licensing, develop the continuing education described in this Subsection ~~[(9)]~~ (8).
- (c) The pharmacist-in-charge described in Section 26B-4-219 shall ensure that each medical cannabis pharmacy agent working in the medical cannabis pharmacy who has access to the state electronic verification system is in compliance with this Subsection ~~[(9)]~~ (8).
- (d) A medical cannabis pharmacy agent may not access the electronic verification system following the termination of the medical cannabis pharmacy agent's employment.

~~[(10)]~~ (9) A medical cannabis pharmacy shall:

- (a) maintain a list of employees that have a medical cannabis pharmacy agent registration card; and
- (b) provide the list to the department upon request.

Section 13. Section **4-41a-1202** is amended to read:

4-41a-1202 . Home delivery of medical cannabis shipments -- Medical cannabis couriers -- License.

- 1389 (1) The department shall make rules, in accordance with Title 63G, Chapter 3, Utah
1390 Administrative Rulemaking Act, to ensure the safety, security, and efficiency of a home
1391 delivery medical cannabis pharmacy's fulfillment of electronic medical cannabis orders
1392 that the state central patient portal facilitates, including rules regarding the safe and
1393 controlled delivery of medical cannabis shipments.
- 1394 (2) A person may not operate as a medical cannabis courier without a license that the [
1395 ~~department~~] licensing board issues under this section.
- 1396 (3)(a) Subject to Subsections (5) and (6), the [~~department~~] licensing board shall issue a
1397 license to operate as a medical cannabis courier to an applicant who is eligible for a
1398 license under this section.
- 1399 (b) An applicant is eligible for a license under this section if the applicant submits to the [
1400 ~~department~~] licensing board:
- 1401 (i) the name and address of an individual who:
- 1402 (A) has a financial or voting interest of 10% or greater in the proposed medical
1403 cannabis courier; or
- 1404 (B) has the power to direct or cause the management or control of a proposed
1405 cannabis production establishment;
- 1406 (ii) an operating plan that includes operating procedures to comply with the operating
1407 requirements for a medical cannabis courier described in this chapter; and
- 1408 (iii) an application fee in an amount that, subject to Subsection 4-41a-104(5), the
1409 department sets in accordance with Section 63J-1-504.
- 1410 (4) If the [~~department~~] licensing board determines that an applicant is eligible for a license
1411 under this section, the department shall:
- 1412 (a) charge the applicant an initial license fee in an amount that, subject to Subsection
1413 4-41a-104(5), the department sets in accordance with Section 63J-1-504; and
- 1414 (b) notify the Department of Public Safety of the license approval and the names of each
1415 individual described in Subsection (3)(b)(i).
- 1416 (5) The [~~department~~] licensing board may not issue a license to operate as a medical
1417 cannabis courier to an applicant if an individual described in Subsection (3)(b)(i):
- 1418 (a) has been convicted under state or federal law of:
- 1419 (i) a felony in the preceding 10 years; or
- 1420 (ii) after September 23, 2019, a misdemeanor for drug distribution; or
- 1421 (b) is younger than 21 years old.
- 1422 (6) The [~~department~~] licensing board may revoke a license under this part if:

- 1423 (a) the medical cannabis courier does not begin operations within one year after the day
1424 on which the department issues the initial license;
- 1425 (b) the medical cannabis courier makes the same violation of this chapter three times;
- 1426 (c) an individual described in Subsection (3)(b)(i) is convicted, while the license is
1427 active, under state or federal law of:
- 1428 (i) a felony; or
- 1429 (ii) after September 23, 2019, a misdemeanor for drug distribution; or
- 1430 (d) after a change of ownership described in Subsection (14)(c), the [department]
1431 licensing board determines that the medical cannabis courier no longer meets the
1432 minimum standards for licensure and operation of the medical cannabis courier
1433 described in this chapter.
- 1434 (7) The department shall deposit the proceeds of a fee imposed by this section [in] into the
1435 Qualified Production Enterprise Fund.
- 1436 (8) The [~~department's~~] licensing board's authority to issue a license under this section is
1437 plenary and is not subject to review.
- 1438 (9) Each applicant for a license as a medical cannabis courier shall submit, at the time of
1439 application, from each individual who has a financial or voting interest of 10% or
1440 greater in the applicant or who has the power to direct or cause the management or
1441 control of the applicant:
- 1442 (a) a fingerprint card in a form acceptable to the Department of Public Safety;
- 1443 (b) a signed waiver in accordance with Subsection 53-10-108(4) acknowledging the
1444 registration of the individual's fingerprints in the Federal Bureau of Investigation
1445 Next Generation Identification System's Rap Back Service; and
- 1446 (c) consent to a fingerprint background check by:
- 1447 (i) the Bureau of Criminal Identification; and
- 1448 (ii) the Federal Bureau of Investigation.
- 1449 (10) The Bureau of Criminal Identification shall:
- 1450 (a) check the fingerprints the applicant submits under Subsection (9) against the
1451 applicable state, regional, and national criminal records databases, including the
1452 Federal Bureau of Investigation Next Generation Identification System;
- 1453 (b) report the results of the background check to the department;
- 1454 (c) maintain a separate file of fingerprints that applicants submit under Subsection (9)
1455 for search by future submissions to the local and regional criminal records databases,
1456 including latent prints;

- 1457 (d) request that the fingerprints be retained in the Federal Bureau of Investigation Next
1458 Generation Identification System's Rap Back Service for search by future
1459 submissions to national criminal records databases, including the Next Generation
1460 Identification System and latent prints; and
- 1461 (e) establish a privacy risk mitigation strategy to ensure that the department only
1462 receives notifications for an individual with whom the department maintains an
1463 authorizing relationship.
- 1464 (11) The department shall:
- 1465 (a) assess an individual who submits fingerprints under Subsection (9) a fee in an
1466 amount that the department sets in accordance with Section 63J-1-504 for the
1467 services that the Bureau of Criminal Identification or another authorized agency
1468 provides under this section; and
- 1469 (b) remit the fee described in Subsection (11)(a) to the Bureau of Criminal Identification.
- 1470 (12) The ~~[department]~~ licensing board shall renew a license under this section every year if,
1471 at the time of renewal:
- 1472 (a) the licensee meets the requirements of this section; and
- 1473 (b) the licensee pays the department a license renewal fee in an amount that, subject to
1474 Subsection 4-41a-104(5), the department sets in accordance with Section 63J-1-504.
- 1475 (13) A person applying for a medical cannabis courier license shall submit to the [
1476 ~~department~~] licensing board a proposed operating plan that complies with this section
1477 and that includes:
- 1478 (a) a description of the physical characteristics of any proposed facilities, including a
1479 floor plan and an architectural elevation, and delivery vehicles;
- 1480 (b) a description of the credentials and experience of each officer, director, or owner of
1481 the proposed medical cannabis courier;
- 1482 (c) the medical cannabis courier's employee training standards;
- 1483 (d) a security plan; and
- 1484 (e) storage and delivery protocols, both short and long term, to ensure that medical
1485 cannabis shipments are stored and delivered in a manner that is sanitary and
1486 preserves the integrity of the cannabis.
- 1487 (14)(a) A medical cannabis courier license is not transferable or assignable.
- 1488 (b) A medical cannabis courier shall report in writing to the department no later than [10]
1489 45 business days before the date of any change of ownership of the medical cannabis
1490 courier.

- (c) If the ownership of a medical cannabis courier changes by 50% or more:
- (i) concurrent with the report described in Subsection (14)(b), the medical cannabis courier shall submit a new application described in Subsection (3)(b);
 - (ii) within 30 days of the submission of the application, the [department] licensing board shall:
 - (A) conduct an application review; and
 - (B) award a license to the medical cannabis courier for the remainder of the term of the medical cannabis courier's license before the ownership change if the medical cannabis courier meets the minimum standards for licensure and operation of the medical cannabis courier described in this chapter; and
 - (iii) if the [department] licensing board approves the license application, notwithstanding Subsection (4), the medical cannabis courier shall pay a license fee that the department sets in accordance with Section 63J-1-504 in an amount that covers the [board] licensing board's cost of conducting the application review.
- (15)(a) Except as provided in Subsection(15)(b), a person may not advertise regarding the transportation of medical cannabis.
- (b) Notwithstanding Subsection (14)(a) and subject to Section 4-41a-109, a licensed home delivery medical cannabis pharmacy or a licensed medical cannabis courier may advertise:
- (i) a green cross;
 - (ii) the pharmacy's or courier's name and logo; and
 - (iii) that the pharmacy or courier is licensed to transport medical cannabis shipments.

Section 14. Section **4-41a-1204** is amended to read:

4-41a-1204 . Medical cannabis courier agent -- Background check -- Registration card -- Rebuttable presumption.

- (1) An individual may not serve as a medical cannabis courier agent unless the department registers the individual as a medical cannabis courier agent.
- (2)(a) The department shall, within 15 days after the day on which the department receives a complete application from a medical cannabis courier on behalf of a medical cannabis courier agent, register and issue a medical cannabis courier agent registration card to the prospective agent if the medical cannabis courier:
- (i) provides to the department:
 - (A) the prospective agent's name and address;
 - (B) the name and address of the medical cannabis courier;

- 1525 (C) the name and address of each home delivery medical cannabis pharmacy with
1526 which the medical cannabis courier contracts to deliver medical cannabis
1527 shipments; and
- 1528 (D) the submission required under Subsection (2)(b);
- 1529 (ii) as reported under Subsection (2)(c), has not been convicted under state or federal
1530 law of:
- 1531 (A) a felony ~~§~~ → [in the last 10 years] ← ~~§~~ ; or
1532 (B) after December 3, 2018, a misdemeanor for drug distribution; and
- 1533 (iii) pays the department a fee in an amount that, subject to Subsection 4-41a-104(5),
1534 the department sets in accordance with Section 63J-1-504.
- 1535 (b) Each prospective agent described in Subsection (2)(a) shall:
- 1536 (i) submit to the department:
- 1537 (A) a fingerprint card in a form acceptable to the Department of Public Safety; and
1538 (B) a signed waiver in accordance with Subsection 53-10-108(4) acknowledging
1539 the registration of the prospective agent's fingerprints in the Federal Bureau of
1540 Investigation Next Generation Identification System's Rap Back Service; and
- 1541 (ii) consent to a fingerprint background check by:
- 1542 (A) the Bureau of Criminal Identification; and
1543 (B) the Federal Bureau of Investigation.
- 1544 (c) The Bureau of Criminal Identification shall:
- 1545 (i) check the fingerprints the prospective agent submits under Subsection (2)(b)
1546 against the applicable state, regional, and national criminal records databases,
1547 including the Federal Bureau of Investigation Next Generation Identification
1548 System;
- 1549 (ii) report the results of the background check to the department;
- 1550 (iii) maintain a separate file of fingerprints that prospective agents submit under
1551 Subsection (2)(b) for search by future submissions to the local and regional
1552 criminal records databases, including latent prints;
- 1553 (iv) request that the fingerprints be retained in the Federal Bureau of Investigation
1554 Next Generation Identification System's Rap Back Service for search by future
1555 submissions to national criminal records databases, including the Next Generation
1556 Identification System and latent prints; and
- 1557 (v) establish a privacy risk mitigation strategy to ensure that the department only
1558 receives notifications for an individual with whom the department maintains an

1559 authorizing relationship.

1560 (d) The department shall:

1561 (i) assess an individual who submits fingerprints under Subsection (2)(b) a fee in an
1562 amount that the department sets in accordance with Section 63J-1-504 for the
1563 services that the Bureau of Criminal Identification or another authorized agency
1564 provides under this section; and

1565 (ii) remit the fee described in Subsection (2)(d)(i) to the Bureau of Criminal
1566 Identification.

1567 ~~[(3) The department shall designate on an individual's medical cannabis courier agent~~
1568 ~~registration card the name of the medical cannabis pharmacy where the individual is~~
1569 ~~registered as an agent and each home delivery medical cannabis courier for which the~~
1570 ~~medical cannabis courier delivers medical cannabis shipments.]~~

1571 ~~[(4)]~~ (3)(a) A medical cannabis courier agent shall comply with a certification standard
1572 that the department develops, in collaboration with the Division of Professional
1573 Licensing and the Board of Pharmacy, or a third-party certification standard that the
1574 department designates by rule in collaboration with the Division of Professional
1575 Licensing and the Board of Pharmacy and in accordance with Title 63G, Chapter 3,
1576 Utah Administrative Rulemaking Act.

1577 (b) The department shall ensure that the certification standard described in Subsection [
1578 ~~(4)(a)]~~ (3)(a) includes training in:

1579 (i) Utah medical cannabis law;
1580 (ii) the medical cannabis shipment process; and
1581 (iii) medical cannabis courier agent best practices.

1582 ~~[(5)]~~ (4)(a) A medical cannabis courier agent registration card expires two years after the
1583 day on which the department issues or renews the card.

1584 (b) A medical cannabis courier agent may renew the agent's registration card if the agent:

1585 (i) is eligible for a medical cannabis courier agent registration card under this section;
1586 (ii) certifies to the department in a renewal application that the information in
1587 Subsection (2)(a) is accurate or updates the information; and
1588 (iii) pays to the department a renewal fee in an amount that:

1589 (A) subject to Subsection 4-41a-104(5), the department sets in accordance with
1590 Section 63J-1-504; and

1591 (B) may not exceed the cost of the relatively lower administrative burden of
1592 renewal in comparison to the original application process.

1593 ~~[(6)]~~ (5) The department may revoke or refuse to issue or renew the medical cannabis
1594 courier agent registration card of an individual who:
1595 (a) violates the requirements of this chapter; or
1596 (b) is convicted under state or federal law of:
1597 (i) a felony within the preceding 10 years; or
1598 (ii) after December 3, 2018, a misdemeanor for drug distribution.

1599 ~~[(7)]~~ (6) A medical cannabis courier agent whom the department has registered under this
1600 section shall carry the agent's medical cannabis courier agent registration card with the
1601 agent at all times when:
1602 (a) the agent is on the premises of the medical cannabis courier, a medical cannabis
1603 pharmacy, or a delivery address; and
1604 (b) the agent is handling a medical cannabis shipment.

1605 ~~[(8)]~~ (7) If a medical cannabis courier agent handling a medical cannabis shipment
1606 possesses the shipment in compliance with Subsection ~~[(7)]~~ (6):
1607 (a) there is a rebuttable presumption that the agent possesses the shipment legally; and
1608 (b) there is no probable cause, based solely on the agent's possession of the medical
1609 cannabis shipment that the agent is engaging in illegal activity.

1610 ~~[(9)]~~ (8)(a) A medical cannabis courier agent who violates Subsection ~~[(7)]~~ (6) is:
1611 (i) guilty of an infraction; and
1612 (ii) subject to a \$100 fine.

1613 (b) An individual who is guilty of a violation described in Subsection ~~[(9)(a)]~~ (8)(a) is
1614 not guilty of a violation of Title 58, Chapter 37, Utah Controlled Substances Act, for
1615 the conduct underlying the violation described in Subsection ~~[(9)(a)]~~ (8)(a).

1616 ~~[(10)]~~ (9) A medical cannabis courier shall:
1617 (a) maintain a list of employees who have a medical cannabis courier agent card; and
1618 (b) provide the list to the department upon request.

1619 Section 15. Section **26B-1-435** is amended to read:
1620 **26B-1-435 . Medical Cannabis Policy Advisory Board creation -- Membership --**
1621 **Duties.**
1622 (1) There is created within the department the Medical Cannabis Policy Advisory Board.
1623 (2)(a) The advisory board shall consist of the following members:
1624 (i) appointed by the executive director:
1625 (A) a qualified medical provider who has recommended medical cannabis to at
1626 least 100 patients before being appointed;

- 1627 (B) a medical research professional;
1628 (C) a mental health specialist;
1629 (D) an individual who represents an organization that advocates for medical
1630 cannabis patients;
1631 (E) an individual who holds a medical cannabis patient card; and
1632 (F) a member of the general public who does not hold a medical cannabis card; and
1633 (ii) appointed by the commissioner of the Department of Agriculture and Food:
1634 (A) an individual who owns or operates a licensed cannabis cultivation facility, as
1635 defined in Section 4-41a-102;
1636 (B) an individual who owns or operates a licensed medical cannabis pharmacy;
1637 and
1638 (C) a law enforcement officer.
- 1639 (b) The commissioner of the Department of Agriculture and Food shall ensure that at
1640 least one individual appointed under Subsection (2)(a)(ii)(A) or (B) also owns or
1641 operates a licensed cannabis processing facility.
- 1642 (3)(a) Subject to Subsection (3)(b), a member of the advisory board shall serve for a four
1643 year term.
- 1644 (b) When appointing the initial membership of the advisory board, the executive director
1645 and the commissioner of the Department of Agriculture and Food shall coordinate to
1646 appoint four advisory board members to serve a term of two years to ensure that
1647 approximately half of the board is appointed every two years.
- 1648 (4)(a) If an advisory board member is no longer able to serve as a member, a new
1649 member shall be appointed in the same manner as the original appointment.
- 1650 (b) A member appointed in accordance with Subsection (4)(a) shall serve for the
1651 remainder of the unexpired term of the original appointment.
- 1652 (5)(a) A majority of the advisory board members constitutes a quorum.
- 1653 (b) The action of a majority of a quorum constitutes an action of the advisory board.
- 1654 (c) For a term lasting one year, the advisory board shall annually designate members of
1655 the advisory board to serve as chair and vice-chair.
- 1656 (d) When designating the chair and vice-chair, the advisory board shall ensure that at
1657 least one individual described Subsection (2)(a)(i) is appointed as chair or vice-chair.
- 1658 (6) An advisory board member may not receive compensation or benefits for the member's
1659 service on the advisory board but may receive per diem and reimbursement for travel
1660 expenses incurred as an advisory board member in accordance with:

- 1661 (a) Sections 63A-3-106 and 63A-3-107; and
1662 (b) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
1663 63A-3-107.
- 1664 (7) The department shall:
1665 (a) provide staff support for the advisory board; and
1666 (b) assist the advisory board in conducting meetings.
- 1667 (8) The advisory board may recommend:
1668 (a) to the department or the Department of Agriculture and Food changes to current or
1669 proposed medical cannabis rules or statutes; and
1670 (b) to the appropriate legislative committee whether the advisory board supports a
1671 change to medical cannabis statutes.
- 1672 (9) The advisory board shall:
1673 (a) review any draft rule that is authorized under [~~this chapter~~] Chapter 4, Part 2,
1674 Cannabinoid Research and Medical Cannabis, or Title 4, Chapter 41a, Cannabis
1675 Production Establishments and Pharmacies;
1676 (b) consult with the Department of Agriculture and Food regarding the issuance of an
1677 additional:
1678 (i) cultivation facility license under Section 4-41a-205; or
1679 (ii) pharmacy license under Section 4-41a-1005;
1680 (c) consult with the department regarding cannabis patient education;
1681 (d) consult regarding the reasonableness of any fees set by the department or the
1682 Department of Agriculture and Food that pertain to the medical cannabis program;
1683 and
1684 (e) consult regarding any issue pertaining to medical cannabis when asked by the
1685 department or the Utah Department of Agriculture and Food.
- 1686 Section 16. Section **26B-4-202** is amended to read:
1687 **26B-4-202 . Electronic verification system.**
- 1688 (1) The Department of Agriculture and Food, the department, the Department of Public
1689 Safety, and the Division of Technology Services shall:
1690 (a) enter into a memorandum of understanding in order to determine the function and
1691 operation of the state electronic verification system in accordance with Subsection
1692 (2);
1693 (b) coordinate with the Division of Purchasing, under Title 63G, Chapter 6a, Utah
1694 Procurement Code, to develop a request for proposals for a third-party provider to

- develop and maintain the state electronic verification system in coordination with the Division of Technology Services; and
- (c) select a third-party provider who:
- (i) meets the requirements contained in the request for proposals issued under Subsection (1)(b); and
 - (ii) may not have any commercial or ownership interest in a cannabis production establishment or a medical cannabis pharmacy.
- (2) The Department of Agriculture and Food, the department, the Department of Public Safety, and the Division of Technology Services shall ensure that the state electronic verification system described in Subsection (1):
- (a) allows an individual to apply for a medical cannabis patient card or, if applicable, a medical cannabis guardian card, provided that the card may not become active until:
 - (i) the relevant qualified medical provider completes the associated medical cannabis recommendation; or
 - (ii) for a medical cannabis card related to a limited medical provider's recommendation, the medical cannabis pharmacy completes the recording described in Subsection (2)(d);
 - (b) allows an individual to apply to renew a medical cannabis patient card or a medical cannabis guardian card in accordance with Section 26B-4-213;
 - (c) allows a qualified medical provider, or an employee described in Subsection (3) acting on behalf of the qualified medical provider, to:
 - (i) access dispensing and card status information regarding a patient:
 - (A) with whom the qualified medical provider has a provider-patient relationship; and
 - (B) for whom the qualified medical provider has recommended or is considering recommending a medical cannabis card;
 - (ii) electronically recommend treatment with cannabis in a medicinal dosage form or a cannabis product in a medicinal dosage form and optionally recommend dosing guidelines;
 - (iii) electronically renew a recommendation to a medical cannabis patient cardholder or medical cannabis guardian cardholder:
 - (A) using telehealth services, for the qualified medical provider who originally recommended a medical cannabis treatment during a face-to-face visit with the patient; or

- 1729 (B) during a face-to-face visit with the patient, for a qualified medical provider
1730 who did not originally recommend the medical cannabis treatment during a
1731 face-to-face visit; and
- 1732 (iv) submit an initial application, renewal application, or application payment on
1733 behalf of an individual applying for any of the following:
- 1734 (A) a medical cannabis patient card;
1735 (B) a medical cannabis guardian card; or
1736 (C) a medical cannabis caregiver card;
- 1737 (d) allows a medical cannabis pharmacy medical provider or medical cannabis pharmacy
1738 agent, in accordance with Subsection 4-41a-1101(10)(a), to:
- 1739 (i) access the electronic verification system to review the history within the system of
1740 a patient with whom the provider or agent is interacting, limited to read-only
1741 access for medical cannabis pharmacy agents unless the medical cannabis
1742 pharmacy's pharmacist in charge authorizes add and edit access;
- 1743 (ii) record a patient's recommendation from a limited medical provider, including any
1744 directions of use, dosing guidelines, or caregiver indications from the limited
1745 medical provider;
- 1746 (iii) record a limited medical provider's renewal of the provider's previous
1747 recommendation; and
- 1748 (iv) submit an initial application, renewal application, or application payment on
1749 behalf of an individual applying for any of the following:
- 1750 (A) a medical cannabis patient card;
1751 (B) a medical cannabis guardian card; or
1752 (C) a medical cannabis caregiver card;
- 1753 (e) connects with:
- 1754 (i) an inventory control system that a medical cannabis pharmacy uses to track in real
1755 time and archive purchases of any cannabis in a medicinal dosage form, cannabis
1756 product in a medicinal dosage form, or a medical cannabis device, including:
- 1757 (A) the time and date of each purchase;
1758 (B) the quantity and type of cannabis, cannabis product, or medical cannabis
1759 device purchased;
- 1760 (C) any cannabis production establishment, any medical cannabis pharmacy, or
1761 any medical cannabis courier associated with the cannabis, cannabis product,
1762 or medical cannabis device; and

- (D) the personally identifiable information of the medical cannabis cardholder who made the purchase; and
- (ii) any commercially available inventory control system that a cannabis production establishment utilizes in accordance with Section 4-41a-103 to use data that the Department of Agriculture and Food requires by rule, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, from the inventory tracking system that a licensee uses to track and confirm compliance;
- (f) provides access to:
- (i) the department to the extent necessary to carry out the department's functions and responsibilities under this part;
- (ii) the Department of Agriculture and Food to the extent necessary to carry out the functions and responsibilities of the Department of Agriculture and Food under Title 4, Chapter 41a, Cannabis Production Establishments and Pharmacies; and
- (iii) the Division of Professional Licensing to the extent necessary to carry out the functions and responsibilities related to the participation of the following in the recommendation and dispensing of medical cannabis:
- (A) a podiatrist licensed under Title 58, Chapter 5a, Podiatric Physician Licensing Act;
- (B) a pharmacist licensed under Title 58, Chapter 17b, Pharmacy Practice Act;
- (C) an advanced practice registered nurse licensed under Title 58, Chapter 31b, Nurse Practice Act;
- (D) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act, or Title 58, Chapter 68, Utah Osteopathic Medical Practice Act; or
- (E) a physician assistant licensed under Title 58, Chapter 70a, Utah Physician Assistant Act;
- (g) provides access to and interaction with the state central patient portal;
- (h) communicates dispensing information from a record that a medical cannabis pharmacy submits to the state electronic verification system under Subsection 4-41a-1102(3)(a)(ii) to the controlled substance database;
- (i) provides access to state or local law enforcement only to verify the validity of an individual's medical cannabis card for the administration of criminal justice and through a database used by law enforcement; and
- (j) creates a record each time a person accesses the system that identifies the person who accesses the system and the individual whose records the person accesses.

- (3)(a) An employee of a qualified medical provider may access the electronic verification system for a purpose described in Subsection (2)(c) on behalf of the qualified medical provider if:
- (i) the qualified medical provider has designated the employee as an individual authorized to access the electronic verification system on behalf of the qualified medical provider;
 - (ii) the qualified medical provider provides written notice to the department of the employee's identity and the designation described in Subsection (3)(a)(i); and
 - (iii) the department grants to the employee access to the electronic verification system.
- (b) An employee of a business that employs a qualified medical provider may access the electronic verification system for a purpose described in Subsection (2)(c) on behalf of the qualified medical provider if:
- (i) the qualified medical provider has designated the employee as an individual authorized to access the electronic verification system on behalf of the qualified medical provider;
 - (ii) the qualified medical provider and the employing business jointly provide written notice to the department of the employee's identity and the designation described in Subsection (3)(b)(i); and
 - (iii) the department grants to the employee access to the electronic verification system.
- (c) Every two years, an employee described in Subsections (3)(a) and (3)(b) shall complete at least one hour of education regarding health information privacy laws that is offered by the department or an accredited or approved education provider that the department recognizes before the department may grant the employee access to the electronic verification system.
- (4)(a) As used in this Subsection (4), "prescribing provider" means:
- (i) a podiatrist licensed under Title 58, Chapter 5a, Podiatric Physician Licensing Act;
 - (ii) an advanced practice registered nurse licensed under Title 58, Chapter 31b, Nurse Practice Act;
 - (iii) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act, or Title 58, Chapter 68, Utah Osteopathic Medical Practice Act; or
 - (iv) a physician assistant licensed under Title 58, Chapter 70a, Utah Physician Assistant Act.

- 1831 (b) A prescribing provider may access information in the electronic verification system
1832 regarding a patient the prescribing provider treats.
- 1833 (5) The department may release limited data that the system collects for the purpose of:
1834 (a) conducting medical and other department approved research;
1835 (b) providing the report required by Section 26B-4-222; and
1836 (c) other official department purposes.
- 1837 (6) The department shall make rules, in accordance with Title 63G, Chapter 3, Utah
1838 Administrative Rulemaking Act, to establish:
1839 (a) the limitations on access to the data in the state electronic verification system as
1840 described in this section; and
1841 (b) standards and procedures to ensure accurate identification of an individual requesting
1842 information or receiving information in this section.
- 1843 (7) Any person who negligently or recklessly releases any information in the state
1844 electronic verification system in violation of this section is guilty of a class C
1845 misdemeanor.
- 1846 (8) Any person who obtains or attempts to obtain information from the state electronic
1847 verification system by misrepresentation or fraud is guilty of a third degree felony.
- 1848 (9)(a) Except as provided in Subsections (9)(c) and (9)(e), a person may not knowingly
1849 and intentionally use, release, publish, or otherwise make available to any other
1850 person information obtained from the state electronic verification system for any
1851 purpose other than a purpose specified in this section.
- 1852 (b) Each separate violation of this Subsection (9) is:
1853 (i) a third degree felony; and
1854 (ii) subject to a civil penalty not to exceed \$5,000.
- 1855 (c) A law enforcement officer who uses the database used by law enforcement to access
1856 information in the electronic verification system for a reason that is not the
1857 administration of criminal justice is guilty of a class B misdemeanor.
- 1858 (d) The department shall determine a civil violation of this Subsection (9) in accordance
1859 with Title 63G, Chapter 4, Administrative Procedures Act.
- 1860 (e) Civil penalties assessed under this Subsection (9) shall be deposited into the General
1861 Fund.
- 1862 (f) This Subsection (9) does not prohibit a person who obtains information from the state
1863 electronic verification system under Subsection (2)(a), (c), or (f) from:
1864 (i) including the information in the person's medical chart or file for access by a

- 1865 person authorized to review the medical chart or file;
- 1866 (ii) providing the information to a person in accordance with the requirements of the
- 1867 Health Insurance Portability and Accountability Act of 1996; or
- 1868 (iii) discussing or sharing that information about the patient with the patient.

1869 Section 17. Section **26B-4-204** is amended to read:

1870 **26B-4-204 . Qualified medical provider registration -- Continuing education --**

1871 **Treatment recommendation -- Limited medical provider.**

- 1872 (1)(a)(i) Except as provided in Subsection (1)(b), an individual may not recommend a
- 1873 medical cannabis treatment unless the department registers the individual as a
- 1874 qualified medical provider in accordance with this section.
- 1875 (ii) Notwithstanding Subsection (1)(a)(i), a qualified medical provider who is
- 1876 podiatrist licensed under Title 58, Chapter 5a, Podiatric Physician Licensing Act,
- 1877 may not recommend a medical cannabis treatment except within the course and
- 1878 scope of a practice of podiatry, as that term is defined in Section 58-5a-102.
- 1879 (b) An individual who meets the recommending qualifications may recommend a
- 1880 medical cannabis treatment as a limited medical provider without registering under
- 1881 Subsection (1)(a) if:
- 1882 (i) the individual recommends the use of medical cannabis to the patient through an
- 1883 order described in Subsection (1)(c) after:
- 1884 (A) a face-to-face visit for an initial recommendation or the renewal of a
- 1885 recommendation for a patient for whom the limited medical provider did not
- 1886 make the patient's original recommendation; or
- 1887 (B) a visit using telehealth services for a renewal of a recommendation for a
- 1888 patient for whom the limited medical provider made the patient's original
- 1889 recommendation; and
- 1890 (ii) the individual's recommendation or renewal would not cause the total number of
- 1891 the individual's patients who have a valid medical cannabis patient card or
- 1892 provisional patient card resulting from the individual's recommendation to exceed
- 1893 15.
- 1894 (c) The individual described in Subsection (1)(b) shall communicate the individual's
- 1895 recommendation through an order for the medical cannabis pharmacy to record the
- 1896 individual's recommendation or renewal in the state electronic verification system
- 1897 under the individual's recommendation that:
- 1898 (i)(A) the individual or the individual's employee sends electronically to a medical

- 1899 cannabis pharmacy; or
- 1900 (B) the individual gives to the patient in writing for the patient to deliver to a
- 1901 medical cannabis pharmacy; and
- 1902 (ii) may include:
- 1903 (A) directions of use or dosing guidelines; and
- 1904 (B) an indication of a need for a caregiver in accordance with Subsection [
- 1905 ~~26B-4-213(3)(c)~~] 26B-4-213(3)(b).
- 1906 (d) If the limited medical provider gives the patient a written recommendation to deliver
- 1907 to a medical cannabis pharmacy under Subsection (1)(c)(i)(B), the limited medical
- 1908 provider shall ensure that the document includes all of the information that is
- 1909 included on a prescription the provider would issue for a controlled substance,
- 1910 including:
- 1911 (i) the date of issuance;
- 1912 (ii) the provider's name, address and contact information, controlled substance license
- 1913 information, and signature; and
- 1914 (iii) the patient's name, address and contact information, age, and diagnosed
- 1915 qualifying condition.
- 1916 (e) In considering making a recommendation as a limited medical provider, an
- 1917 individual may consult information that the department makes available on the
- 1918 department's website for recommending providers.
- 1919 (2)(a) The department shall, within 15 days after the day on which the department
- 1920 receives an application from an individual, register and issue a qualified medical
- 1921 provider registration card to the individual if the individual:
- 1922 (i) provides to the department the individual's name and address;
- 1923 (ii) provides to the department an acknowledgment that the individual has completed
- 1924 four hours of continuing education related to medical cannabis;
- 1925 (iii) provides to the department evidence that the individual meets the recommending
- 1926 qualifications;
- 1927 (iv) for an applicant on or after November 1, 2021, provides to the department the
- 1928 information described in Subsection (10)(a); and
- 1929 (v) pays the department a fee in an amount that:
- 1930 (A) the department sets, in accordance with Section 63J-1-504; and
- 1931 (B) does not exceed \$300 for an initial registration.
- 1932 (b) The department may not register an individual as a qualified medical provider if the

- 1933 individual is:
- 1934 (i) a pharmacy medical provider; or
- 1935 (ii) an owner, officer, director, board member, employee, or agent of a cannabis
- 1936 production establishment, a medical cannabis pharmacy, or a medical cannabis
- 1937 courier.
- 1938 (3)(a) An individual shall complete the continuing education related to medical cannabis
- 1939 in the following amounts:
- 1940 (i) for an individual as a condition precedent to registration, four hours; and
- 1941 (ii) for a qualified medical provider as a condition precedent to renewal, four hours
- 1942 every two years.
- 1943 (b) The department may, in consultation with the Division of Professional Licensing,
- 1944 develop continuing education related to medical cannabis.
- 1945 (c) The continuing education described in this Subsection (3) may discuss:
- 1946 (i) the provisions of this part;
- 1947 (ii) general information about medical cannabis under federal and state law;
- 1948 (iii) the latest scientific research on the endocannabinoid system and medical
- 1949 cannabis, including risks and benefits;
- 1950 (iv) recommendations for medical cannabis as it relates to the continuing care of a
- 1951 patient in pain management, risk management, potential addiction, or palliative
- 1952 care; and
- 1953 (v) best practices for recommending the form and dosage of medical cannabis based
- 1954 on the qualifying condition underlying a medical cannabis recommendation.
- 1955 (4)(a) Except as provided in Subsection (4)(b), a qualified medical provider may not
- 1956 recommend a medical cannabis treatment to more than 1.5% of the total amount of
- 1957 medical cannabis patient cardholders.
- 1958 (b) If a qualified medical provider receives payment from an insurance plan for services
- 1959 provided under this chapter, then the patient whose insurance plan was billed does
- 1960 not count toward the 1.5% patient cap described in Subsection (4)(a).
- 1961 (5) A recommending medical provider may recommend medical cannabis to an individual
- 1962 under this part only in the course of a provider-patient relationship after the
- 1963 recommending medical provider has completed and documented in the patient's medical
- 1964 record a thorough assessment of the patient's condition and medical history based on the
- 1965 appropriate standard of care for the patient's condition.
- 1966 (6)(a) Except as provided in Subsections (6)(b) and (c), a person may not advertise that

- 1967 the person or the person's employee recommends a medical cannabis treatment.
- 1968 (b) Notwithstanding Subsection (6)(a) and Section 4-41a-109, a qualified medical
- 1969 provider, medical clinic, or medical office that employs a qualified medical provider
- 1970 may advertise only the following:
- 1971 (i) a green cross;
- 1972 (ii) the provider's or clinic's name and logo;
- 1973 (iii) a qualifying condition that the individual treats;
- 1974 (iv) that the qualified medical provider, medical clinic, or medical office evaluates
- 1975 patients for medical cannabis recommendations;
- 1976 (v) a scientific study regarding medical cannabis use; or
- 1977 (vi) contact information.
- 1978 (c) Notwithstanding Subsection (6)(a) and Section 4-41a-109, qualified medical
- 1979 provider, medical clinic, or medical office that employs a qualified medical provider
- 1980 may engage in targeted marketing, as determined by the department through rule, for
- 1981 advertising medical cannabis recommendation services.
- 1982 (7)(a) A qualified medical provider registration card expires two years after the day on
- 1983 which the department issues the card.
- 1984 (b) The department shall renew a qualified medical provider's registration card if the
- 1985 provider:
- 1986 (i) applies for renewal;
- 1987 (ii) is eligible for a qualified medical provider registration card under this section,
- 1988 including maintaining an unrestricted license under the recommending
- 1989 qualifications;
- 1990 (iii) certifies to the department in a renewal application that the information in
- 1991 Subsection (2)(a) is accurate or updates the information;
- 1992 (iv) submits a report detailing the completion of the continuing education
- 1993 requirement described in Subsection (3); and
- 1994 (v) pays the department a fee in an amount that:
- 1995 (A) the department sets, in accordance with Section 63J-1-504; and
- 1996 (B) does not exceed \$50 for a registration renewal.
- 1997 (8) The department may revoke the registration of a qualified medical provider who fails to
- 1998 maintain compliance with the requirements of this section.
- 1999 (9) A recommending medical provider may not:
- 2000 (a) receive any compensation or benefit for the qualified medical provider's medical

- 2001 cannabis treatment recommendation from:
- 2002 (i) a cannabis production establishment or an owner, officer, director, board member,
- 2003 employee, or agent of a cannabis production establishment;
- 2004 (ii) a medical cannabis pharmacy or an owner, officer, director, board member,
- 2005 employee, or agent of a medical cannabis pharmacy; or
- 2006 (iii) a recommending medical provider or pharmacy medical provider; or
- 2007 (b) provide a medical cannabis recommendation at a medical clinic or medical office
- 2008 that is violating the advertising limitations described in Subsection (6).
- 2009 (10)(a) Each quarter, a qualified medical provider shall report to the department, in a
- 2010 manner designated by the department:
- 2011 (i) if applicable, that the qualified medical provider or the entity that employs the
- 2012 qualified medical provider represents online or on printed material that the
- 2013 qualified medical provider is a qualified medical provider or offers medical
- 2014 cannabis recommendations to patients; and
- 2015 (ii)(A) for cash payment without insurance, the fee amount that the qualified
- 2016 medical provider or the entity that employs the qualified medical provider
- 2017 charges a patient for a medical cannabis recommendation as an actual cash
- 2018 rate; and
- 2019 (B) whether the qualified medical provider or the entity that employs the qualified
- 2020 medical provider bills insurance.
- 2021 (b) The department shall:
- 2022 (i) ensure that the following information related to qualified medical providers and
- 2023 entities described in Subsection (10)(a)(i) is available on the department's website
- 2024 or on the health care price transparency tool under Subsection (10)(b)(ii):
- 2025 (A) the name of the qualified medical provider and, if applicable, the name of the
- 2026 entity that employs the qualified medical provider;
- 2027 (B) the address of the qualified medical provider's office or, if applicable, the
- 2028 entity that employs the qualified medical provider; and
- 2029 (C) the fee amount described in Subsection (10)(a)(ii)(A); and
- 2030 (ii) share data collected under this Subsection (10) with the state auditor for use in the
- 2031 health care price transparency tool described in Section 67-3-11.
- 2032 Section 18. Section **26B-4-213** is amended to read:
- 2033 **26B-4-213 . Medical cannabis patient card -- Medical cannabis guardian card --**
- 2034 **Conditional medical cannabis card -- Application -- Fees -- Studies.**

2035 (1)(a) Subject to Section 26B-4-246, within 15 days after the day on which an individual
2036 who satisfies the eligibility criteria in this section or Section 26B-4-214 submits an
2037 application in accordance with this section or Section 26B-4-214, the department
2038 shall:

- 2039 (i) issue a medical cannabis patient card to an individual described in Subsection
2040 (2)(a);
- 2041 (ii) issue a medical cannabis guardian card to an individual described in Subsection
2042 (2)(b);
- 2043 (iii) issue a provisional patient card to a minor described in Subsection (2)(c); and
2044 (iv) issue a medical cannabis caregiver card to an individual described in Subsection
2045 26B-4-214(4).

2046 (b)(i) Upon the entry of a recommending medical provider's medical cannabis
2047 recommendation for a patient in the state electronic verification system, either by
2048 the provider or the provider's employee or by a medical cannabis pharmacy
2049 medical provider or medical cannabis pharmacy in accordance with Subsection
2050 4-41a-1101(10)(a), the department shall issue to the patient an electronic
2051 conditional medical cannabis card, in accordance with this Subsection (1)(b).

2052 (ii) A conditional medical cannabis card is valid for the lesser of:

- 2053 (A) 60 days; or
- 2054 (B) the day on which the department completes the department's review and issues
2055 a medical cannabis card under Subsection (1)(a), denies the patient's medical
2056 cannabis card application, or revokes the conditional medical cannabis card
2057 under Subsection (8).

2058 (iii) The department may issue a conditional medical cannabis card to an individual
2059 applying for a medical cannabis patient card for which approval of the
2060 Compassionate Use Board is not required.

2061 (iv) An individual described in Subsection (1)(b)(iii) has the rights, restrictions, and
2062 obligations under law applicable to a holder of the medical cannabis card for
2063 which the individual applies and for which the department issues the conditional
2064 medical cannabis card.

2065 (2)(a) An individual is eligible for a medical cannabis patient card if:

- 2066 (i)(A) the individual is at least 21 years old; or
- 2067 (B) the individual is 18, 19, or 20 years old, the individual petitions the
2068 Compassionate Use Board under Section 26B-1-421, and the Compassionate

- 2069 Use Board recommends department approval of the petition;
- 2070 (ii) the individual is a Utah resident;
- 2071 (iii) the individual's recommending medical provider recommends treatment with
- 2072 medical cannabis in accordance with Subsection (4);
- 2073 (iv) the individual signs an acknowledgment stating that the individual received the
- 2074 information described in Subsection (9); and
- 2075 (v) the individual pays to the department a fee in an amount that, subject to
- 2076 Subsection 26B-1-310(5), the department sets in accordance with Section
- 2077 63J-1-504.
- 2078 (b)(i) An individual is eligible for a medical cannabis guardian card if the individual:
- 2079 (A) is at least 18 years old;
- 2080 (B) is a Utah resident;
- 2081 (C) is the parent or legal guardian of a minor for whom the minor's recommending
- 2082 medical provider recommends a medical cannabis treatment, the individual
- 2083 petitions the Compassionate Use Board under Section 26B-1-421, and the
- 2084 Compassionate Use Board recommends department approval of the petition;
- 2085 (D) the individual signs an acknowledgment stating that the individual received
- 2086 the information described in Subsection (9); and
- 2087 (E) pays to the department a fee in an amount that, subject to Subsection
- 2088 26B-1-310(5), the department sets in accordance with Section 63J-1-504, plus
- 2089 the cost of the criminal background check described in Section 26B-4-215.
- 2090 (ii) The department shall notify the Department of Public Safety of each individual
- 2091 that the department registers for a medical cannabis guardian card.
- 2092 (c)(i) A minor is eligible for a provisional patient card if:
- 2093 (A) the minor has a qualifying condition;
- 2094 (B) the minor's recommending medical provider recommends a medical cannabis
- 2095 treatment to address the minor's qualifying condition;
- 2096 (C) one of the minor's parents or legal guardians petitions the Compassionate Use
- 2097 Board under Section 26B-1-421, and the Compassionate Use Board
- 2098 recommends department approval of the petition; and
- 2099 (D) the minor's parent or legal guardian is eligible for a medical cannabis guardian
- 2100 card under Subsection (2)(b) or designates a caregiver under Subsection (2)(d)
- 2101 who is eligible for a medical cannabis caregiver card under Section 26B-4-214.
- 2102 (ii) The department shall automatically issue a provisional patient card to the minor

2103 described in Subsection (2)(c)(i) at the same time the department issues a medical
2104 cannabis guardian card to the minor's parent or legal guardian.

2105 (d) If the parent or legal guardian of a minor described in Subsections (2)(c)(i)(A)
2106 through (C) does not qualify for a medical cannabis guardian card under Subsection
2107 (2)(b), the parent or legal guardian may designate up to two caregivers in accordance
2108 with Subsection 26B-4-214(1)(c) to ensure that the minor has adequate and safe
2109 access to the recommended medical cannabis treatment.

2110 (3)(a) An individual who is eligible for a medical cannabis card described in Subsection
2111 (2)(a) or (b) shall submit an application for a medical cannabis card to the department:
2112 (i) through an electronic application connected to the state electronic verification
2113 system;
2114 (ii) with the recommending medical provider; and
2115 (iii) with information including:
2116 (A) the applicant's name, gender, age, and address;
2117 (B) the number of the applicant's government issued photo identification;
2118 (C) for a medical cannabis guardian card, the name, gender, and age of the minor
2119 receiving a medical cannabis treatment under the cardholder's medical cannabis
2120 guardian card; and
2121 (D) for a provisional patient card, the name of the minor's parent or legal guardian
2122 who holds the associated medical cannabis guardian card.

2123 ~~[(b) The department shall ensure that a medical cannabis card the department issues~~
2124 ~~under this section contains the information described in Subsection (3)(a)(iii).]~~

2125 ~~[(e)]~~ (b)(i) If a recommending medical provider determines that, because of age,
2126 illness, or disability, a medical cannabis patient cardholder requires assistance in
2127 administering the medical cannabis treatment that the recommending medical
2128 provider recommends, the recommending medical provider may indicate the
2129 cardholder's need in the state electronic verification system, either directly or, for
2130 a limited medical provider, through the order described in Subsections 26B-4-204
2131 (1)(c) and (d).

2132 (ii) If a recommending medical provider makes the indication described in
2133 Subsection ~~[(3)(e)(i)]~~ (3)(b)(i):
2134 (A) the department shall add a label to the relevant medical cannabis patient card
2135 indicating the cardholder's need for assistance;
2136 (B) any adult who is 18 years old or older and who is physically present with the

- 2137 cardholder at the time the cardholder needs to use the recommended medical
2138 cannabis treatment may handle the medical cannabis treatment and any
2139 associated medical cannabis device as needed to assist the cardholder in
2140 administering the recommended medical cannabis treatment; and
- 2141 (C) an individual of any age who is physically present with the cardholder in the
2142 event of an emergency medical condition, as that term is defined in Section
2143 31A-1-301, may handle the medical cannabis treatment and any associated
2144 medical cannabis device as needed to assist the cardholder in administering the
2145 recommended medical cannabis treatment.
- 2146 (iii) A non-cardholding individual acting under Subsection [~~(3)(e)(ii)(B)~~] (3)(b)(ii)(B)
2147 or (C) may not:
- 2148 (A) ingest or inhale medical cannabis;
- 2149 (B) possess, transport, or handle medical cannabis or a medical cannabis device
2150 outside of the immediate area where the cardholder is present or with an intent
2151 other than to provide assistance to the cardholder; or
- 2152 (C) possess, transport, or handle medical cannabis or a medical cannabis device
2153 when the cardholder is not in the process of being dosed with medical cannabis.
- 2154 (4) To recommend a medical cannabis treatment to a patient or to renew a recommendation,
2155 a recommending medical provider shall:
- 2156 (a) visit with the patient face-to-face for an initial recommendation unless the patient:
- 2157 (i) prefers a virtual visit; and
- 2158 (ii)(A) is on hospice or has a terminal illness according to the patient's medical
2159 provider; or
- 2160 (B) is a resident of an assisted living facility, as defined in Section 26B-2-201, or
2161 a nursing care facility, as defined in Section 26B-2-201;
- 2162 (b) before recommending or renewing a recommendation for medical cannabis in a
2163 medicinal dosage form or a cannabis product in a medicinal dosage form:
- 2164 (i) verify the patient's and, for a minor patient, the minor patient's parent or legal
2165 guardian's government issued photo identification described in Subsection (3)(a);
- 2166 (ii) review any record related to the patient and, for a minor patient, the patient's
2167 parent or legal guardian in:
- 2168 (A) for a qualified medical provider, the state electronic verification system; and
- 2169 (B) the controlled substance database created in Section 58-37f-201; and
- 2170 (iii) consider the recommendation in light of the patient's qualifying condition,

2171 history of substance use or opioid use disorder, and history of medical cannabis
2172 and controlled substance use during a visit with the patient; and

2173 (c) state in the recommending medical provider's recommendation that the patient:
2174 (i) suffers from a qualifying condition, including the type of qualifying condition; and
2175 (ii) may benefit from treatment with cannabis in a medicinal dosage form or a
2176 cannabis product in a medicinal dosage form.

2177 (5)(a) Except as provided in Subsection (5)(b) or (c), a medical cannabis card that the
2178 department issues under this section is valid for the lesser of:

2179 (i) an amount of time that the recommending medical provider determines; or
2180 (ii) one year from the day the card is issued.

2181 (b)(i) A medical cannabis card that the department issues in relation to a terminal
2182 illness described in Section 26B-4-203 expires after one year.

2183 (ii) The recommending medical provider may revoke a recommendation that the
2184 provider made in relation to a terminal illness described in Section 26B-4-203 if
2185 the medical cannabis cardholder no longer has the terminal illness.

2186 (c) A medical cannabis card that the department issues in relation to acute pain as
2187 described in Section 26B-4-203 expires 30 days after the day on which the
2188 department first issues a conditional or full medical cannabis card.

2189 (6)(a) A medical cannabis patient card or a medical cannabis guardian card is renewable
2190 if:

2191 (i) at the time of renewal, the cardholder meets the requirements of Subsection (2)(a)
2192 or (b); or

2193 (ii) the cardholder received the medical cannabis card through the recommendation of
2194 the Compassionate Use Board under Section 26B-1-421.

2195 (b) The recommending medical provider who made the underlying recommendation for
2196 the card of a cardholder described in Subsection (6)(a) may renew the cardholder's
2197 card through phone or video conference with the cardholder, at the recommending
2198 medical provider's discretion.

2199 (c) Before having access to a renewed card, a cardholder under Subsection (2)(a) or (b)
2200 shall pay to the department a renewal fee in an amount that:

2201 (i) subject to Subsection 26B-1-310(5), the department sets in accordance with
2202 Section 63J-1-504; and

2203 (ii) may not exceed the cost of the relatively lower administrative burden of renewal
2204 in comparison to the original application process.

- 2205 (d) If a minor meets the requirements of Subsection (2)(c), the minor's provisional
2206 patient card renews automatically at the time the minor's parent or legal guardian
2207 renews the parent or legal guardian's associated medical cannabis guardian card.
- 2208 (7)(a) A cardholder under this section shall carry the cardholder's valid medical cannabis
2209 card with the patient's name.
- 2210 (b)(i) A medical cannabis patient cardholder or a provisional patient cardholder may
2211 purchase, in accordance with this part and the recommendation underlying the
2212 card, cannabis in a medicinal dosage form, a cannabis product in a medicinal
2213 dosage form, or a medical cannabis device.
- 2214 (ii) A cardholder under this section may possess or transport, in accordance with this
2215 part and the recommendation underlying the card, cannabis in a medicinal dosage
2216 form, a cannabis product in a medicinal dosage form, or a medical cannabis
2217 device.
- 2218 (iii) To address the qualifying condition underlying the medical cannabis treatment
2219 recommendation:
- 2220 (A) a medical cannabis patient cardholder or a provisional patient cardholder may
2221 use medical cannabis or a medical cannabis device; and
- 2222 (B) a medical cannabis guardian cardholder may assist the associated provisional
2223 patient cardholder with the use of medical cannabis or a medical cannabis
2224 device.
- 2225 (8)(a) The department may revoke a medical cannabis card that the department issues
2226 under this section if:
- 2227 (i) the recommending medical provider withdraws the medical provider's
2228 recommendation for medical cannabis; or
- 2229 (ii) the cardholder:
- 2230 (A) violates this part; or
- 2231 (B) is convicted under state or federal law of, after March 17, 2021, a drug
2232 distribution offense.
- 2233 (b) The department may not refuse to issue a medical cannabis card to a patient solely
2234 based on a prior revocation under Subsection (8)(a)(i).
- 2235 (9) The department shall establish by rule, in accordance with Title 63G, Chapter 3, Utah
2236 Administrative Rulemaking Act, a process to provide information regarding the
2237 following to an individual receiving a medical cannabis card:
- 2238 (a) risks associated with medical cannabis treatment;

- 2239 (b) the fact that a condition's listing as a qualifying condition does not suggest that
2240 medical cannabis treatment is an effective treatment or cure for that condition, as
2241 described in Subsection 26B-4-203(1); and
- 2242 (c) other relevant warnings and safety information that the department determines.
- 2243 (10) The department may establish procedures by rule, in accordance with Title 63G,
2244 Chapter 3, Utah Administrative Rulemaking Act, to implement the application and
2245 issuance provisions of this section.
- 2246 (11)(a) The department shall establish by rule, in accordance with Title 63G, Chapter 3,
2247 Utah Administrative Rulemaking Act, a process to allow an individual from another
2248 state to register with the department in order to purchase medical cannabis or a
2249 medical cannabis device from a medical cannabis pharmacy while the individual is
2250 visiting the state.
- 2251 (b) The department may only provide the registration process described in Subsection
2252 (11)(a):
- 2253 (i) to a nonresident patient; and
- 2254 (ii) for no more than two visitation periods per calendar year of up to 21 calendar
2255 days per visitation period.
- 2256 (12)(a) A person may submit to the department a request to conduct a research study
2257 using medical cannabis cardholder data that the state electronic verification system
2258 contains.
- 2259 (b) The department shall review a request described in Subsection (12)(a) to determine
2260 whether an institutional review board, as that term is defined in Section 26B-4-201,
2261 could approve the research study.
- 2262 (c) At the time an individual applies for a medical cannabis card, the department shall
2263 notify the individual:
- 2264 (i) of how the individual's information will be used as a cardholder;
- 2265 (ii) that by applying for a medical cannabis card, unless the individual withdraws
2266 consent under Subsection (12)(d), the individual consents to the use of the
2267 individual's information for external research; and
- 2268 (iii) that the individual may withdraw consent for the use of the individual's
2269 information for external research at any time, including at the time of application.
- 2270 (d) An applicant may, through the medical cannabis card application, and a medical
2271 cannabis cardholder may, through the state central patient portal, withdraw the
2272 applicant's or cardholder's consent to participate in external research at any time.

- 2273 (e) The department may release, for the purposes of a study described in this Subsection
2274 (12), information about a cardholder under this section who consents to participate
2275 under Subsection (12)(c).
- 2276 (f) If an individual withdraws consent under Subsection (12)(d), the withdrawal of
2277 consent:
- 2278 (i) applies to external research that is initiated after the withdrawal of consent; and
2279 (ii) does not apply to research that was initiated before the withdrawal of consent.
- 2280 (g) The department may establish standards for a medical research study's validity, by
2281 rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
2282 Act.
- 2283 (13) The department shall record the issuance or revocation of a medical cannabis card
2284 under this section in the controlled substance database.
- 2285 Section 19. Section **26B-4-219** is amended to read:
- 2286 **26B-4-219 . Pharmacy medical providers -- Registration -- Continuing education.**
- 2287 (1)(a) A medical cannabis pharmacy:
- 2288 (i) shall employ a pharmacist who is licensed under Title 58, Chapter 17b, Pharmacy
2289 Practice Act, as a pharmacy medical provider;
- 2290 (ii) may employ a physician who has the authority to write a prescription and is
2291 licensed under Title 58, Chapter 67, Utah Medical Practice Act, or Title 58,
2292 Chapter 68, Utah Osteopathic Medical Practice Act, as a pharmacy medical
2293 provider;
- 2294 (iii) shall ensure that a pharmacy medical provider described in Subsection (1)(a)(i)
2295 works onsite during all business hours; and
- 2296 (iv) shall designate one pharmacy medical provider described in Subsection (1)(a)(i)
2297 as the pharmacist-in-charge to oversee the operation of and generally supervise
2298 the medical cannabis pharmacy.
- 2299 (b) The pharmacist-in-charge shall determine which cannabis and cannabis products the
2300 medical cannabis pharmacy maintains in the medical cannabis pharmacy's inventory.
- 2301 (c) An individual may not serve as a pharmacy medical provider unless the department
2302 registers the individual as a pharmacy medical provider in accordance with
2303 Subsection (2).
- 2304 (2)(a) The department shall, within 15 days after the day on which the department
2305 receives an application from a medical cannabis pharmacy on behalf of a prospective
2306 pharmacy medical provider, register and issue a pharmacy medical provider

2307 registration card to the prospective pharmacy medical provider if the medical
2308 cannabis pharmacy:

2309 (i) provides to the department:

2310 (A) the prospective pharmacy medical provider's name and address;

2311 (B) the name and location of the licensed medical cannabis pharmacy where the
2312 prospective pharmacy medical provider seeks to act as a pharmacy medical
2313 provider;

2314 (C) ~~[a report detailing the completion of the continuing education requirement~~
2315 ~~described in Subsection (3);]~~ an acknowledgment that the individual has
2316 completed four hours of continuing education related to medical cannabis; and

2317 (D) evidence that the prospective pharmacy medical provider is a pharmacist who
2318 is licensed under Title 58, Chapter 17b, Pharmacy Practice Act, or a physician
2319 who has the authority to write a prescription and is licensed under Title 58,
2320 Chapter 67, Utah Medical Practice Act, or Title 58, Chapter 68, Utah
2321 Osteopathic Medical Practice Act; and

2322 (ii) pays a fee to the department in an amount that, subject to Subsection 26B-1-310

2323 (5), the department sets in accordance with Section 63J-1-504.

2324 (b) The department may not register a recommending medical provider as a pharmacy
2325 medical provider.

2326 (3)(a) A pharmacy medical provider shall complete the continuing education described
2327 in this Subsection (3) in the following amounts:

2328 (i) as a condition precedent to registration, four hours; and

2329 (ii) as a condition precedent to renewal of the registration, four hours every two years.

2330 ~~[(b) In accordance with Subsection (3)(a), the pharmacy medical provider shall:]~~

2331 ~~[(i) complete continuing education:]~~

2332 ~~[(A) regarding the topics described in Subsection (3)(d); and]~~

2333 ~~[(B) offered by the department under Subsection (3)(c) or an accredited or~~
2334 ~~approved continuing education provider that the department recognizes as~~
2335 ~~offering continuing education appropriate for the medical cannabis pharmacy~~
2336 ~~practice; and]~~

2337 ~~[(ii) make a continuing education report to the department in accordance with a~~
2338 ~~process that the department establishes by rule, in accordance with Title 63G,~~
2339 ~~Chapter 3, Utah Administrative Rulemaking Act, and in collaboration with the~~
2340 ~~Division of Professional Licensing and:]~~

- 2341 ~~[(A) for a pharmacy medical provider who is licensed under Title 58, Chapter 17b,~~
2342 ~~Pharmacy Practice Act, the Board of Pharmacy; or]~~
2343 ~~[(B) for a pharmacy medical provider licensed under Title 58, Chapter 67, Utah~~
2344 ~~Medical Practice Act, or Title 58, Chapter 68, Utah Osteopathic Medical~~
2345 ~~Practice Act, the Medical Licensing Board.]~~
- 2346 ~~[(e)]~~ (b) The department may, in consultation with the Division of Professional
2347 Licensing, develop the continuing education described in this Subsection (3).
2348 ~~[(d)]~~ (c) The continuing education described in this Subsection (3) may discuss:
2349 (i) the provisions of this part;
2350 (ii) general information about medical cannabis under federal and state law;
2351 (iii) the latest scientific research on the endocannabinoid system and medical
2352 cannabis, including risks and benefits;
2353 (iv) recommendations for medical cannabis as it relates to the continuing care of a
2354 patient in pain management, risk management, potential addiction, and palliative
2355 care; or
2356 (v) best practices for recommending the form and dosage of medical cannabis based
2357 on the qualifying condition underlying a medical cannabis recommendation.
- 2358 (4)(a) A pharmacy medical provider registration card expires two years after the day on
2359 which the department issues or renews the card.
- 2360 (b) A pharmacy medical provider may renew the provider's registration card if the
2361 provider:
2362 (i) is eligible for a pharmacy medical provider registration card under this section;
2363 (ii) certifies to the department in a renewal application that the information in
2364 Subsection (2)(a) is accurate or updates the information;
2365 (iii) submits a report detailing the completion of the continuing education
2366 requirement described in Subsection (3); and
2367 (iv) pays to the department a renewal fee in an amount that:
2368 (A) subject to Subsection 26B-1-310(5), the department sets in accordance with
2369 Section 63J-1-504; and
2370 (B) may not exceed the cost of the relatively lower administrative burden of
2371 renewal in comparison to the original application process.
- 2372 (5)(a) Except as provided in Subsection (5)(b), a person may not advertise that the
2373 person or another person dispenses medical cannabis.
- 2374 (b) Notwithstanding Subsection (5)(a) and Section 4-41a-109, a registered pharmacy

2375 medical provider may advertise the following:

2376 (i) a green cross;

2377 (ii) that the person is registered as a pharmacy medical provider and dispenses
2378 medical cannabis; or

2379 (iii) a scientific study regarding medical cannabis use.

2380 (6)(a) The department may revoke a pharmacy medical provider's registration for a
2381 violation of this chapter.

2382 (b) The department may inspect patient records held by a medical cannabis pharmacy to
2383 ensure a pharmacy medical provider is practicing in accordance with this chapter and
2384 applicable rules.

2385 Section 20. Section **26B-4-222** is amended to read:

2386 **26B-4-222 . Report.**

2387 (1) By the November interim meeting each year, the department shall report to the Health
2388 and Human Services Interim Committee on:

2389 (a) the number of applications and renewal applications filed for medical cannabis cards;

2390 (b) the number of qualifying patients and designated caregivers;

2391 (c) the nature of the debilitating medical conditions of the qualifying patients;

2392 (d) the age and county of residence of cardholders;

2393 (e) the number of medical cannabis cards revoked;

2394 (f) the number of practitioners providing recommendations for qualifying patients; and

2395 [~~(g) the number of license applications and renewal license applications received;~~]

2396 [~~(h) the number of licenses the department has issued in each county;~~]

2397 [~~(i) the number of licenses the department has revoked;~~]

2398 [~~(j) the quantity of medical cannabis shipments that the state central patient portal
2399 facilitates;~~]

2400 [~~(k) the number of overall purchases of medical cannabis and medical cannabis products
2401 from each medical cannabis pharmacy;~~]

2402 [~~(l) (g) the expenses [incurred] and revenues [generated from the medical cannabis~~

2403 program; and] of the Qualified Patient Enterprise Fund created in Section 26B-1-310.

2404 [~~(m) an analysis of product availability in medical cannabis pharmacies in consultation
2405 with the Department of Agriculture and Food.]~~

2406 (2) The report shall include information provided by the Center for Medical Cannabis
2407 Research described in Section 53B-17-1402.

2408 (3) The department may not include personally identifying information in the report

2409 described in this section.

2410 (4) The department shall report to the working group described in Section 36-12-8.2 as
2411 requested by the working group.

2412 Section 21. **Repealer.**

2413 This bill repeals:

2414 Section **4-41a-108, Payment provider for electronic medical cannabis transactions.**

2415 Section **4-41a-801.1, Enforcement for medical cannabis pharmacies and couriers -- Fine**
2416 **-- Citation.**

2417 Section 22. **Effective Date.**

2418 This bill takes effect on May 7, 2025.

2419 Section 23. **Coordinating S.B. 64 with H.B. 21.**

2420 If S.B. 64, Medical Cannabis Amendments, and H.B. 21, Criminal Code

2421 Recodification and Cross References, both pass and become law, the Legislature intends that,
2422 on May 7, 2025, Section 4-41a-102(4)(a) be amended to read:

2423 "Anticompetitive business practice" [means any practice that reduces the amount of
2424 competition in the medical cannabis market that would be considered an attempt to
2425 monopolize, as defined in Section 76-10-3103] means any practice that is an illegal
2426 anticompetitive business activity under Section 76-16-510.".