

**Cannabis Production Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Paul A. Cutler**

Senate Sponsor: Evan J. Vickers

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**LONG TITLE**

**General Description:**

This bill amends provisions related to medical cannabis production.

**Highlighted Provisions:**

This bill:

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

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

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

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

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

ENACTS:

**4-41a-204.1**, Utah Code Annotated 1953

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

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

**4-41a-204 . Operating plan.**

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

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

cannabis cultivation facility locations combined may not exceed the cultivation limitations described in this Subsection (2).

- (3) A cannabis processing facility's operating plan shall include the facility's intended cannabis processing practices, including the cannabis processing facility's intended:
- (a) offered variety of cannabis product;
  - (b) cannabinoid extraction method;
  - (c) cannabinoid extraction equipment;
  - (d) processing equipment;
  - (e) processing techniques; and
  - (f) sanitation and manufacturing safety procedures for items for human consumption.
- (4) An independent cannabis testing laboratory's operating plan shall include the laboratory's intended:
- (a) cannabis and cannabis product testing capability;
  - (b) cannabis and cannabis product testing equipment; and
  - (c) testing methods, standards, practices, and procedures for testing cannabis and cannabis products.
- (5) Notwithstanding an applicant's proposed operating plan, a cannabis production establishment is subject to land use regulations, as defined in Sections 10-9a-103 and 17-27a-103, regarding the availability of outdoor cultivation in an industrial zone.

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

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

- (1) As used in this section, "objectionable odor" means pollution of the ambient air beyond the property line of a facility consisting of an odor that, considering the odor's characteristics, intensity, frequency, and duration:
- (a) is, or can reasonably be expected to be, injurious to public health or welfare; or
  - (b) unreasonably interferes with the enjoyment of life or the use of a person's property that is exposed to the odor.
- (2)(a) Before January 1, 2026, the department shall provide a report with recommendations to the Medical Cannabis Governance Structure Working Group created in Section 36-12-8.2 regarding objectionable odor control standards for cannabis production establishments.
- (b) The department shall:
- (i) work with a cannabis production establishment to monitor odor emitted by the cannabis production establishment; and

- 131           (ii) consult with each county and municipality that currently has a cannabis  
132           production establishment sited within the county or municipality's boundaries  
133           regarding potential standards for the maximum amounts of objectionable odors  
134           emitted by a cannabis production establishment.
- 135       (c) A cannabis production establishment shall provide information related to the  
136       cannabis production establishment's odor emissions to the department upon request.
- 137       (d) The report shall include an analysis regarding:
- 138           (i) potential standards for measurement of objectionable odors related to cannabis  
139           production and distinct levels of odor tolerability;
- 140           (ii) the feasibility of setting a universal odor control standard;
- 141           (iii) the feasibility of enforcing odor control standards;
- 142           (iv) cost incurred by a cannabis production establishment to comply with potential  
143           odor control standards;
- 144           (v) interests of other businesses and community members affected by objectionable  
145           odor; and
- 146           (vi) other information the department deems relevant.
- 147       (3) The department shall examine odor control regulation from other locales.
- 148       (4) The department may collaborate with other state agencies when creating the  
149       recommendations.
- 150       Section 3. Section **4-41a-406** is amended to read:
- 151       **4-41a-406 . Local control.**
- 152       (1) As used in this section:
- 153           (a) "Cannabis production establishment" means the same as that term is defined in  
154           Section 4-41a-102 and includes a closed-door medical cannabis pharmacy.
- 155           (b) "Land use application" means the same as that term is defined in Sections 10-9a-103  
156           and 17-27a-103.
- 157           ~~(b)~~ (c) "Land use decision" means the same as that term is defined in Sections  
158           10-9a-103 and 17-27a-103.
- 159           ~~(c)~~ (d) "Land use permit" means the same as that term is defined in Sections 10-9a-103  
160           and 17-27a-103.
- 161           ~~(d)~~ (e) "Land use regulation" means the same as that term is defined in Sections  
162           10-9a-103 and 17-27a-103.
- 163       (2)(a) If a municipality's or county's zoning ordinances provide for an industrial zone,  
164       the operation of a cannabis production establishment shall be a permitted industrial

165 use in any industrial zone unless the municipality or county has designated by  
166 ordinance, before an individual submits a land use permit application for a cannabis  
167 production establishment, at least one industrial zone in which the operation of a  
168 cannabis production establishment is a permitted use.

169 (b) If a municipality's or county's zoning ordinances provide for an agricultural zone, the  
170 operation of a cannabis production establishment shall be a permitted agricultural use  
171 in any agricultural zone unless the municipality or county has designated by  
172 ordinance, before an individual submits a land use permit application for a cannabis  
173 production establishment, at least one agricultural zone in which the operation of a  
174 cannabis production establishment is a permitted use.

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

177 (3) A municipality or county may not:

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

180 (i) a land use permit to operate a cannabis production facility; or

181 (ii) a business license to operate a cannabis production facility; or

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

183 (i) another cannabis production establishment;

184 (ii) a medical cannabis pharmacy;

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

186 or

187 (iv) an outlet, as that term is defined in Section 32B-1-202[~~;~~~~or~~].

188 [~~(e) in accordance with Subsections 10-9a-509(1) and 17-27a-508(1), enforce a land use~~  
189 ~~regulation against a cannabis production establishment that was not in effect on the~~  
190 ~~day on which the cannabis production establishment submitted a complete land use~~  
191 ~~application.]~~

192 (4)(a) Subject to the provisions of this section, when evaluating and approving a land  
193 use application for a cannabis production establishment:

194 (i) a municipality shall comply with Section 10-9a-509; and

195 (ii) a county shall comply with Section 17-27a-508.

196 (b) An applicant for a land use permit to operate a cannabis production establishment  
197 shall comply with the land use requirements and application process described in:

198 [(a)] (i) Title 10, Chapter 9a, Municipal Land Use, Development, and Management

Act[, including Section 10-9a-528]; and  
[(b)] (ii) Title 17, Chapter 27a, County Land Use, Development, and Management Act[,  
, including Section 17-27a-525].

Section 4. Section **26B-1-310** is amended to read:

**26B-1-310 . Qualified Patient Enterprise Fund -- Creation -- Revenue neutrality  
-- Uniform fee.**

- (1) There is created an enterprise fund known as the "Qualified Patient Enterprise Fund."
- (2) The fund created in this section is funded from:
  - (a) money the department deposits into the fund under Chapter 4, Part 2, Cannabinoid Research and Medical Cannabis;
  - (b) appropriations the Legislature makes to the fund; and
  - (c) the interest described in Subsection (3).
- (3) Interest earned on the fund shall be deposited into the fund.
- (4) Money deposited into the fund may only be used by:
  - (a) the department to accomplish the department's responsibilities described in Chapter 4, Part 2, Cannabinoid Research and Medical Cannabis; ~~and~~
  - (b) the Center for Medical Cannabis Research created in Section 53B-17-1402 to accomplish the Center for Medical Cannabis Research's responsibilities[-] ; and
  - (c) the Department of Agriculture and Food for the one time purchase of equipment to meet the requirements described in Section 4-41a-204.1.
- (5) The department shall set fees authorized under Chapter 4, Part 2, Cannabinoid Research and Medical Cannabis, in amounts that the department anticipates are necessary, in total, to cover the department's cost to implement Chapter 4, Part 2, Cannabinoid Research and Medical Cannabis.
- (6) The department may impose a uniform fee on each medical cannabis transaction in a medical cannabis pharmacy in an amount that, subject to Subsection (5), the department sets in accordance with Section 63J-1-504.

**Section 5. Effective Date.**

This bill takes effect on May 7, 2025.