

1 **Cannabis Production Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Paul A. Cutler**

Senate Sponsor: Evan J. Vickers

3 **LONG TITLE**

4 **General Description:**

5 This bill amends provisions related to medical cannabis production.

6 **Highlighted Provisions:**

7 This bill:

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

14 **Money Appropriated in this Bill:**

15 None

16 **Other Special Clauses:**

17 None

18 **Utah Code Sections Affected:**

19 AMENDS:

20 **4-41a-204**, as last amended by Laws of Utah 2023, Chapter 327

21 **4-41a-406**, as last amended by Laws of Utah 2024, Chapter 238

22 **26B-1-310**, as last amended by Laws of Utah 2023, Chapters 273, 281 and renumbered  
 23 and amended by Laws of Utah 2023, Chapter 305 and last amended by Coordination Clause,  
 24 Laws of Utah 2023, Chapter 305

25 ENACTS:

26 **4-41a-204.1**, Utah Code Annotated 1953

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

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

30 **4-41a-204 . Operating plan.**

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

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

99 limitations described in this Subsection (2).

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

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

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

117 (6)(a) Unless otherwise permitted by local ordinance, an indoor cannabis production  
 118 establishment:

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

- 123 (b) Subsection (6)(a) does not apply to a cannabis production establishment that:  
 124 (i) as of May 7, 2025, is located in a building with other tenants;  
 125 (ii) continuously remains in the same building described in Subsection (6)(b)(i); and  
 126 (iii) has not entered into a lease agreement to become the sole tenant of the building  
 127 described in Subsection (6)(b)(i).

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

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

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

- 133 (a) is, or can reasonably be expected to be, injurious to public health or welfare; or  
134 (b) unreasonably interferes with the enjoyment of life or the use of a person's property  
135 that is exposed to the odor.
- 136 (2)(a) Before January 1, 2026, the department shall provide a report with  
137 recommendations to the Medical Cannabis Governance Structure Working Group  
138 created in Section 36-12-8.2 regarding objectionable odor control standards for  
139 cannabis production establishments.
- 140 (b) The department shall work with a cannabis production establishment to monitor odor  
141 emitted by the cannabis production establishment.
- 142 (c) A cannabis production establishment shall provide information related to the  
143 cannabis production establishment's odor emissions to the department upon request.
- 144 (d) The report shall include an analysis regarding:
- 145 (i) potential standards for measurement of objectionable odors related to cannabis  
146 production and distinct levels of odor tolerability;
- 147 (ii) the feasibility of setting a universal odor control standard;
- 148 (iii) the feasibility of enforcing odor control standards;
- 149 (iv) cost incurred by a cannabis production establishment to comply with potential  
150 odor control standards;
- 151 (v) interests of other businesses and community members affected by objectionable  
152 odor; and
- 153 (vi) other information the department deems relevant.
- 154 (3) The department shall examine odor control regulation from other locales.
- 155 (4) The department may collaborate with other state agencies when creating the  
156 recommendations.

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

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

- 159 (1) As used in this section:
- 160 (a) "Cannabis production establishment" means the same as that term is defined in  
161 Section 4-41a-102 and includes a closed-door medical cannabis pharmacy.
- 162 (b) "Land use application" means the same as that term is defined in Sections 10-9a-103  
163 and 17-27a-103.
- 164 [(b)] (c) "Land use decision" means the same as that term is defined in Sections  
165 10-9a-103 and 17-27a-103.
- 166 [(e)] (d) "Land use permit" means the same as that term is defined in Sections 10-9a-103

167 and 17-27a-103.

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

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

176 (b) If a municipality's or county's zoning ordinances provide for an agricultural zone, the  
177 operation of a cannabis production establishment shall be a permitted agricultural use  
178 in any agricultural zone unless the municipality or county has designated by ordinance~~[~~  
179 ~~,-before an individual submits a land use permit application for a cannabis production~~  
180 ~~establishment,]~~ at least one agricultural zone in which the operation of a cannabis  
181 production establishment is a permitted use.

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

184 (3) A municipality or county may not:

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

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

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

- 190 (i) another cannabis production establishment;
- 191 (ii) a medical cannabis pharmacy;
- 192 (iii) a retail tobacco specialty business, as that term is defined in Section 26B-7-501;
- 193 or
- 194 (iv) an outlet, as that term is defined in Section 32B-1-202~~[-or]~~ .

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

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

- 201            (i) a municipality shall comply with Section 10-9a-509; and  
 202            (ii) a county shall comply with Section 17-27a-508.  
 203        (b) An applicant for a land use permit to operate a cannabis production establishment  
 204            shall comply with the land use requirements and application process described in:  
 205            [~~(a)~~] (i) Title 10, Chapter 9a, Municipal Land Use, Development, and Management  
 206                    Act[~~-, including Section 10-9a-528~~]; and  
 207            [~~(b)~~] (ii) Title 17, Chapter 27a, County Land Use, Development, and Management Act[  
 208                    , including Section 17-27a-525].

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

210            **26B-1-310 . Qualified Patient Enterprise Fund -- Creation -- Revenue neutrality**  
 211 **-- Uniform fee.**

- 212        (1) There is created an enterprise fund known as the "Qualified Patient Enterprise Fund."  
 213        (2) The fund created in this section is funded from:  
 214            (a) money the department deposits into the fund under Chapter 4, Part 2, Cannabinoid  
 215                    Research and Medical Cannabis;  
 216            (b) appropriations the Legislature makes to the fund; and  
 217            (c) the interest described in Subsection (3).  
 218        (3) Interest earned on the fund shall be deposited into the fund.  
 219        (4) Money deposited into the fund may only be used by:  
 220            (a) the department to accomplish the department's responsibilities described in Chapter  
 221                    4, Part 2, Cannabinoid Research and Medical Cannabis; [~~and~~]  
 222            (b) the Center for Medical Cannabis Research created in Section 53B-17-1402 to  
 223                    accomplish the Center for Medical Cannabis Research's responsibilities[~~-~~] ; and  
 224            (c) the Department of Agriculture and Food for the one time purchase of equipment to  
 225                    meet the requirements described in Section 4-41a-204.1.  
 226        (5) The department shall set fees authorized under Chapter 4, Part 2, Cannabinoid Research  
 227            and Medical Cannabis, in amounts that the department anticipates are necessary, in total,  
 228            to cover the department's cost to implement Chapter 4, Part 2, Cannabinoid Research  
 229            and Medical Cannabis.  
 230        (6) The department may impose a uniform fee on each medical cannabis transaction in a  
 231            medical cannabis pharmacy in an amount that, subject to Subsection (5), the department  
 232            sets in accordance with Section 63J-1-504.

233            Section 5. **Effective Date.**

234        This bill takes effect on May 7, 2025.