

Effective 2/28/2020

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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;
 - (c) 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) preserves compatibility with the state electronic verification system described in Section 26-61a-103.
- (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;
 - (b) the Department of Health; and
 - (c) 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 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
 - (B) establish qualifications for the validation described in Subsection (6)(a)(i)(A);
 - (ii) review applications the Division of Finance receives in accordance with the process established under Subsection (6)(a)(i);
 - (iii) validate a financial institution that meets the qualifications described in Subsection (6)(a)(i); and
 - (iv) provide a list of validated financial institutions to the department and the Department of Health.
 - (b) A financial institution that the Division of Finance validates under Subsection (6)(a):

- (i) may only access an inventory control system for the purpose of reconciling 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;
- (ii) may only access information related to financial transactions; and
- (iii) may not access any identifying patient information.