

Effective 12/3/2018

**Chapter 41a
Cannabis Production Establishments**

**Part 1
General Provisions**

4-41a-101 Title.

This chapter is known as "Cannabis Production Establishments."

Renumbered and Amended by Chapter 1, 2018 Special Session 3

4-41a-102 Definitions.

As used in this chapter:

- (1) "Cannabis" means the same as that term is defined in Section 26-61a-102.
- (2) "Cannabis cultivation facility" means a person that:
 - (a) possesses cannabis;
 - (b) grows or intends to grow cannabis; and
 - (c) sells or intends to sell cannabis to a cannabis cultivation facility or to a cannabis processing facility.
- (3) "Cannabis cultivation facility agent" means an individual who:
 - (a) is an employee of a cannabis cultivation facility; and
 - (b) holds a valid cannabis production establishment agent registration card.
- (4) "Cannabis processing facility" means a person that:
 - (a) acquires or intends to acquire cannabis from a cannabis production establishment or a holder of an industrial hemp processor license under Title 4, Chapter 41, Hemp and Cannabinoid Act;
 - (b) possesses cannabis with the intent to manufacture a cannabis product;
 - (c) manufactures or intends to manufacture a cannabis product from unprocessed cannabis or a cannabis extract; and
 - (d) sells or intends to sell a cannabis product to a medical cannabis pharmacy or the state central fill medical cannabis pharmacy.
- (5) "Cannabis processing facility agent" means an individual who:
 - (a) is an employee of a cannabis processing facility; and
 - (b) holds a valid cannabis production establishment agent registration card.
- (6) "Cannabis product" means the same as that term is defined in Section 26-61a-102.
- (7) "Cannabis production establishment" means a cannabis cultivation facility, a cannabis processing facility, or an independent cannabis testing laboratory.
- (8) "Cannabis production establishment agent" means a cannabis cultivation facility agent, a cannabis processing facility agent, or an independent cannabis testing laboratory agent.
- (9) "Cannabis production establishment agent registration card" means a registration card that the department issues that:
 - (a) authorizes an individual to act as a cannabis production establishment agent; and
 - (b) designates the type of cannabis production establishment for which an individual is authorized to act as an agent.
- (10) "Community location" means a public or private school, a church, a public library, a public playground, or a public park.

- (11) "Department" means the Department of Agriculture and Food.
- (12) "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.
- (13) "Independent cannabis testing laboratory" means a person that:
 - (a) conducts a chemical or other analysis of cannabis or a cannabis product; or
 - (b) 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.
- (14) "Independent cannabis testing laboratory agent" means an individual who:
 - (a) is an employee of an independent cannabis testing laboratory; and
 - (b) holds a valid cannabis production establishment agent registration card.
- (15) "Inventory control system" means a system described in Section 4-41a-103.
- (16) "Medical cannabis" means the same as that term is defined in Section 26-61a-102.
- (17) "Medical cannabis card" means the same as that term is defined in Section 26-61a-102.
- (18) "Medical cannabis pharmacy" means the same as that term is defined in Section 26-61a-102.
- (19) "Medical cannabis pharmacy agent" means the same as that term is defined in Section 26-61a-102.
- (20) "Medical cannabis treatment" means the same as that term is defined in Section 26-61a-102.
- (21) "Medicinal dosage form" means the same as that term is defined in Section 26-61a-102.
- (22) "Qualified medical provider" means the same as that term is defined in Section 26-61a-102.
- (23) "Qualified Production Enterprise Fund" means the fund created in Section 4-41a-104.
- (24) "State central fill agent" means the same as that term is defined in Section 26-61a-102.
- (25) "State central fill medical cannabis pharmacy" means the same as that term is defined in Section 26-61a-102.
- (26) "State central fill shipment" means the same as that term is defined in Section 26-61a-102.
- (27) "State electronic verification system" means the system described in Section 26-61a-103.
- (28) "Tetrahydrocannabinol" means a substance derived from cannabis or a synthetic equivalent as described in Subsection 58-37-4(2)(a)(iii)(AA).
- (29) "Total composite tetrahydrocannabinol" means delta-9-tetrahydrocannabinol and tetrahydrocannabinolic acid.

Renumbered and Amended by Chapter 1, 2018 Special Session 3

4-41a-103 Inventory control system.

- (1) Each cannabis production establishment, each medical cannabis pharmacy, and the state central fill medical cannabis pharmacy shall maintain an inventory control system that meets the requirements of this section.
- (2) A cannabis production establishment, a medical cannabis pharmacy, and the state central fill 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, a medical cannabis pharmacy, and the state central fill medical cannabis pharmacy shall allow the department or the Department of Health access to the cannabis production establishment's, medical cannabis pharmacy's, or state central fill medical cannabis pharmacy's inventory control system at any time.
- (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.

Amended by Chapter 136, 2019 General Session

4-41a-104 Qualified Production Enterprise Fund -- Creation -- Revenue neutrality.

- (1) There is created an enterprise fund known as the "Qualified Production Enterprise Fund."
- (2) The fund created in this section is funded from:
- (a) money the department deposits into the fund under this chapter;
 - (b) appropriations the Legislature makes to the fund; and
 - (c) the interest described in Subsection (3).
- (3) Interest earned on the Qualified Production Enterprise Fund shall be deposited into the fund.
- (4) The department may only use money in the fund to fund the department's implementation of this chapter.
- (5) The department shall set fees authorized under this chapter in amounts that the department anticipates are necessary, in total, to cover the department's cost to implement this chapter.

Enacted by Chapter 1, 2018 Special Session 3

4-41a-105 Agreement with a tribe.

- (1) As used in this section, "tribe" means a federally recognized Indian tribe or Indian band.
- (2)
- (a) In accordance with this section, the governor may enter into an agreement with a tribe to allow for the operation of a cannabis production establishment on tribal land located within the state.
 - (b) An agreement described in Subsection (2)(a) may not exempt any person from the requirements of this chapter.
 - (c) The governor shall ensure that an agreement described in Subsection (2)(a):
 - (i) is in writing;
 - (ii) is signed by:
 - (A) the governor; and

- (B) the governing body of the tribe that the tribe designates and has the authority to bind the tribe to the terms of the agreement;
- (iii) states the effective date of the agreement;
- (iv) provides that the governor shall renegotiate the agreement if the agreement is or becomes inconsistent with a state statute; and
- (v) includes any accommodation that the tribe makes:
 - (A) to which the tribe agrees; and
 - (B) that is reasonably related to the agreement.
- (d) Before executing an agreement under this Subsection (2), the governor shall consult with the department.
- (e) At least 30 days before the execution of an agreement described in this Subsection (2), the governor or the governor's designee shall provide a copy of the agreement in the form in which the agreement will be executed to:
 - (i) the chairs of the Native American Legislative Liaison Committee; and
 - (ii) the Office of Legislative Research and General Counsel.

Enacted by Chapter 1, 2018 Special Session 3

4-41a-106 Severability clause.

- (1) If a final decision of a court of competent jurisdiction holds invalid any provision of this title or Laws of Utah 2018, Third Special Session, Chapter 1 or the application of any provision of this title or Laws of Utah 2018, Third Special Session, Chapter 1 to any person or circumstance, the remaining provisions of this title and Laws of Utah 2018, Third Special Session, Chapter 1 remain effective without the invalidated provision or application.
- (2) The provisions of this title and Laws of Utah 2018, Third Special Session, Chapter 1 are severable.

Enacted by Chapter 1, 2018 Special Session 3

4-41a-107 Notice to prospective and current public employees.

- (1)
 - (a) A state employer or a political subdivision employer shall take the action described in Subsection (1)(b) before:
 - (i) giving to a current employee an assignment or duty that arises from or directly relates to an obligation under this chapter; or
 - (ii) hiring a prospective employee whose assignments or duties would include an assignment or duty that arises from or directly relates to an obligation under this chapter.
 - (b) The employer described in Subsection (1)(a) shall give the employee or prospective employee described in Subsection (1)(a) a written notice that notifies the employee or prospective employee:
 - (i) that the employee's or prospective employee's job duties may require the employee or prospective employee to engage in conduct which is in violation of the criminal laws of the United States; and
 - (ii) that in accepting a job or undertaking a duty described in Subsection (1)(a), although the employee or prospective employee is entitled to the protections of Title 67, Chapter 21, Utah Protection of Public Employees Act, the employee may not object or refuse to carry out an assignment or duty that may be a violation of the criminal laws of the United States with respect to the manufacture, sale, or distribution of cannabis.

- (2) The Department of Human Resource Management shall create, revise, and publish the form of the notice described in Subsection (1).
- (3) Notwithstanding Subsection 67-21-3(3), an employee who has signed the notice described in Subsection (1) may not:
 - (a) claim in good faith that the employee's actions violate or potentially violate the laws of the United States with respect to the manufacture, sale, or distribution of cannabis; or
 - (b) refuse to carry out a directive that the employee reasonably believes violates the criminal laws of the United States with respect to the manufacture, sale, or distribution of cannabis.
- (4) An employer of an employee who has signed the notice described in Subsection (1) may not take retaliatory action as defined in Section 67-19a-101 against a current employee who refuses to sign the notice described in Subsection (1).

Enacted by Chapter 341, 2019 General Session

Part 2

Cannabis Production Establishment

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

- (1) A person may not operate a cannabis production establishment without a license that the department issues under this chapter.
- (2)
 - (a) Subject to Subsections (6), (7), and (8), and to Section 4-41a-205, the department shall, in accordance with Title 63G, Chapter 6a, Utah Procurement Code, issue a license to operate a cannabis production establishment to an applicant who is 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:
 - (i) a proposed name and address, located in a zone described in Subsection 4-41a-406(1) (a) or (b), where the applicant will operate the cannabis production establishment that is not within 1,000 feet of a community location or within 600 feet of an area zoned primarily for residential use, as measured from the nearest entrance to the cannabis production establishment by following the shortest route of ordinary pedestrian travel to the property boundary of the community location or residential area, unless the relevant county or municipality recommends in writing that the department waive the community location proximity limit;
 - (ii) the name and address of any individual who has:
 - (A) a financial or voting interest of 2% or greater in the proposed cannabis production establishment; or
 - (B) the power to direct or cause the management or control of a proposed cannabis production establishment;
 - (iii) an operating plan that:
 - (A) complies with Section 4-41a-204;
 - (B) includes operating procedures that comply with this chapter and any law the municipality or county in which the person is located adopts that is consistent with Section 4-41a-406; and
 - (C) the department approves;

- (iv) evidence that the applicant has obtained and maintains a performance bond that a surety authorized to transact surety business in the state issues in an amount of at least:
 - (A) \$250,000 for each cannabis cultivation facility for which the applicant applies; or
 - (B) \$50,000 for each cannabis processing facility or independent cannabis testing laboratory for which the applicant applies;
 - (v) if the municipality or county where the proposed cannabis production establishment would be located requires a local land use permit, a copy of the applicant's approved application for the local land use permit; and
 - (vi) an application fee in an amount that, subject to Subsection 4-41a-104(5), the department sets in accordance with Section 63J-1-504.
- (3) If the department approves an application for a license under this section:
- (a) the applicant shall pay the department 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; and
 - (b) the department shall notify the Department of Public Safety of the license approval and the names of each individual described in Subsection (2)(b)(ii).
- (4)
- (a) Except as provided in Subsection (4)(b), the department shall require a separate license for each type of cannabis production establishment and each location of a cannabis production establishment.
 - (b) The department may issue a cannabis cultivation facility license and a cannabis processing facility license to a person to operate at the same physical location or at separate physical locations.
- (5) If the department receives more than one application for a cannabis production establishment 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.
- (6) The department may not issue a license to operate an independent cannabis testing laboratory to a person who:
- (a) holds a license or has an ownership interest in a medical cannabis pharmacy, a cannabis processing facility, or a cannabis cultivation facility;
 - (b) has an owner, officer, director, or employee whose family member holds a license or has an ownership interest in a medical cannabis pharmacy, a cannabis processing facility, or a cannabis cultivation facility; or
 - (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 department 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; or
 - (ii) after December 3, 2018, a misdemeanor for drug distribution; or
 - (b) is younger than 21 years old.
- (8) If an applicant for a cannabis production establishment license under this section holds a license under Title 4, Chapter 41, Hemp and Cannabinoid Act, or Title 26, Chapter 61a, Utah Medical Cannabis Act, the department:
- (a) shall consult with the Department of Health regarding the applicant if the license the applicant holds is a license under Title 26, Chapter 61a, Utah Medical Cannabis Act; and
 - (b) may not give preference to the applicant based on the applicant's status as a holder of a license described in this Subsection (8).

- (9) The department 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 department issues the initial license;
 - (b) after the cannabis production establishment makes the same violation of this chapter three times; or
 - (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.
- (10) The department shall deposit the proceeds of a fee that the department imposes under this section into the Qualified Production Enterprise Fund.
- (11) The department shall begin accepting applications under this part on or before January 1, 2020.
- (12) The department's authority to issue a license under this section is plenary and is not subject to review.

Renumbered and Amended by Chapter 1, 2018 Special Session 3

4-41a-202 Cannabis production establishment owners and directors -- Criminal background checks.

- (1) Each applicant for a license as a cannabis production establishment shall submit to the department, at the time of application, from each individual who has a financial or voting interest of 2% or greater in the applicant or who has the power to direct or cause the management or control of the applicant:
 - (a) a fingerprint card in a form acceptable to the Department of Public Safety;
 - (b) a signed waiver in accordance with Subsection 53-10-108(4) acknowledging the registration of the individual's fingerprints in the Federal Bureau of Investigation Next Generation Identification System's Rap Back Service; and
 - (c) consent to a fingerprint background check by:
 - (i) the Utah Bureau of Criminal Identification; and
 - (ii) the Federal Bureau of Investigation.
- (2) The Bureau of Criminal Identification shall:
 - (a) check the fingerprints the applicant submits under Subsection (1) against the applicable state, regional, and national criminal records databases, including the Federal Bureau of Investigation Next Generation Identification System;
 - (b) report the results of the background check to the department;
 - (c) maintain a separate file of fingerprints that applicants submit under Subsection (1) for search by future submissions to the local and regional criminal records databases, including latent prints;
 - (d) 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
 - (e) establish a privacy risk mitigation strategy to ensure that the department only receives notifications for an individual with whom the department maintains an authorizing relationship.
- (3) The department shall:

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

Renumbered and Amended by Chapter 1, 2018 Special Session 3

4-41a-203 Renewal.

The department shall renew a license issued under Section 4-41a-201 every year if, at the time of renewal:

- (1) the licensee meets the requirements of Section 4-41a-201;
- (2) the licensee pays the department a license renewal fee in an amount that, subject to Subsection 4-41a-104(5), the department sets in accordance with Section 63J-1-504; and
- (3) if the cannabis production establishment changes the operating plan described in Section 4-41a-204 that the department approved under Subsection 4-41a-201(2)(b)(iii), the department approves the new operating plan.

Renumbered and Amended by Chapter 1, 2018 Special Session 3

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, 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 26-61a-103;
 - (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).
- (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 anticipated cannabis yield.
 - (b) Except as provided in Subsection (2)(c) or (d):
 - (i) a cannabis cultivation facility that cultivates cannabis indoors may not:
 - (A) use more than 100,000 square feet for cultivation; or

- (B) hang, suspend, stack or otherwise position plants above other plants to cultivate more plants through use of vertical space; and
- (ii) a cannabis cultivation facility that cultivates cannabis outdoors may not use more than four acres for cultivation.
- (c)
 - (i) Each licensee may annually apply to the department for authorization to exceed the cannabis cultivation facility's current cultivation size limitation by up to 20%.
 - (ii) The department may, after conducting a review as described in Subsection 4-41a-205(2)(a), grant the authorization described in Subsection (2)(c)(i).
- (d) If a licensee describes an intended acreage or square footage under cultivation under Subsection (2)(a)(ii) that is less than the limitation described in Subsection (2)(b):
 - (i) the licensee may not cultivate more than the licensee's identified intended acreage or square footage under cultivation; and
 - (ii) notwithstanding Subsection (2)(b), the department may allocate the remaining difference in acreage or square footage under cultivation to another licensee.
- (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.

Renumbered and Amended by Chapter 1, 2018 Special Session 3

4-41a-205 Number of licenses -- Cannabis cultivation facilities.

- (1) Except as provided in Subsection (2)(a), the department may not issue more than 10 licenses to operate a cannabis cultivation facility.
- (2)
 - (a) The department may issue up to five licenses to operate a cannabis cultivation facility in addition to the 10 licenses described in Subsection (1) if the department determines, in consultation with the Department of Health and after an annual or more frequent analysis of the current and anticipated market for cannabis in a medicinal dosage form and cannabis products in a medicinal dosage form, that each additional license is necessary to provide an adequate supply, quality, or variety of cannabis in a medicinal dosage form and cannabis products in a medicinal dosage form to medical cannabis cardholders.
 - (b) If the recipient of one of the initial 10 licenses described in Subsection (1) ceases operations or otherwise abandons the license, the department may but is not required to grant the vacant license to another applicant based on an analysis as described in Subsection (2)(a).
- (3) If there are more qualified applicants than the number of available licenses for cannabis cultivation facilities under Subsections (1) and (2), the department shall evaluate the applicants

and award the limited number of licenses described in Subsections (1) and (2) to the applicants that best demonstrate:

- (a) experience with establishing and successfully operating a business that involves:
 - (i) complying with a regulatory environment;
 - (ii) tracking inventory; and
 - (iii) training, evaluating, and monitoring employees;
 - (b) an operating plan that will best ensure the safety and security of patrons and the community;
 - (c) positive connections to the local community; and
 - (d) the extent to which the applicant can reduce the cost to patients of cannabis in a medicinal dosage form or cannabis products in a medicinal dosage form.
- (4) The department may conduct a face-to-face interview with an applicant for a license that the department evaluates under Subsection (3).

Renumbered and Amended by Chapter 1, 2018 Special Session 3

Part 3

Cannabis Production Establishments Agents

4-41a-301 Cannabis production establishment agent -- Registration.

- (1) An individual may not act as a cannabis production establishment agent unless the department registers the individual as a cannabis production establishment agent.
- (2) The following individuals, regardless of the individual's status as a qualified medical provider, may not serve as a cannabis production establishment agent, have a financial or voting interest of 2% or greater in a cannabis production establishment, or have the power to direct or cause the management or control of a cannabis production establishment:
 - (a) a pharmacist licensed under Title 58, Chapter 17b, Pharmacy Practice Act;
 - (b) an advanced practice registered nurse licensed under Title 58, Chapter 31b, Nurse Practice Act;
 - (c) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act, or Title 58, Chapter 68, Utah Osteopathic Medical Practice Act; or
 - (d) a physician assistant licensed under Title 58, Chapter 70a, Utah Physician Assistant Act.
- (3) An independent cannabis testing laboratory agent may not act as an agent for a medical cannabis pharmacy, the state central fill medical cannabis pharmacy, a cannabis processing facility, or a cannabis cultivation facility.
- (4)
 - (a) The department shall, within 15 business days after the day on which the department receives a complete application from a cannabis production establishment on behalf of a prospective cannabis production establishment agent, register and issue a cannabis production establishment agent registration card to the prospective agent if the cannabis production establishment:
 - (i) provides to the department:
 - (A) the prospective agent's name and address;
 - (B) the name and location of a licensed cannabis production establishment where the prospective agent will act as the cannabis production establishment's agent; and
 - (C) the submission required under Subsection (4)(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 (4)(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 (4)(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 (4)(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 authorizing relationship.
- (d) The department shall:
 - (i) assess an individual who submits fingerprints under Subsection (4)(b) a fee in an amount that the department sets in accordance with Section 63J-1-504 for the services that the Bureau of Criminal Identification or another authorized agency provides under this section; and
 - (ii) remit the fee described in Subsection (4)(d)(i) to the Bureau of Criminal Identification.
- (5) The department shall designate, on an individual's cannabis production establishment agent registration card:
 - (a) the name of the cannabis production establishment where the individual is registered as an agent; and
 - (b) the type of cannabis production establishment for which the individual is authorized to act as an agent.
- (6) A cannabis production establishment agent shall comply with:
 - (a) a certification standard that the department develops; or
 - (b) a third-party certification standard that the department designates by rule, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (7) The department shall ensure that the certification standard described in Subsection (6) includes training:
 - (a) in Utah medical cannabis law;
 - (b) for a cannabis cultivation facility agent, in cannabis cultivation best practices;
 - (c) for a cannabis processing facility agent, in cannabis processing, manufacturing safety procedures for items for human consumption, and sanitation best practices; and

- (d) for an independent cannabis testing laboratory agent, in cannabis testing best practices.
- (8) For an individual who holds or applies for a cannabis production establishment agent registration card:
 - (a) the department may revoke or refuse to issue the card if the individual violates the requirements of this chapter; and
 - (b) the department shall revoke or refuse to issue the card if the individual is convicted under state or federal law of:
 - (i) a felony; or
 - (ii) after December 3, 2018, a misdemeanor for drug distribution.
- (9)
 - (a) A cannabis production establishment agent registration card expires two years after the day on which the department issues the card.
 - (b) A cannabis production establishment agent may renew the agent's registration card if the agent:
 - (i) is eligible for a cannabis production establishment registration card under this section;
 - (ii) certifies to the department in a renewal application that the information in Subsection (4)(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.

Amended by Chapter 136, 2019 General Session

4-41a-302 Cannabis production establishment agent registration card -- Rebuttable presumption.

- (1) A cannabis production establishment agent whom the department registers under Section 4-41a-301 shall carry the individual's cannabis production establishment agent registration card with the agent at all times when:
 - (a) the agent is on the premises of a cannabis production establishment where the agent is registered;
 - (b) the agent is transporting cannabis in a medicinal dosage form, a cannabis product in a medicinal dosage form, or a medical cannabis device between:
 - (i) two cannabis production establishments; or
 - (ii) a cannabis production establishment and:
 - (A) a medical cannabis pharmacy; or
 - (B) the state central fill medical cannabis pharmacy; and
 - (c) if the cannabis production establishment agent is an agent of a cannabis cultivating facility, the agent is transporting raw cannabis plants to a cannabis processing facility or an independent cannabis testing laboratory.
- (2) If a cannabis processing facility agent possesses cannabis in a medicinal dosage form, a cannabis product in a medicinal dosage form, or a medical cannabis device and produces the registration card in the agent's possession in compliance with Subsection (1) while handling, at a cannabis production establishment, or transporting the cannabis, cannabis product, or medical cannabis device in compliance with Subsection (1):
 - (a) there is a rebuttable presumption that the agent possesses the cannabis, cannabis product, or medical cannabis device legally; and

- (b) a law enforcement officer does not have probable cause, based solely on the agent's possession of the cannabis in medicinal dosage form, cannabis product in medicinal dosage form, or medical cannabis device in compliance with Subsection (1), to believe that the individual is engaging in illegal activity.
- (3)
 - (a) A cannabis production establishment agent who fails to carry the agent's cannabis production establishment agent registration card in accordance with Subsection (1) is:
 - (i) for a first or second offense in a two-year period:
 - (A) guilty of an infraction; and
 - (B) subject to a \$100 fine; or
 - (ii) for a third or subsequent offense in a two-year period:
 - (A) guilty of a class C misdemeanor; and
 - (B) subject to a \$750 fine.
 - (b)
 - (i) The prosecuting entity shall notify the department and the relevant cannabis production establishment of each conviction under Subsection (3)(a).
 - (ii) For each violation described in Subsection (3)(a)(ii), the department may assess the relevant cannabis production establishment a fine of up to \$5,000, in accordance with a fine schedule that the department establishes by rule in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
 - (c) An individual who is guilty of a violation described in Subsection (3)(a) is not guilty for a violation of Title 58, Chapter 37, Utah Controlled Substances Act, for the conduct underlying the violation described in Subsection (3)(a).

Renumbered and Amended by Chapter 1, 2018 Special Session 3

Part 4

General Cannabis Production Establishment Operating Requirements

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; 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.

Renumbered and Amended by Chapter 1, 2018 Special Session 3

4-41a-402 Inspections.

- (1) The department may inspect the records and facility of a cannabis production establishment at any time during business hours to determine if the cannabis production establishment complies with this chapter.
- (2)
 - (a) An inspection under this section may include:
 - (i) inspection of a site, facility, vehicle, book, record, paper, document, data, and other physical or electronic information;
 - (ii) questioning of any relevant individual;
 - (iii) observation of an independent cannabis testing laboratory's methods, standards, practices, and procedures;
 - (iv) the taking of a specimen of cannabis or cannabis products sufficient for testing purposes; or
 - (v) inspection of equipment, an instrument, a tool, or machinery, including a container or label.
 - (b) Notwithstanding Section 4-41a-404, an authorized department employee may possess and transport a specimen of cannabis or cannabis products for testing described in Subsection (2) (a).
- (3) In making an inspection under this section, the department may freely access any area and review and make copies of a book, record, paper, document, data, or other physical or

electronic information, including financial data, sales data, shipping data, pricing data, and employee data.

- (4) Failure to provide the department or the department's authorized agents immediate access to records and facilities during business hours in accordance with this section may result in:
- (a) the imposition of a civil monetary penalty that the department sets in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
 - (b) license or registration suspension or revocation; or
 - (c) an immediate cessation of operations under a cease and desist order that the department issues.

Renumbered and Amended by Chapter 1, 2018 Special Session 3

4-41a-403 Advertising.

- (1) A cannabis production establishment may not advertise to the general public in any medium.
- (2) Notwithstanding Subsection (1), a cannabis production establishment may advertise an employment opportunity at the cannabis production facility.

Renumbered and Amended by Chapter 1, 2018 Special Session 3

4-41a-404 Cannabis, cannabis product, or medical cannabis device transportation.

- (1)
 - (a) Only the following individuals may transport cannabis in a medicinal dosage form, a cannabis product in a medicinal dosage form, or a medical cannabis device under this chapter:
 - (i) a registered cannabis production establishment agent; or
 - (ii) a medical cannabis cardholder who is transporting a medical cannabis treatment that the cardholder is authorized to possess under this chapter.
 - (b) Only an agent of a cannabis cultivating facility, when the agent is transporting cannabis plants to a cannabis processing facility or an independent cannabis testing laboratory, may transport unprocessed cannabis outside of a medicinal dosage form.
- (2) Except for an individual with a valid medical cannabis card under Title 26, Chapter 61a, Utah Medical Cannabis Act, who is transporting a medical cannabis treatment shall possess a transportation manifest that:
 - (a) includes a unique identifier that links the cannabis, cannabis product, or medical cannabis device to a relevant inventory control system;
 - (b) includes origin and destination information for any cannabis, cannabis product, or medical cannabis device that the individual is transporting; and
 - (c) identifies the departure and arrival times and locations of the individual transporting the cannabis, cannabis product, or medical cannabis device.
- (3)
 - (a) In addition to the requirements in Subsections (1) and (2), the department may establish by rule, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, requirements for transporting cannabis in a medicinal dosage form, a cannabis product in a medicinal dosage form, or a medical cannabis device to ensure that the cannabis, cannabis product, or medical cannabis device remains safe for human consumption.
 - (b) The transportation described in Subsection (3)(a) is limited to transportation:
 - (i) between a cannabis cultivation facility and:
 - (A) another cannabis cultivation facility; or
 - (B) a cannabis processing facility; and

- (ii) between a cannabis processing facility and:
 - (A) another cannabis processing facility;
 - (B) an independent cannabis testing laboratory;
 - (C) a medical cannabis pharmacy; or
 - (D) the state central fill medical cannabis pharmacy.
- (4)
 - (a) It is unlawful for a registered cannabis production establishment agent to make a transport described in this section with a manifest that does not meet the requirements of this section.
 - (b) Except as provided in Subsection (4)(d), an agent who violates Subsection (4)(a) is:
 - (i) guilty of an infraction; and
 - (ii) subject to a \$100 fine.
 - (c) An individual who is guilty of a violation described in Subsection (4)(b) is not guilty of a violation of Title 58, Chapter 37, Utah Controlled Substances Act, for the conduct underlying the violation described in Subsection (4)(b).
 - (d) If the agent described in Subsection (4)(a) is transporting more cannabis, cannabis product, or medical cannabis devices than the manifest identifies, except for a de minimis administrative error:
 - (i) the penalty described in Subsection (4)(b) does not apply; and
 - (ii) the agent is subject to penalties under Title 58, Chapter 37, Utah Controlled Substances Act.
- (5) Nothing in this section prevents the department from taking administrative enforcement action against a cannabis production establishment or another person for failing to make a transport in compliance with the requirements of this section.

Amended by Chapter 341, 2019 General Session

4-41a-405 Excess and disposal.

- (1) As used in this section, "medical cannabis waste" means waste and unused material from the cultivation and production of medical cannabis.
- (2) A cannabis production establishment shall:
 - (a) render medical cannabis waste unusable and unrecognizable before transporting the medical cannabis waste from the cannabis production establishment; and
 - (b) dispose of medical cannabis waste in accordance with:
 - (i) federal and state laws, rules, and regulations related to hazardous waste;
 - (ii) the Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6991 et seq.;
 - (iii) Title 19, Chapter 6, Part 5, Solid Waste Management Act; and
 - (iv) other regulations that the department makes in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (3) An individual may not transport or dispose of medical cannabis waste other than as provided in this section.

Enacted by Chapter 1, 2018 Special Session 3

4-41a-406 Local control.

- (1)
 - (a) If a municipality's or county's zoning ordinances provide for an industrial zone, the municipality or county shall ensure that the ordinances allow for cannabis production establishments in at least one type of industrial zone.

- (b) If a municipality's or county's zoning ordinances provide for an agricultural zone, the municipality or county shall ensure that the ordinances allow for cannabis production establishments in at least one type of agricultural zone.
- (2)
- (a) A municipality or county may not deny or revoke a land use permit to operate a cannabis production facility on the sole basis that the applicant or cannabis production establishment violates federal law regarding the legal status of cannabis.
 - (b) A municipality or county may not deny or revoke a business license to operate a cannabis production facility on the sole basis that the applicant or cannabis production establishment violates federal law regarding the legal status of cannabis.

Renumbered and Amended by Chapter 1, 2018 Special Session 3

Part 5

Cannabis Cultivation Facility Operating Requirements

4-41a-501 Cannabis cultivation facility -- Operating requirements.

- (1) A cannabis cultivation facility shall ensure that any cannabis growing at the cannabis cultivation facility is not visible from the ground level of the cannabis cultivation facility perimeter.
- (2) A cannabis cultivation facility shall use a unique identifier that is connected to the cannabis cultivation facility's inventory control system to identify:
 - (a) beginning at the time a cannabis plant is eight inches tall and has a root ball, each cannabis plant;
 - (b) each unique harvest of cannabis plants;
 - (c) each batch of cannabis the facility transfers to a medical cannabis pharmacy, the state central fill medical cannabis pharmacy, a cannabis processing facility, or an independent cannabis testing laboratory; and
 - (d) any excess, contaminated, or deteriorated cannabis of which the cannabis cultivation facility disposes.

Renumbered and Amended by Chapter 1, 2018 Special Session 3

4-41a-502 Cannabis -- Labeling and child-resistant packaging.

For any cannabis that a cannabis cultivation facility cultivates or otherwise produces and subsequently ships to another cannabis production establishment, the facility shall:

- (1) label the cannabis with a label that has a unique batch identification number that is connected to the inventory control system; and
- (2) package the cannabis in a container that is:
 - (a) tamper evident; and
 - (b) not appealing to children.

Renumbered and Amended by Chapter 1, 2018 Special Session 3

Part 6

Cannabis Processing Facility Operating Requirements

4-41a-601 Cannabis processing facility -- Operating requirements -- General.

A cannabis processing facility shall ensure that a cannabis product the cannabis processing facility sells complies with the requirements of this part.

Renumbered and Amended by Chapter 1, 2018 Special Session 3

4-41a-602 Cannabis product -- Labeling and child-resistant packaging.

(1) For any cannabis product that a cannabis processing facility processes or produces, the facility shall:

- (a) label the cannabis product with a label that:
 - (i) clearly and unambiguously states that the cannabis product contains cannabis;
 - (ii) clearly displays the amount of total composite tetrahydrocannabinol and cannabidiol in the labeled container;
 - (iii) has a unique identification number that:
 - (A) is connected to the inventory control system; and
 - (B) identifies the unique cannabis product manufacturing process the cannabis processing facility used to manufacture the cannabis product;
 - (iv) identifies the cannabinoid extraction process that the cannabis processing facility used to create the cannabis product;
 - (v) does not display an image, word, or phrase that the facility knows or should know appeals to children; and
 - (vi) discloses each active or potentially active ingredient, in order of prominence, and possible allergen; and
- (b) package the cannabis product in a medicinal dosage form in a container that:
 - (i) except for a blister pack, is tamper evident and tamper resistant;
 - (ii) does not appeal to children;
 - (iii) does not mimic a candy container;
 - (iv) except for a blister pack, is opaque;
 - (v) complies with child-resistant effectiveness standards that the United States Consumer Product Safety Commission establishes; and
 - (vi) includes a warning label that states: "WARNING: Cannabis has intoxicating effects and may be addictive. Do not operate a vehicle or machinery under its influence. KEEP OUT OF REACH OF CHILDREN. This product is for medical use only. Use only as directed by a qualified medical provider."

(2) For any cannabis or cannabis product that the cannabis processing facility processes into a gelatinous cube, gelatinous rectangular cuboid, or lozenge in a cube or rectangular cuboid shape, the facility shall:

- (a) ensure that the label described in Subsection (1)(a) does not contain a photograph or other image of the content of the container; and
- (b) include on the label described in Subsection (1)(a) a warning about the risks of over-consumption.

(3) The department shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, establishing a standard labeling format that:

- (a) complies with the requirements of this section; and
- (b) ensures inclusion of a pharmacy label.

Renumbered and Amended by Chapter 1, 2018 Special Session 3

4-41a-603 Cannabis product -- Product quality.

- (1) A cannabis processing facility may not produce a cannabis product in a physical form that:
 - (a) the facility knows or should know appeals to children;
 - (b) is designed to mimic or could be mistaken for a candy product; or
 - (c) for a product used in vaporization, includes a candy-like flavor or another flavor that the facility knows or should know appeals to children.
- (2) A cannabis product may vary in the cannabis product's labeled cannabinoid profile by up to 10% of the indicated amount of a given cannabinoid, by weight.
- (3) The department shall adopt by rule, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, human safety standards for the manufacturing of cannabis products that are consistent with best practices for the use of cannabis.

Renumbered and Amended by Chapter 1, 2018 Special Session 3

Part 7
Independent Cannabis Testing Laboratories

4-41a-701 Cannabis and cannabis product testing.

- (1) A cannabis cultivation facility may not offer any cannabis for sale to a cannabis processing facility unless an independent cannabis testing laboratory has tested a representative sample of the cannabis or cannabis product to determine that the presence of contaminants, including mold, fungus, pesticides, microbial contaminants, heavy metals, or foreign material, does not exceed an amount that is safe for human consumption.
- (2) A cannabis processing facility may not offer any cannabis or cannabis products for sale to a medical cannabis pharmacy or the state central fill medical cannabis pharmacy, and a medical cannabis pharmacy and the state central fill medical cannabis pharmacy may not offer any cannabis or cannabis product for sale unless an independent cannabis testing laboratory has tested a representative sample of the cannabis or cannabis product to determine:
 - (a)
 - (i) the amount of total composite tetrahydrocannabinol and cannabidiol in the cannabis or cannabis product; and
 - (ii) the amount of any other cannabinoid in the cannabis or cannabis product that the label claims the cannabis or cannabis product contains;
 - (b) that the presence of contaminants, including mold, fungus, pesticides, microbial contaminants, heavy metals, or foreign material, does not exceed an amount that is safe for human consumption; and
 - (c) for a cannabis product that is manufactured using a process that involves extraction using hydrocarbons, that the cannabis product does not contain a level of a residual solvent that is not safe for human consumption.
- (3) By rule, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department:
 - (a) may determine the amount of any substance described in Subsections (2)(b) and (c) that is safe for human consumption; and
 - (b) shall establish protocols for a recall of cannabis or a cannabis product by a cannabis production establishment.

- (4) The department may require testing for a toxin if:
 - (a) the department receives information indicating the potential presence of a toxin; or
 - (b) the department's inspector has reason to believe a toxin may be present based on the inspection of a facility.
- (5) The department shall establish by rule, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the standards, methods, practices, and procedures for the testing of cannabis and cannabis products by independent cannabis testing laboratories.
- (6) The department may require an independent cannabis testing laboratory to participate in a proficiency evaluation that the department conducts or that an organization that the department approves conducts.

Amended by Chapter 341, 2019 General Session

4-41a-702 Reporting -- Inspections -- Seizure by the department.

- (1) If an independent cannabis testing laboratory determines that the results of a lab test indicate that a cannabis or cannabis product batch may be unsafe for human use:
 - (a) the independent cannabis testing laboratory shall:
 - (i) report the results and the cannabis or cannabis product batch to:
 - (A) the department; and
 - (B) the cannabis production establishment that prepared the cannabis or cannabis product batch; and
 - (ii) retain possession of the cannabis or cannabis product batch for two weeks in order to investigate the cause of the defective batch and to make a determination; and
 - (b) the cannabis production establishment that prepared the cannabis or cannabis product batch may appeal the determination described in Subsection (1)(a)(ii) to the department.
- (2) If the department determines, under Subsection (1)(a)(ii) or following an appeal under Subsection (1)(b), that a cannabis or cannabis product prepared by a cannabis production establishment is unsafe for human consumption, the department may seize, embargo, or destroy, in the same manner as a cannabis production establishment under Section 4-41a-405, the cannabis or cannabis product batch.
- (3) If an independent cannabis testing laboratory determines that the results of a lab test indicate that the cannabinoid content of a cannabis or cannabis product batch diverges more than 10% from the amounts the label indicates, the cannabis processing facility may not sell the cannabis or cannabis product batch unless the facility replaces the incorrect label with a label that correctly indicates the cannabinoid content.

Renumbered and Amended by Chapter 1, 2018 Special Session 3

Part 8
Enforcement and Report

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

- (1) If a person that is a cannabis production establishment or a cannabis production establishment agent violates this chapter, the department may:
 - (a) revoke the person's license or cannabis production establishment agent registration card;

- (b) decline to renew the person's license or cannabis production establishment agent registration card; or
 - (c) assess the person an administrative penalty that the department establishes by rule in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (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:
 - (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:
 - (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
 - (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 settlement, or a finding of a violation in an adjudicative proceeding under this section, for a fine amount not already specified in law, assess the person, who is not an individual, a fine of up to \$5,000 per violation, in accordance with a fine schedule that the department establishes by rule in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (5) The department may not revoke a cannabis production establishment's license without first directing the cannabis production establishment to appear before an adjudicative proceeding conducted under Title 63G, Chapter 4, Administrative Procedures Act.
- (6) If within 20 calendar days after the day on which a department serves a citation for a violation of this chapter, the person that is the subject of the citation fails to request a hearing to contest the citation, the citation becomes the department's final order.
- (7) The department may, for a person who fails to comply with a citation under this section:
- (a) refuse to issue or renew the person's license or cannabis production establishment agent registration card; or
 - (b) suspend, revoke, or place on probation the person's license or cannabis production establishment registration card.
- (8)
- (a) Except where a criminal penalty is expressly provided for a specific violation of this chapter, if an individual:
 - (i) violates a provision of this chapter, the individual is:
 - (A) guilty of an infraction; and
 - (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) Nothing in this section prohibits the department from referring potential criminal activity to law enforcement.

Renumbered and Amended by Chapter 1, 2018 Special Session 3

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 that the department licenses 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; and
 - (f) the expenses incurred and revenues generated under this chapter.
- (2) The department may not include personally identifying information in the report described in this section.

Renumbered and Amended by Chapter 1, 2018 Special Session 3