

HB0105S08 compared with HB0105S07

~~text~~ shows text that was in HB0105S07 but was deleted in HB0105S08.

inserted text shows text that was not in HB0105S07 but was inserted into HB0105S08.

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~~Representative Gage Froerer~~Senator John L. Valentine proposes the following substitute bill:

PLANT EXTRACT AMENDMENTS

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gage Froerer

Senate Sponsor: Stephen H. Urquhart

<u>Cosponsors:</u>	<u>Lynn N. Hemingway</u>	<u>Dixon M. Pitcher</u>
<u>Rebecca Chavez-Houck</u>	<u>John Knotwell</u>	<u>Marie H. Poulson</u>
<u>Jerry B. Anderson</u>	<u>Ronda Rudd Menlove</u>	<u>Marc K. Roberts</u>
<u>Susan Duckworth</u>	<u>Jim Nielson</u>	<u>Ryan D. Wilcox</u>
<u>Brian M. Greene</u>	<u>Curtis Oda</u>	<u>Larry B. Wiley</u>
<u>Richard A. Greenwood</u>	<u>Lee B. Perry</u>	
<u>Keith Grover</u>	<u>Jeremy A. Peterson</u>	

LONG TITLE

General Description:

This bill makes amendments to the Utah Code related to hemp.

Highlighted Provisions:

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This bill:

- ▶ permits the Department of Agriculture and a department-certified higher education institution to grow industrial hemp for the purpose of agricultural or academic research;
- ▶ exempts an individual with intractable epilepsy who uses or possesses hemp extract, and complies with other requirements, from the penalties related to possession or use of the hemp extract under the Controlled Substances Act;
- ▶ exempts an individual who possesses hemp extract and administers the hemp extract to a minor with intractable epilepsy from the penalties related to administering the hemp extract to a minor under the Controlled Substances Act;
- ▶ requires the Department of Health to issue a hemp extract registration card to an individual who meets certain requirements;
- ▶ requires a neurologist signing a statement that an individual or minor could benefit from treatment with hemp extract to keep a record of the neurologist's evaluation and transmit the record to the Department of Health;
- ▶ requires the Department of Health to maintain a database of neurologist evaluations;
- ▶ repeals certain provisions on July 1, 2016; and
- ▶ makes technical and conforming amendments.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2014.

Utah Code Sections Affected:

AMENDS:

63I-1-226, as last amended by Laws of Utah 2013, Chapters 32, 60, and 195

63I-1-258, as last amended by Laws of Utah 2013, Chapters 55, 87, 222, 278, and 351

ENACTS:

4-41-101, Utah Code Annotated 1953

4-41-102, Utah Code Annotated 1953

4-41-103, Utah Code Annotated 1953

26-55-101, Utah Code Annotated 1953

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26-55-102, Utah Code Annotated 1953

26-55-103, Utah Code Annotated 1953

58-37-4.3, Utah Code Annotated 1953

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

Section 1. Section **4-41-101** is enacted to read:

CHAPTER 41. INDUSTRIAL HEMP RESEARCH ACT

4-41-101. Title.

This chapter is known as the "Industrial Hemp Research Act."

Section 2. Section **4-41-102** is enacted to read:

4-41-102. Definitions.

For purposes of this chapter:

(1) "Industrial hemp" means any part of a cannabis plant, whether growing or not, with a concentration of less than 0.3% tetrahydrocannabinol by weight.

(2) "Industrial hemp certificate" means a certificate issued by the department to a higher education institution to grow or cultivate industrial hemp under Subsection 4-41-103(1).

Section 3. Section **4-41-103** is enacted to read:

4-41-103. Industrial hemp -- Agricultural and academic research.

(1) The department may grow or cultivate industrial hemp for the purpose of agricultural or academic research.

(2) The department shall certify a higher education institution to grow or cultivate industrial hemp for the purpose of agricultural or academic research if the higher education institution submits to the department:

(a) the location where the higher education institution intends to grow or cultivate industrial hemp;

(b) the higher education institution's research plan; and

(c) the name of an employee of the higher education institution who will supervise the industrial hemp growth, cultivation, and research.

(3) The department shall maintain a list of each industrial hemp certificate holder.

(4) The department shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to ensure any industrial hemp project meets the standards of

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an agricultural pilot project, as defined by Section 7606 of the U.S. Agricultural Act of 2014.

Section 4. Section **26-55-101** is enacted to read:

CHAPTER 55. HEMP EXTRACT REGISTRATION ACT

26-55-101. Title.

This chapter is known as the "Hemp Extract Registration Act."

Section 5. Section **26-55-102** is enacted to read:

26-55-102. Definitions.

As used in this chapter:

(1) "Hemp extract" is as defined in Section 58-37-4.3.

(2) "Hemp extract registration card" means a card issued by the department under Subsection 26-55-103(1) or (2).

(3) "Intractable epilepsy" means epilepsy that, as determined by a neurologist, does not respond to three or more treatment options overseen by the neurologist.

(4) "Neurologist" means an individual who is licensed under Title 58, Chapter 67, Utah Medical Practice Act, or Title 58, Chapter 68, Utah Osteopathic Medical Practice Act, that is board certified in neurology.

(5) "Parent" means a parent or legal guardian of a minor who is responsible for the minor's medical care.

(6) "Registrant" means an individual to whom the department issues a hemp extract registration card under Subsection 26-55-103(1) or (2).

Section 6. Section **26-55-103** is enacted to read:

26-55-103. Hemp extract registration card.

(1) The department shall issue a hemp extract registration card to an individual who:

(a) is at least 18 years of age;

(b) is a Utah resident;

(c) provides the department with a statement signed by a neurologist that:

(i) indicates that the individual:

(~~fi~~A) suffers from intractable epilepsy; and

(~~fi~~B) may benefit from treatment with hemp extract; and

(ii) is consistent with a record from the neurologist, concerning the individual, contained in the database described in Subsection (8):

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(d) pays the department a fee in an amount established by the department under Subsection (5); and

(e) submits an application to the department, on a form created by the department, that contains:

(i) the individual's name and address;

(ii) a copy of the individual's valid photo identification; and

(iii) any other information the department considers necessary to implement this chapter.

(2) The department shall issue a hemp extract registration card to a parent who:

(a) is at least 18 years of age;

(b) is a Utah resident;

(c) provides the department with a statement signed by a neurologist that:

(i) indicates that a minor in the parent's care:

(~~ii~~A) suffers from intractable epilepsy; and

(~~iii~~B) may benefit from treatment with hemp extract; and

(ii) is consistent with a record from the neurologist, concerning the minor, contained in the database described in Subsection (8);

(d) pays the department a fee in an amount established by the department under Subsection (5); and

(e) submits an application to the department, on a form created by the department, that contains:

(i) the parent's name and address;

(ii) the minor's name;

(iii) a copy of the parent's valid photo identification; and

(iv) any other information the department considers necessary to implement this chapter.

(3) The department shall maintain a record of:

(a) the name of each registrant; and

(b) the name of each minor receiving care from a registrant.

(4) The department shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to:

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(a) establish the information an applicant is required to provide to the department under Subsections (1)(e)(iii) and (2)(e)(iv); and

(b) designate the laboratory accreditation standard described in Subsection 58-37-4.3(2)(c)(iii).

(5) The department shall establish fees in accordance with Section 63J-1-504 that are no greater than the amount necessary to cover the cost the department incurs to implement this chapter.

(6) The registration cards issued under Subsections (1) and (2) are:

(a) valid for ~~one year~~ six months; and

(b) renewable, if, at the time of renewal, the registrant meets the requirements of either Subsection (1) or (2).

(7) The neurologist who signs the statement described in Subsections (1)(c) or (2)(c) shall:

(a) keep a record of the neurologist's evaluation and observation of a patient who is a registrant or minor under a registrant's care, including the patient's response to hemp extract; and

(b) transmit the record described in Subsection (7)(a) to the department.

(8) The department shall:

(a) maintain a database of the records described in Subsection (7); and

(b) treat the records as identifiable health data, as defined in Section 26-3-1.

(9) The department shall share the records described in Subsection (8) with a law enforcement official at the official's request.

(~~9~~10) The department may share the records described in Subsection (8) with a higher education institution for the purpose of studying hemp extract.

Section 7. Section **58-37-4.3** is enacted to read:

58-37-4.3. Exemption for use or possession of hemp extract.

(1) As used in this section, "hemp extract" means an extract from a cannabis plant, or a mixture or preparation containing cannabis plant material, that:

(a) is composed of less than 0.3% tetrahydrocannabinol by weight;

(b) is composed of at least 15% cannabidiol by weight; and

(c) contains no other psychoactive substance.

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(2) Notwithstanding any other provision of this chapter, an individual who possesses or uses hemp extract is not subject to the penalties described in this chapter for possession or use of the hemp extract if the individual:

(a) possesses or uses the hemp extract only to treat intractable epilepsy, as defined in Section 26-55-102;

(b) originally obtained the hemp extract from a sealed container with a label indicating the hemp extract's place of origin, and a number that corresponds with a certificate of analysis;

(c) possesses, in close proximity to the hemp extract, a certificate of analysis that:

(i) has a number that corresponds with the number on the label described in Subsection (2)(b);

(ii) indicates the hemp extract's ingredients, including its percentages of tetrahydrocannabinol and cannabidiol by weight;

(iii) is created by a laboratory that ~~is approved~~ meets an accreditation standard designated by the Department of Health; and

(iv) is transmitted by the laboratory to the Department of Health; and

(d) has a current hemp extract registration card issued by the Department of Health under Section 26-55-103.

(3) Notwithstanding any other provision of this chapter, an individual who possesses hemp extract lawfully under Subsection (2) and administers hemp extract to a minor is not subject to the penalties described in this chapter for administering the hemp extract to the minor if:

(a) the individual is the minor's parent or legal guardian; and

(b) the individual is registered with the Department of Health as the minor's parent under Section 26-55-103.

Section 8. Section 63I-1-226 is amended to read:

63I-1-226. Repeal dates, Title 26.

(1) Title 26, Chapter 9f, Utah Digital Health Service Commission Act, is repealed July 1, 2015.

(2) Section 26-10-11 is repealed July 1, 2015.

(3) Section 26-18-12, Expansion of 340B drug pricing programs, is repealed July 1, 2013.

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(4) Section 26-21-23, Licensing of non-Medicaid nursing care facility beds, is repealed July 1, 2018.

(5) Section 26-21-211 is repealed July 1, 2013.

(6) Title 26, Chapter 33a, Utah Health Data Authority Act, is repealed July 1, 2014.

(7) Title 26, Chapter 36a, Hospital Provider Assessment Act, is repealed July 1, 2016.

(8) Section 26-38-2.5 is repealed July 1, 2017.

(9) Section 26-38-2.6 is repealed July 1, 2017.

(10) Title 26, Chapter 55, Hemp Extract Registration Act, is repealed July 1, 2016.

Section 9. Section **63I-1-258** is amended to read:

63I-1-258. Repeal dates, Title 58.

(1) Title 58, Chapter 13, Health Care Providers Immunity from Liability Act, is repealed July 1, 2016.

(2) Title 58, Chapter 15, Health Facility Administrator Act, is repealed July 1, 2015.

(3) Section 58-17b-309.5 is repealed July 1, 2015.

(4) Title 58, Chapter 20a, Environmental Health Scientist Act, is repealed July 1, 2018.

(5) Section 58-37-4.3 is repealed July 1, 2016.

~~(5)~~ (6) Title 58, Chapter 40, Recreational Therapy Practice Act, is repealed July 1, 2023.

~~(6)~~ (7) Title 58, Chapter 41, Speech-language Pathology and Audiology Licensing Act, is repealed July 1, 2019.

~~(7)~~ (8) Title 58, Chapter 42a, Occupational Therapy Practice Act, is repealed July 1, 2015.

~~(8)~~ (9) Title 58, Chapter 46a, Hearing Instrument Specialist Licensing Act, is repealed July 1, 2023.

~~(9)~~ (10) Title 58, Chapter 47b, Massage Therapy Practice Act, is repealed July 1, 2014.

~~(10)~~ (11) Section 58-69-302.5 is repealed on July 1, 2015.

~~(11)~~ (12) Title 58, Chapter 72, Acupuncture Licensing Act, is repealed July 1, 2017.

Section ~~(8)~~10. **Effective date.**

This bill takes effect on July 1, 2014.

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Legislative Review Note

as of ~~{3-3-14 12}~~3-7-14 11:38 PM~~{08 AM}~~

The Utah Legislature's Joint Rule 4-2-402 requires legislative general counsel to place a legislative review note on legislation. The Legislative Management Committee has further directed legislative general counsel to include legal analysis in the legislative review note only if legislative general counsel determines there is a high probability that a court would declare the legislation to be unconstitutional under the Utah Constitution, the United States Constitution, or both. As explained in the legal analysis below, legislative general counsel has determined, based on applicable state and federal constitutional language and current interpretations of that language in state and federal court case law, that this legislation has a high probability of being declared unconstitutional by a court.

This bill: (1) defines hemp extract as an extract of the cannabis plant or a mixture containing cannabis plant material that contains less than 0.3% tetrahydrocannabinol by weight and contains no other psychoactive substance; (2) gives the Utah Department of Health the authority to issue registration cards to individuals who, based on a statement from a physician, could benefit from treatment by hemp extract or to individuals caring for a minor who, based on a statement from a physician, could benefit from treatment by hemp extract; (3) allows a registered individual to use or possess hemp extract; and (4) allows a registered individual to administer hemp extract to a minor.

The federal Controlled Substances Act defines "marihuana" as "all parts of the plant *Cannabis sativa* L., whether growing or not," and only exempts a compound or other mixture made from the "mature stalks" or sterilized seeds of the plant. 21 U.S.C. § 802(16) (2014). The act lists marihuana as a controlled substance and makes it illegal to possess a controlled substance without a prescription, or to possess a controlled substance with intent to distribute the substance. *Id.* at §§ 841, 844.

Under the Supremacy Clause in the U.S. Constitution, the U.S. Supreme Court has "long recognized that state laws that conflict with federal law are without effect." *Altira Group v. Good*, 555 U.S. 70 (2008). Federal law limits preemption under the federal Controlled Substances Act to those cases where a "positive conflict" exists between the Act and a state law, such that it is impossible for a party to comply with both state and federal requirements. See 21 U.S.C. § 903; *Sprietsma v. Mercury Marine*, 537 U.S. 51, 64 (2002).

Under the definition used in this bill, substances that meet the bill's definition of hemp extract need not be made exclusively from the mature stalks or sterilized seeds of the cannabis plant, and therefore are likely to be considered "marihuana" under the federal Controlled Substances Act. Any substance that meets the federal Controlled Substances Act's definition of marihuana will trigger the possession and distribution prohibitions contained in the Act. An individual possessing or using hemp extract or administering hemp extract to a minor likely could not comply with the provisions of this bill without also violating federal law, creating a positive conflict with the bill and federal law. That positive conflict results in a high probability that a court will hold that the bill is preempted by federal law and unconstitutional under the Supremacy Clause.

Office of Legislative Research and General Counsel