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MEDICAL CANNABIDIOL AMENDMENTS

2nd Sub. S.B. 89

2	2016 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Evan J. Vickers
5	House Sponsor: Brad M. Daw
6	
7	LONG TITLE
8	General Description:
9	This bill modifies and enacts provisions related to medical cannabidiol.
10	Highlighted Provisions:
11	This bill:
12	 allows an individual with a qualifying illness who registers with a state electronic
13	verification system to possess and use cannabidiol under certain circumstances;
14	 directs the Department of Health to issue a medical cannabidiol card to an
15	individual who meets the requirements of:
16	 a qualified patient; or
17	 a designated caregiver of a qualified patient;
18	directs the Division of Occupational and Professional Licensing to issue:
19	 a license to operate a cannabidiol dispensary to a person that meets certain
20	qualifications; and
21	• a registration card to an individual to act as an agent of a cannabidiol dispensary
22	to an individual who meets certain qualifications;
23	directs the Department of Agriculture and Food to issue:
24	• a license to operate a cannabidiol production establishment to a person that
25	meets certain qualifications; and



26	• a registration card to an individual to act as an agent of a medical cannabidiol
27	establishment if the individual meets certain qualifications;
28	 requires a cannabidiol dispensary to report the distribution of cannabidiol to an
29	individual to the Utah Controlled Substance Database;
30	 permits a political subdivision to restrict the location of and operations of a
31	cannabidiol dispensary or medical cannabidiol establishment through local zoning
32	ordinances and business licenses;
33	 amends the Controlled Substances Act to allow a licensed person to grow cannabis,
34	process cannabis, and to possess and sell cannabidiol under certain circumstances;
35	requires a physician who recommends cannabidiol to a patient to:
36	 receive training;
37	 report adverse events to the Department of Health; and
38	 limit the number of patients for whom the physician will recommend
39	cannabidiol;
40	 makes the retail sale of medical cannabidiol subject to sales tax;
41	 amends provisions related to driving with a measurable metabolite of cannabidiol;
42	 modifies the membership of the Controlled Substances Advisory Committee;
43	 allows a higher education institution to purchase cannabidiol, possess cannabidiol,
44	and give cannabidiol to a patient pursuant to a medical research study approved by
45	the Department of Health; and
46	 directs the Controlled Substances Advisory Committee to recommend conditions to
47	include as qualifying illnesses for treatment using cannabidiol.
48	Money Appropriated in this Bill:
49	None
50	Other Special Clauses:
51	This bill provides a special effective date.
52	Utah Code Sections Affected:
53	AMENDS:
54	41-6a-517, as last amended by Laws of Utah 2013, Chapter 333
55	58-38a-201, as last amended by Laws of Utah 2011, Chapter 60
56	58-38a-203, as last amended by Laws of Utah 2011, Chapters 12 and 340

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57
            59-12-103, as last amended by Laws of Utah 2015, Chapter 283
            63I-1-258, as last amended by Laws of Utah 2015, Chapters 40, 186, 187, 320, 367,
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59
     and 432
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     ENACTS:
            4-42-101, Utah Code Annotated 1953
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            4-42-102, Utah Code Annotated 1953
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            4-42-103, Utah Code Annotated 1953
            4-42-104, Utah Code Annotated 1953
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            4-42-201, Utah Code Annotated 1953
            4-42-202, Utah Code Annotated 1953
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            4-42-203, Utah Code Annotated 1953
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            4-42-204, Utah Code Annotated 1953
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            4-42-301, Utah Code Annotated 1953
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            4-42-302, Utah Code Annotated 1953
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            4-42-303. Utah Code Annotated 1953
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            4-42-401, Utah Code Annotated 1953
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            4-42-402, Utah Code Annotated 1953
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            4-42-403, Utah Code Annotated 1953
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            4-42-404, Utah Code Annotated 1953
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            4-42-501, Utah Code Annotated 1953
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            4-42-601, Utah Code Annotated 1953
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            4-42-602, Utah Code Annotated 1953
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            4-42-603, Utah Code Annotated 1953
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            4-42-701, Utah Code Annotated 1953
            4-42-702, Utah Code Annotated 1953
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            4-42-801, Utah Code Annotated 1953
            4-42-802, Utah Code Annotated 1953
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            26-58-101, Utah Code Annotated 1953
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            26-58-102, Utah Code Annotated 1953
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            26-58-103, Utah Code Annotated 1953
            26-58-104, Utah Code Annotated 1953
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117	116	58-86-501 , Utah Code Annotated 1953
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Be it enacted by the Legislature of the state of Utah:

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119	Section 1. Section 4-42-101 is enacted to read:
120	CHAPTER 42. CANNABIDIOL PRODUCTION ESTABLISHMENT LICENSE
121	Part 1. General Provisions
122	<u>4-42-101.</u> Title.
123	This chapter is known as "Cannabidiol Production Establishment License."
124	Section 2. Section 4-42-102 is enacted to read:
125	<u>4-42-102.</u> Definitions.
126	As used in this chapter:
127	(1) "Cannabidiol" means the same as that term is defined in Section 58-37-3.6.
128	(2) "Cannabidiol cultivation facility" means a person that:
129	(a) grows cannabis; or
130	(b) possesses cannabis with the intent to grow cannabis.
131	(3) "Cannabidiol cultivation facility agent" means an owner, officer, director, board
132	member, shareholder, agent, employee, or volunteer of a cannabidiol cultivation facility.
133	(4) "Cannabidiol dispensary" means a person that:
134	(a) sells cannabidiol; or
135	(b) purchases or possesses cannabidiol with the intent to sell cannabidiol.
136	(5) "Cannabidiol dispensary agent" means the same as that term is defined in Section
137	<u>58-86-102.</u>
138	(6) "Cannabidiol dispensary agent registration card" means the same as that term is
139	defined in Section 58-86-102.
140	(7) "Cannabidiol processing facility" means a person that:
141	(a) manufactures cannabidiol from cannabis;
142	(b) purchases or possesses cannabis with the intent to manufacture cannabidiol; or
143	(c) sells or intends to sell cannabidiol to a cannabis dispensary.
144	(8) "Cannabidiol processing facility agent" means an owner, officer, director, board
145	member, shareholder, agent, employee, or volunteer of a cannabidiol processing facility.
146	(9) "Cannabidiol production establishment" means:
147	(a) a cannabidiol cultivation facility;
148	(b) a cannabidiol processing facility; or
149	(c) an independent cannabidiol testing laboratory.

150	(10) "Cannabidiol production establishment agent" means:
151	(a) a cannabidiol cultivation facility agent;
152	(b) a cannabidiol processing facility agent; or
153	(c) an independent cannabidiol testing laboratory agent.
154	(11) "Cannabidiol production establishment agent registration card" means a
155	registration card issued by the department under Section 4-42-301 that:
156	(a) authorizes an individual to act as a cannabidiol production establishment agent; and
157	(b) designates the type of cannabidiol production establishment for which the
158	individual is authorized to act as a cannabidiol production establishment agent.
159	(12) "Cannabinoid profile" means the percentage of cannabidiol, by weight, that is
160	composed of the cannabinoids:
161	(a) tetrahydrocannabinol or THC;
162	(b) tetrahyrdocannabinolic acid or THCa;
163	(c) cannabidiol or CBD;
164	(d) cannabinol or CBN; and
165	(e) cannabigerol or CBG.
166	(13) "Cannabis" means the same as that term is defined in Section 58-37-3.6.
167	(14) "Controlled Substances Advisory Committee" means the committee created in
168	Section 58-38a-201.
169	(15) "Designated caregiver" means the same as that term is defined in Section
170	<u>58-86-102.</u>
171	(16) "Electronic verification system" means the system described in Section 26-58-104.
172	(17) "Independent cannabidiol testing laboratory" means a person that:
173	(a) conducts a chemical or other analysis of cannabidiol; or
174	(b) possesses cannabidiol with the intent to conduct a chemical or other analysis of the
175	cannabidiol.
176	(19) "Independent cannabidiol testing laboratory agent" means an owner, officer,
177	director, board member, shareholder, agent, employee, or volunteer of an independent
178	cannabidiol testing laboratory.
179	(20) "Inventory control system" means the system described in Section 4-42-103.
180	(21) "Medical cannabidiol card" means the same as that term is defined in Section

181	<u>26-58-102.</u>
182	(22) "Physician" means the same as that term is defined in Section 26-58-102.
183	(23) "Qualifying illness" means a condition described in Subsection 58-38a-203.1(1).
184	Section 3. Section 4-42-103 is enacted to read:
185	4-42-103. Inventory control system.
186	(1) A cannabidiol production establishment and a cannabidiol dispensary shall
187	maintain an inventory control system that meets the requirements of this section.
188	(2) An inventory control system shall track cannabidiol and the cannabis from which
189	the cannabidiol is derived, in real time, from the time that a cannabis plant growing at a
190	cannabidiol cultivation facility is eight inches tall, until the cannabidiol derived from the
191	cannabis is sold by a cannabidiol dispensary.
192	(3) An inventory control system shall store, in real time, a record of the amount of
193	$\underline{cannabis} \ or \ cannabidiol \ in \ a \ cannabidiol \ production \ establishment's \ or \ cannabidiol \ dispensary's$
194	possession.
195	(4) An inventory control system shall include a video recording system that:
196	(a) tracks all handling and processing of cannabis or a cannabis product in a
197	cannabidiol production establishment or cannabidiol dispensary;
198	(b) is tamper proof; and
199	(c) is capable of storing a video record for 180 days.
200	(5) An inventory control system shall maintain compatibility with the electronic
201	verification system.
202	(6) A cannabidiol production establishment or cannabis dispensary shall allow access
203	to the cannabidiol production establishment's or cannabidiol dispensary's inventory control
204	system by:
205	(a) the Department of Public Safety;
206	(b) the Department of Agriculture and Food;
207	(c) the Department of Health; and
208	(d) the Division of Occupational and Professional Licensing within the Department of
209	Commerce.
210	(7) The department shall establish compatibility standards for an inventory control
211	system by rule made in accordance with Title 63G, Chapter 3, Utah Administrative

212	Rulemaking Act.
213	Section 4. Section 4-42-104 is enacted to read:
214	<u>4-42-104.</u> Preemption.
215	This chapter does not preempt an ordinance enacted by a political subdivision of the
216	state regarding a cannabidiol production establishment that is more restrictive than this chapter.
217	Section 5. Section 4-42-201 is enacted to read:
218	4-42-201. Cannabidiol production establishment License Renewal.
219	(1) A person may not act as a cannabidiol production establishment without a license
220	issued by the department under this chapter.
221	(2) Subject to Subsections (4) through (6), the department shall, within 30 days after
222	receiving a complete application, issue a license to operate a cannabidiol production
223	establishment to a person that submits to the department:
224	(a) a proposed name, address, and physical location where the person will operate the
225	cannabidiol production establishment;
226	(b) evidence that the person possesses or controls a minimum of \$50,000 in liquid
227	assets for each license for which the person applies;
228	(c) for each location of a cannabidiol production establishment for which the person
229	applies, evidence that the person can obtain a business license and meet zoning requirements
230	established by a political subdivision;
231	(d) an application fee established by the department, in accordance with Section
232	63J-1-504, that is necessary to cover the department's cost to implement this chapter;
233	(e) evidence that the person can comply with the requirements in this chapter;
234	(f) evidence that the person will implement an inventory control system at the
235	cannabidiol production establishment; and
236	(g) an operation plan that complies with Section 4-42-203.
237	(3) If the department determines that a cannabidiol production establishment is eligible
238	for a license under this section, the department shall charge the cannabidiol establishment an
239	initial license fee in an amount determined by the department in accordance with Section
240	<u>63J-1-504.</u>
241	(4) The department shall require a separate license and separate license fee for each
242	type of cannabidiol production establishment and each location of a cannabidiol production

243	establishment.
244	(5) The department may issue a cannabidiol cultivation facility license and a
245	cannabidiol processing facility license to be operated by:
246	(a) the same person at the same physical location; or
247	(b) the same person at separate physical locations.
248	(6) The department may not issue a license to operate an independent cannabidiol
249	testing laboratory to a person:
250	(a) that holds a license for or has an ownership interest in a cannabidiol dispensary, a
251	cannabidiol processing facility, or a cannabidiol cultivation facility in the state;
252	(b) that has an owner, officer, board member, volunteer, shareholder, agent, director, or
253	employee whose immediate family member holds a license for or has an ownership interest in a
254	cannabidiol dispensary, a cannabidiol processing facility, or a cannabidiol cultivation facility;
255	<u>or</u>
256	(c) proposes to operate the independent testing laboratory at the same physical location
257	as a cannabidiol dispensary, a cannabidiol processing facility, or a cannabidiol cultivation
258	facility.
259	(7) The department may not issue a cannabidiol production establishment license to a
260	person that holds a license for, or has an ownership interest in, a cannabidiol dispensary.
261	(8) The department may revoke a license under this chapter if the cannabidiol
262	production establishment is not operational within one year of the issuance of the initial
263	license.
264	Section 6. Section 4-42-202 is enacted to read:
265	4-42-202. Renewal.
266	(1) Except as provided in Subsection (2), the department shall renew a person's
267	cannabidiol production establishment license every two years if, at the time of renewal:
268	(a) the person meets the requirements of Section 4-42-201; and
269	(b) the person pays the department a license renewal fee in an amount determined by
270	the department in accordance with Section 63J-1-504.
271	(2) (a) The department may not renew a cannabidiol production establishment's license
272	for a sixth consecutive time unless the department publishes a notice, in a newspaper of general
273	circulation for the geographic area in which the cannabidiol production establishment is

274	located, one year before the day on which the cannabidiol production establishment's license
275	expires, that includes:
276	(i) the name and location of the cannabidiol production establishment;
277	(ii) the day on which the license for the cannabidiol production establishment will
278	expire; and
279	(iii) a solicitation for cannabidiol production establishment license applicants.
280	(b) If, after the department publishes the notice described in Subsection (2)(a), the
281	department receives an application for a cannabidiol production establishment from a new
282	applicant and also receives an application for renewal from the existing cannabidiol production
283	establishment, the department shall issue the license to the applicant that the department
284	determines best meets the criteria established in Section 4-42-204.
285	(3) (a) If a licensed cannabidiol production establishment abandons the cannabidiol
286	production establishment's license, the department shall publish notice of an available license
287	in the same manner as described in Subsection (2)(a).
288	(b) The department may establish criteria, in accordance with Title 63G, Chapter 3,
289	Utah Administrative Rulemaking Act, for what actions by a cannabidiol production
290	establishment constitute abandonment of a cannabidiol production establishment license.
291	Section 7. Section 4-42-203 is enacted to read:
292	<u>4-42-203.</u> Operating plan.
293	(1) A person applying for a license to act as a cannabidiol production establishment
294	shall submit to the department, with the person's application, a proposed operating plan that
295	includes:
296	(a) a description of the physical characteristics of the proposed facility;
297	(b) a description of the credentials and experience of any proposed cannabidiol
298	production establishment agent;
299	(c) the cannabidiol production establishment's employee training standards;
300	(d) a security plan;
301	(e) for a cannabidiol cultivation facility, the information described in Subsection (2);
302	(f) for a cannabidiol processing facility, the information described in Subsection (3);
303	<u>and</u>
304	(g) for an independent cannabidiol testing lab, the information described in Subsection

305	<u>(4).</u>
306	(2) A cannabidiol cultivation facility's operating plan shall include the cannabidiol
307	cultivation facility's proposed cannabis cultivation practices, including the cannabidiol
308	cultivation facility's:
309	(a) pesticide and fertilizer use;
310	(b) proposed square footage under cultivation; and
311	(c) anticipated cannabidiol yield.
312	(3) A cannabidiol processing facility's operating plan shall include the cannabidiol
313	processing facility's proposed cannabidiol processing practices, including the cannabidiol
314	processing facility's:
315	(a) proposed cannabidiol extraction method;
316	(b) processing equipment; and
317	(c) other processing techniques.
318	(4) An independent cannabidiol testing laboratory's operating plan shall include the
319	independent cannabidiol testing laboratory's proposed cannabidiol and cannabidiol product
320	testing capability.
321	Section 8. Section 4-42-204 is enacted to read:
322	4-42-204. Maximum number of licenses.
323	(1) The department may not issue more than, at any given time:
324	(a) two cannabidiol cultivation facility licenses;
325	(b) two cannabidiol processing facility licenses; and
326	(c) two independent cannabidiol testing laboratory licenses.
327	(2) If the department receives more applications for a license to operate a given type of
328	cannabidiol production establishment than are available under Subsection (1), the department
329	shall evaluate the applicants to determine which applicant has best demonstrated:
330	(a) experience with:
331	(i) establishing and running a business in a related field;
332	(ii) operating a secure inventory control system;
333	(iii) complying with a regulatory environment; and
334	(iv) training, evaluating, and monitoring employees; and
335	(b) connections to the local community.

336	Section 9. Section 4-42-301 is enacted to read:
337	Part 3. Cannabidiol Production Establishment Agents
338	4-42-301. Cannabidiol production establishment agent Registration.
339	(1) An individual may not act as a cannabidiol production establishment agent of a
340	cannabidiol production establishment unless the individual is registered by the department
341	under this section.
342	(2) A physician may not serve as a cannabidiol production establishment agent.
343	(3) An independent cannabidiol testing laboratory agent may not act as an agent for a
344	cannabidiol dispensary, a cannabidiol processing facility, or a cannabidiol cultivation facility.
345	(4) The department shall, within 15 business days after receiving a complete
346	application, register and issue a cannabidiol production establishment agent registration card to
347	an individual who:
348	(a) has not been convicted of an offense that is a felony under either state or federal
349	<u>law;</u>
350	(b) provides to the department:
351	(i) the individual's name and address;
352	(ii) the name and location of a licensed cannabidiol production establishment where the
353	individual seeks to act as the cannabidiol production establishment's agent; and
354	(iii) any other information required by the department by rule made in accordance with
355	Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
356	(c) pays the department a fee, determined by the department in accordance with Section
357	63J-1-504, that is necessary to cover the department's cost to implement this part; and
358	(d) complies with the requirement for and passes a criminal background check
359	described in Section 4-42-302.
360	(5) The department shall designate, for a cannabidiol production establishment agent
361	registration card the department issues under Subsection (4), whether the cannabidiol
362	production establishment agent registration card holder is authorized to act as an agent for:
363	(a) a cannabidiol cultivation facility;
364	(b) a cannabidiol processing facility;
365	(c) both a cannabidiol cultivation facility and a cannabidiol processing facility; or
366	(d) an independent cannabidiol testing laboratory.

367	(6) A cannabidiol production establishment agent shall complete training in
368	cannabidiol production that complies with minimum standards established by the department
369	by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
370	(7) The department may revoke the cannabidiol production establishment agent
371	registration card of an individual who:
372	(a) violates the requirements of this chapter; or
373	(b) is convicted of an offense that is a felony under state or federal law.
374	Section 10. Section 4-42-302 is enacted to read:
375	4-42-302. Cannabidiol production establishment agents Criminal background
376	checks.
377	(1) An individual applying for a cannabidiol production establishment agent
378	registration card under this chapter shall:
379	(a) submit to the department:
380	(i) a fingerprint card in a form acceptable to the Department of Public Safety; and
381	(ii) a signed waiver in accordance with Subsection 53-10-108(4) indicating that the
382	individual's fingerprints are being registered in the Federal Bureau of Investigation's Next
383	Generation Identification system's Rap Back Service; and
384	(b) consent to a fingerprint background check by:
385	(i) the Utah Bureau of Criminal Identification; and
386	(ii) the Federal Bureau of Investigation.
387	(2) The Bureau of Criminal Identification shall:
388	(a) check the fingerprints submitted under Subsection (1) against the applicable state,
389	regional, and national criminal records databases, including the Federal Bureau of
390	Investigation's Next Generation Identification system;
391	(b) report the results of the background check to the department;
392	(c) maintain a separate file of fingerprints submitted under Subsection (1) for search by
393	future submissions to the local and regional criminal records databases, including latent prints;
394	(d) request that the fingerprints be retained in the Federal Bureau of Investigation's
395	Next Generation Identification system's Rap Back Service for search by future submissions to
396	national criminal records databases, including the Next Generation Identification system and
397	latent prints; and

398	(e) establish a privacy risk mitigation strategy to ensure that the entity only receives
399	notifications for an individual with whom the entity maintains an authorizing relationship.
400	(3) The department shall:
401	(a) assess an individual who submits fingerprints, in accordance with this section, a fee
402	that the Bureau of Criminal Identification is authorized to collect for the services the Bureau of
403	Criminal Identification or other authorized agency provides under this section; and
404	(b) remit a fee collected under Subsection (3)(a) to the Bureau of Criminal
405	Identification.
406	Section 11. Section 4-42-303 is enacted to read:
407	4-42-303. Cannabidiol production establishment agent registration card
408	Rebuttable presumption.
409	(1) An individual who has a cannabidiol production establishment agent registration
410	card shall carry the individual's cannabidiol production establishment agent registration card
411	with the individual at all times when:
412	(a) the individual is on the premises of a cannabidiol production establishment; and
413	(b) the individual is transporting cannabis or cannabidiol between two cannabidiol
414	production establishments or transporting cannabidiol between a cannabidiol production
415	establishment and a cannabidiol dispensary.
416	(2) A cannabidiol production establishment agent registered with the department is
417	guilty of an infraction if the registered cannabidiol production establishment agent:
418	(a) (i) is on the premises of a cannabidiol production establishment where the
419	individual is registered as an agent; or
420	(ii) transports cannabis or cannabidiol; and
421	(b) does not possess, on the registered cannabidiol production establishment agent's
422	person, a valid cannabidiol production establishment agent registration card.
423	(3) A registered cannabidiol production establishment agent who is guilty of an
424	infraction under Subsection (2) is subject to a \$100 fine.
425	Section 12. Section 4-42-401 is enacted to read:
426	Part 4. General Cannabidiol Production Establishment Operating Requirements
427	4-42-401. Cannabidiol production establishment General operating
428	requirements.

429	(1) (a) A cannabidiol production establishment shall operate in accordance with the
430	operating plan the cannabidiol production establishment provides to the department under
431	Section 4-42-203.
432	(b) A cannabidiol production establishment shall notify the department within 30 days
433	of any change in the cannabidiol production establishment's operation plan.
434	(2) Except as provided in Subsection (3), a cannabidiol production establishment shall
435	operate:
436	(a) in a facility that is accessible only by an individual with a valid cannabidiol
437	production establishment agent registration card issued under Section 4-42-301; and
438	(b) at the physical address provided to the department under Section 4-42-201.
439	(3) A cannabidiol production facility may allow the press, a visitor, or a contractor
440	access to the cannabidiol production establishment if:
441	(a) the cannabidiol production facility tracks and monitors the individual at all times
442	while the individual is in the cannabidiol production establishment; and
443	(b) a record of the individual's access to the cannabidiol production establishment is
444	maintained by the cannabidiol production establishment.
445	(4) A cannabidiol production establishment shall have:
446	(a) a single, secure public entrance;
447	(b) a security system with a backup power source that:
448	(i) detects and records entry into the cannabidiol production establishment when the
449	cannabidiol production establishment is closed; and
450	(ii) provides notice of an unauthorized entry to law enforcement; and
451	(c) a lock on any area where the cannabidiol production establishment stores cannabis
452	or cannabidiol.
453	(5) The department shall establish structural standards for a cannabidiol production
454	establishment by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
455	Rulemaking Act.
456	Section 13. Section 4-42-402 is enacted to read:
457	<u>4-42-402.</u> Inspections.
458	(1) Subject to Subsection (2), the department shall inspect the records and facility of a
459	cannabidiol production establishment in order to determine if the cannabidiol production

460	establishment complies with the requirements of this chapter.
461	(2) The department may inspect the records and facility of a cannabidiol production
462	establishment:
463	(a) as many as four times per year, scheduled or unscheduled; and
464	(b) if the department has reason to believe that the cannabidiol production
465	establishment has violated the law, at any time, scheduled or unscheduled.
466	Section 14. Section 4-42-403 is enacted to read:
467	<u>4-42-403.</u> Advertising.
468	A cannabidiol production establishment may not advertise to the general public in any
469	medium.
470	Section 15. Section 4-42-404 is enacted to read:
471	4-42-404. Cannabis or cannabidiol transportation.
472	(1) An individual may not transport cannabis or cannabidiol between two cannabidiol
473	production establishments, or between a cannabidiol production establishment and a
474	cannabidiol dispensary unless the individual has a valid cannabidiol production establishment
475	agent registration card or valid cannabidiol dispensary agent registration card.
476	(2) An individual transporting cannabidiol or cannabis shall keep a transportation
477	record that includes:
478	(a) a bar code or identification number that links the cannabis or cannabidiol to a
479	related inventory control system;
480	(b) origin and destination information for any cannabis or cannabidiol the individual is
481	transporting; and
482	(c) a record of the departure and arrival time of the individual transporting the cannabis
483	or cannabidiol.
484	(3) In addition to the requirements in Subsections (1) and (2), the department shall
485	establish, by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
486	Rulemaking Act, requirements for transporting cannabis or cannabidiol related to safety for
487	human cannabidiol consumption.
488	(4) A cannabidiol production establishment agent registered with the department is
489	guilty of an infraction if the registered cannabidiol production establishment agent:
490	(a) transports cannabis or cannabidiol; and

491	(b) does not possess, on the registered cannabidiol production establishment agent's
492	person or in the transport vehicle, a transportation record that complies with Subsection (2).
493	(5) A registered cannabidiol production establishment agent who is guilty of an
494	infraction under Subsection (3) is subject to a \$100 fine.
495	Section 16. Section 4-42-501 is enacted to read:
496	Part 5. Cannabidiol Cultivation Facility Operating Requirements
497	4-42-501. Cannabidiol cultivation facility Operating requirements.
498	(1) A cannabidiol cultivation facility shall cultivate cannabis indoors.
499	(2) A cannabidiol cultivation facility shall ensure that any cannabis growing at the
500	cannabidiol cultivation facility is not visible from outside the cannabidiol cultivation facility.
501	(3) A cannabidiol cultivation facility shall use a unique identifier for:
502	(a) each batch of cannabis transferred to a cannabidiol processing facility; and
503	(b) each unique harvest of cannabis plants.
504	(4) The department may establish human safety standards, by rule made in accordance
505	with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for a cannabidiol cultivation
506	facility's:
507	(a) use of pesticides;
508	(b) use of fertilizers; and
509	(c) cultivation techniques.
510	Section 17. Section 4-42-601 is enacted to read:
511	Part 6. Cannabidiol Processing Facility Operating Requirements
512	4-42-601. Cannabidiol processing facility Operating requirements.
513	A cannabidiol processing facility shall ensure that cannabidiol that the cannabidiol
514	processing facility sells or provides to a cannabidiol dispensary complies with the requirements
515	of this part.
516	Section 18. Section 4-42-602 is enacted to read:
517	4-42-602. Cannabidiol Product requirements.
518	(1) A cannabidiol processing facility may only produce cannabidiol in a medical
519	dosage form that is:
520	(a) a tablet;
521	(b) a capsule;

522	(c) a concentrated oil;
523	(d) a trans-dermal preparation; or
524	(e) a sub-lingual preparation.
525	(2) The Controlled Substances Advisory Committee may recommend that the
526	Legislature approve the use of an additional medical dosage form.
527	(3) A cannabidiol processing facility may not manufacture cannabidiol by applying a
528	cannabis agent to the surface of a food product.
529	(4) A cannabidiol processing facility may manufacture cannabidiol using cannabis or
530	cannabidiol not produced in the state if the cannabidiol processing enters a record of the
531	cannabis or cannabidiol into the electronic verification system.
532	Section 19. Section 4-42-603 is enacted to read:
533	4-42-603. Cannabidiol Labeling and packaging.
534	(1) Cannabidiol shall have a label that:
535	(a) clearly and unambiguously states that the cannabidiol contains cannabis;
536	(b) clearly displays the cannabinoid profile of the cannabidiol;
537	(c) has a unique batch identifier that identifies the unique manufacturing process when
538	the cannabidiol was manufactured;
539	(d) has a bar code or other identifier that allows the cannabidiol to be tracked by an
540	inventory control system and the electronic verification system; and
541	(e) contains information required by the department in accordance with Subsection (3)
542	(2) A cannabidiol processing facility shall package cannabidiol in a container that:
543	(a) is tamper resistant and opaque; and
544	(b) complies with physical criteria required by the department in accordance with
545	Subsection (3).
546	(3) The department shall establish cannabidiol labeling and packaging standards by
547	rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
548	Section 20. Section 4-42-701 is enacted to read:
549	Part 7. Independent Cannabidiol Testing Laboratory Operating Requirements
550	4-42-701. Cannabidiol testing.
551	(1) An independent cannabidiol testing laboratory shall, before cannabidiol is offered
552	for sale at a cannabidiol dispensary, test the cannabidiol as described in this section.

553	(2) An independent cannabidiol testing laboratory may not operate unless the
554	independent cannabidiol testing laboratory is capable of accurately testing cannabidiol as
555	described in this section.
556	(3) An independent testing laboratory shall determine the cannabinoid profile of
557	cannabidiol.
558	(4) An independent cannabidiol testing laboratory shall determine if cannabidiol
559	contains, in an amount that is harmful to human health:
560	<u>(a) mold;</u>
561	(b) fungus;
562	(c) pesticides; or
563	(d) other microbial contaminants.
564	(5) For cannabidiol that is manufactured using a process that involves extraction using
565	hydrocarbons, an independent cannabidiol testing laboratory shall test the cannabidiol for
566	residual solvents.
567	(6) The department may determine, by rule made in accordance with Title 63G,
568	Chapter 3, Utah Administrative Rulemaking Act:
569	(a) the amount of substances described in Subsection (4) and the amount of residual
570	solvents that are safe for human consumption; and
571	(b) additional cannabidiol testing that an independent cannabidiol testing laboratory is
572	required to perform.
573	Section 21. Section 4-42-702 is enacted to read:
574	4-42-702. Reporting Inspections.
575	(1) An independent cannabidiol testing laboratory shall notify the department if the
576	independent cannabidiol testing laboratory determines that the results of a lab test indicate that
577	a cannabidiol batch:
578	(a) is unsafe for human consumption; or
579	(b) has a ratio of less than 10 grams of the cannabinoid cannabidiol per each one gram
580	of tetrahydrocannabinol.
581	(2) If the independent cannabidiol testing laboratory notifies the department of a
582	cannabidiol batch's test results under Subsection (1), the independent cannabidiol testing
583	laboratory may not release the cannabidiol batch to a cannabidiol dispensary until the

584	department has an opportunity to respond to the department within a period of time,
585	determined by the department.
586	(3) If the department determines that a cannabidiol batch is unsafe for human
587	consumption, the department may seize, embargo, and destroy a cannabidiol batch in
588	accordance with Section 4-42-801.
589	(4) The department shall establish, by rule made in accordance with Title 63G, Chapter
590	3, Utah Administrative Rulemaking Act, the amount of time that an independent cannabidiol
591	testing laboratory is required to hold a cannabidiol batch under Subsection (2).
592	Section 22. Section 4-42-801 is enacted to read:
593	Part 8. Enforcement
594	4-42-801. Enforcement Fine Citation.
595	(1) The department may, for a violation of the licensing provisions of this chapter by a
596	person that is a cannabidiol production establishment or a cannabidiol production
597	establishment agent:
598	(a) revoke the person's license;
599	(b) refuse to renew the person's license;
600	(c) assess the person an administrative penalty; or
601	(d) take any other appropriate administrative action.
602	(2) The department shall deposit an administrative penalty imposed under this section
603	into the General Fund as a dedicated credit to be used by the department to administer and
604	enforce this chapter.
605	(3) (a) The department may take an action described in Subsection (3)(b) if the
606	department concludes, upon inspection or investigation, that, for a person that is a cannabidiol
607	production establishment or a cannabidiol production establishment agent:
608	(i) the person has violated the provisions of this chapter, a rule made under this
609	chapter, or an order issued under this chapter; or
610	(ii) the person prepared a cannabis or cannabidiol batch in a manner, or such that the
611	batch contains a substance, that poses a threat to human health.
612	(b) If the department makes the determination about a person described in Subsection
613	(3)(a)(i), the department shall:
614	(i) issue the person a citation in writing;

615	(11) attempt to negotiate a stipulated settlement; or
616	(iii) direct the person to appear before an adjudicative proceeding conducted under
617	Title 63G, Chapter 4, Administrative Procedures Act.
618	(c) If the department makes the determination about a person described in Subsection
619	(3)(a)(ii), the department may:
620	(i) seize, embargo, or destroy a cannabis or cannabidiol batch; and
621	(ii) direct the person to appear before an adjudicative proceeding conducted under Title
622	63G, Chapter 4, Administrative Procedures Act.
623	(4) The department may, for a person subject to an uncontested citation, a stipulated
624	settlement, or a finding of a violation in an adjudicative proceeding under this section:
625	(a) assess the person a fine, established in accordance with Section 63J-1-504, of up to
626	\$5,000 per violation, in accordance with a fine schedule established by rule made in accordance
627	with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; or
628	(b) order the person to cease and desist from the action that creates a violation.
629	(5) The department may not revoke a cannabidiol production establishment's license
630	via a citation.
631	(6) If within 20 calendar days after the day on which a department serves a citation for
632	a violation of this chapter, the person that is the subject of the citation fails to request a hearing
633	to contest the citation, the citation becomes the basis of the department's final order.
634	(7) The department may, for a person who fails to comply with a citation under this
635	section:
636	(a) refuse to issue or renew the person's license or cannabidiol production
637	establishment agent registration card; or
638	(b) suspend, revoke, or place on probation the person's license or cannabidiol
639	production establishment agent registration card.
640	Section 23. Section 4-42-802 is enacted to read:
641	4-42-802. Report to the Legislature.
642	The department shall report, each year before November 1, to the Health and Human
643	Services Interim Committee, on the department's administration and enforcement of this
644	<u>chapter.</u>
645	Section 24. Section 26-58-101 is enacted to read:

040	CHAPTER 58. WEDICAL CANNABIDIOL ACT
647	Part 1. General Provisions
648	<u>26-58-101.</u> Title.
649	This chapter is known as "Medical Cannabidiol Act."
650	Section 25. Section 26-58-102 is enacted to read:
651	26-58-102. Definitions.
652	As used in this chapter:
653	(1) "Cannabidiol" means the same as that term is defined in Section 58-37-3.6.
654	(2) "Cannabidiol dispensary" means the same as that term is defined in Section
655	<u>58-85-102.</u>
656	(3) "Designated caregiver" means an individual who a patient with a medical
657	cannabidiol card designates as the patient's caregiver under Section 26-58-202.
658	(4) "Electronic verification system" means the system described in Section 26-58-104.
659	(5) "Inventory control system" means the system described in Section 4-42-103.
660	(6) "Medical cannabidiol card" means a card that is issued to an individual by the
661	Department of Health under Section 26-58-201.
662	(7) "Physician" means an individual who:
663	(a) is licensed to practice:
664	(i) medicine, under Title 58, Chapter 67, Utah Medical Practice Act; or
665	(ii) osteopathic medicine, under Title 58, Chapter 68, Utah Osteopathic Medical
666	Practice Act; and
667	(b) complies with Section 58-67-807 or 58-68-807.
668	(8) "Qualifying illness" means a condition described in Subsection 58-38a-203.1(1).
669	Section 26. Section 26-58-103 is enacted to read:
670	<u>26-58-103.</u> Local ordinances.
671	This chapter does not prohibit a political subdivision from enacting an ordinance, which
672	restricts the location of, or operating requirements of, a cannabidiol dispensary, that is more
673	restrictive than this chapter.
674	Section 27. Section 26-58-104 is enacted to read:
675	26-58-104. Electronic verification system.
676	(1) The Department of Agriculture and Food, the Department of Health, the

0//	Department of Fubic Safety, and the Division of Occupational and Frofessional Licensing.
678	(a) shall enter into a memorandum of understanding in order to determine the function
679	and operation of a state electronic verification system;
680	(b) may direct the Department of Technology Services to work with a third party
681	provider to develop and maintain the electronic verification system; and
682	(c) shall coordinate with the Division of Purchasing under Title 63G, Chapter 6a, Utah
683	Procurement Code, to select a third party provider described in Subsection (1)(b).
684	(2) The electronic verification system described in Subsection (1) shall:
685	(a) allow an individual to:
686	(i) apply, in the presence of a physician, to the Department of Health for a medical
687	cannabidiol card; and
688	(ii) designate up to two caregivers for the patient;
689	(b) allow a physician to electronically recommend treatment with cannabidiol to a
690	patient during a visit with the patient;
691	(c) connect an individual's medical cannabidiol card to a database, and to an inventory
692	control system used by a cannabidiol dispensary, to track, in real time, for the individual's
693	purchase of cannabidiol:
694	(i) the time and date of the purchase;
695	(ii) the quantity and type of cannabidiol purchased; and
696	(iii) a cannabidiol production establishment or cannabidiol dispensary associated with
697	the cannabidiol;
698	(d) provide access to an entity described in Subsection (1) to the extent necessary for
699	the entity to carry out the functions and responsibilities given to the entity under this chapter;
700	(e) provide access to state or local law enforcement:
701	(i) during a traffic stop; or
702	(ii) after obtaining a warrant; and
703	(f) create a record each time the database is accessed that identifies the individual who
704	accessed the database and the individual whose records were accessed.
705	(3) The Department of Health may release the data collected by the system under
706	Subsection (2) for the purpose of conducting medical research, if the medical research is
707	approved by an institutional review board associated with a university medical school.

708	Section 28. Section 26-58-201 is enacted to read:
709	Part 2. Medical Cannabidiol Card
710	26-58-201. Medical cannabidiol card Application Renewal.
711	(1) The department shall, within 15 days after an individual submits an application in
712	compliance with this section, issue a medical cannabidiol card, via the electronic verification
713	system described in Section 26-58-104, to an individual if the individual:
714	(a) is at least 18 years old;
715	(b) is a Utah resident;
716	(c) submits to the department, via the electronic verification system, a recommendation
717	electronically signed by a physician that indicates that the individual:
718	(i) suffers from a qualifying illness, including the type of qualifying illness; and
719	(ii) may benefit from treatment with cannabidiol;
720	(d) pays the department a fee established by the department in accordance with Section
721	<u>63J-1-504; and</u>
722	(e) submits an application to the department, using the electronic verification system
723	that contains:
724	(i) the individual's name, gender, age, and address; and
725	(ii) a copy of the individual's photo identification.
726	(2) An individual who applies for a medical cannabidiol card under Subsection (1)
727	shall fill out and submit the application described in Subsection (1):
728	(a) online, in connection with the electronic verification system; and
729	(b) with a physician, during an office visit with the physician.
730	(3) A medical cannabidiol card that the department issues under Subsection (1) is valid
731	for the lesser of:
732	(a) an amount of time determined by the physician who recommends treatment with
733	cannabidiol; or
734	(b) two years.
735	(4) The department may renew an individual's medical cannabidiol card if, at the time
736	of renewal, the individual meets the requirements of Subsection (1) or (2).
737	(5) The department may revoke an individual's medical cannabidiol card if the
738	individual violates this chanter

739	(6) An individual shall, as a condition of receiving a medical cannabidiol card under
740	this section, consent to participate in research on treatment with cannabidiol.
741	Section 29. Section 26-58-202 is enacted to read:
742	26-58-202. Medical cannabidiol card Designated caregiver Registration
743	Renewal Revocation.
744	(1) An individual who holds a valid medical cannabidiol card under Section 26-58-201
745	who a physician determines is unable to obtain cannabidiol from a cannabidiol dispensary may
746	register with the department, via the electronic verification system, up to two individuals to
747	serve as designated caregivers of the individual.
748	(2) An individual registered as a designated caregiver of a designating patient under
749	this section may:
750	(a) carry a valid medical cannabidiol card issued to the individual by the department
751	with the designating patient's name and the designated caregiver's name; and
752	(b) purchase and possess cannabidiol, in accordance with this chapter, on behalf of the
753	designating patient.
754	(3) An individual may serve as a designated caregiver under Subsection (1) if the
755	individual:
756	(a) is at least 18 years old;
757	(b) is a Utah resident;
758	(c) submits an application to the department, online via the electronic verification
759	system, that includes:
760	(i) the individual's name and address;
761	(ii) a copy of the individual's photo identification; and
762	(iii) any other information required by the department by rule made in accordance with
763	Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
764	(d) pays, to the department, a fee, established by the department in accordance with
765	Section 63J-1-504, plus the cost of a criminal background check; and
766	(e) complies with Section 26-58-203.
767	(4) A medical cannabidiol card is renewable for a designated caregiver, if at the time of
768	renewal:
769	(a) the individual described in Subsection (1) renews the designation of the caregiver;

770	<u>and</u>
771	(b) the designated caregiver meets the requirements of Subsection (3).
772	(5) The department shall revoke or refuse to issue the registration of a designated
773	caregiver if the designated caregiver is convicted of a felony that is:
774	(a) a crime of violence involving the use of force or violence against another person; or
775	(b) a felony conviction of a state or federal law pertaining to controlled substances.
776	Section 30. Section 26-58-203 is enacted to read:
777	26-58-203. Designated caregiver Criminal background check.
778	(1) An individual registered as a designated caregiver under Section 26-58-202 shall
779	submit to a criminal background check in accordance with Subsection (2).
780	(2) An individual registered as a designated caregiver shall:
781	(a) submit to the department:
782	(i) a fingerprint card in a form acceptable to the Department of Public Safety; and
783	(ii) a signed waiver in accordance with Subsection 53-10-108(4) indicating that the
784	individual's fingerprints are being registered in the Federal Bureau of Investigation's Next
785	Generation Identification system's Rap Back Service; and
786	(b) consent to a fingerprint background check by:
787	(i) the Utah Bureau of Criminal Identification; and
788	(ii) the Federal Bureau of Investigation.
789	(3) The Bureau of Criminal Identification shall:
790	(a) check the fingerprints submitted under Subsection (2) against the applicable state,
791	regional, and national criminal records databases, including the Federal Bureau of
792	Investigation's Next Generation Identification system;
793	(b) report the results of the background check to the department;
794	(c) maintain a separate file of fingerprints submitted under Subsection (2) for search by
795	future submissions to the local and regional criminal records databases, including latent prints;
796	(d) request that the fingerprints be retained in the Federal Bureau of Investigation's
797	Next Generation Identification system's Rap Back Service for search by future submissions to
798	national criminal records databases, including the Next Generation Identification system and
799	latent prints; and
800	(e) establish a privacy risk mitigation strategy to ensure that the entity only receives

801	notifications for an individual with whom the entity maintains an authorizing relationship.
802	(4) The department shall:
803	(a) assess an individual who submits fingerprints, in accordance with this section, a fee
804	that the Bureau of Criminal Identification is authorized to collect for the services the Bureau of
805	Criminal Identification or other authorized agency provides under this section; and
806	(b) remit a fee collected under Subsection (4)(a) to the Bureau of Criminal
807	Identification.
808	Section 31. Section 26-58-204 is enacted to read:
809	26-58-204. Medical cannabidiol card Patient and designated caregiver
810	requirements Rebuttable presumption.
811	(1) An individual with a valid medical cannabidiol card who possesses cannabidiol
812	outside of the individual's residence shall:
813	(a) carry, with the individual at all times, the individual's medical cannabidiol card;
814	(b) carry, with the cannabidiol or cannabidiol product, a label that identifies that the
815	cannabidiol was originally sold from a licensed cannabidiol dispensary, including the bar code
816	or identification number that links the cannabidiol to the cannabidiol dispensary's inventory
817	control system; and
818	(c) possess no more than a 30-day supply of cannabidiol as established by the
819	recommendation of a physician for the individual's treatment.
820	(2) An individual who has a valid medical cannabidiol card is guilty of an infraction if
821	the individual:
822	(a) possesses cannabidiol; and
823	(b) (i) does not posses the individual's medical cannabidiol card on the individual's
824	person; or
825	(ii) does not possess a label that complies with Subsection (1)(b).
826	(3) An individual who is guilty of an infraction under Subsection (4) is subject to a
827	\$100 fine.
828	Section 32. Section 26-58-205 is enacted to read:
829	26-58-205. Insurance coverage.
830	An insurance carrier, third-party administrator, or employer is not required to provide
831	reimbursement for treatment of an individual with cannabidiol under this chapter

832	Section 33. Section 26-58-206 is enacted to read:
833	26-58-206. Report to the Legislature.
834	The department shall, before November 1 each year, report to the Health and Human
835	Services Interim Committee on the department's administration and enforcement of this
836	chapter.
837	Section 34. Section 26-58-301 is enacted to read:
838	Part 3. Medical Cannabidiol Research License
839	26-58-301. Medical cannabidiol research license.
840	(1) The department may issue a license to a higher education institution to conduct
841	medical research on cannabidiol if the higher education institution submits to the department:
842	(a) the higher education institution's research plan; and
843	(b) the name of an employee of the higher education institution who will supervise the
844	medical cannabidiol research.
845	(2) Notwithstanding the provisions of Title 58, Chapter 37, Utah Controlled
846	Substances Act, a higher education institution to which the department issues a medical
847	cannabidiol research license under this chapter may:
848	(a) purchase cannabidiol from a person licensed under Title 58, Chapter 86,
849	Cannabidiol Dispensary License;
850	(b) possess cannabidiol; or
851	(c) provide cannabidiol to a patient as part of a medical research study approved by the
852	department.
853	(3) The department shall establish rules made in accordance with Title 63G, Chapter 3,
854	Utah Administrative Rulemaking Act, that provide:
855	(a) eligibility criteria for a medical cannabidiol research license; and
856	(b) standards for an acceptable medical research study under Subsection (1)(a).
857	Section 35. Section 41-6a-517 is amended to read:
858	41-6a-517. Definitions Driving with any measurable controlled substance in the
859	body Penalties Arrest without warrant.
860	(1) As used in this section:
861	(a) "Controlled substance" has the same meaning as in Section 58-37-2.
862	(b) "Practitioner" has the same meaning as in Section 58-37-2.

863	(c) "Prescribe" has the same meaning as in Section 58-37-2.
864	(d) "Prescription" has the same meaning as in Section 58-37-2.
865	(2) In cases not amounting to a violation of Section 41-6a-502, a person may not
866	operate or be in actual physical control of a motor vehicle within this state if the person has any
867	measurable controlled substance or metabolite of a controlled substance in the person's body.
868	(3) It is an affirmative defense to prosecution under this section that the controlled
869	substance was:
870	(a) involuntarily ingested by the accused;
871	(b) prescribed by a practitioner for use by the accused; [or]
872	(c) cannabidiol recommended by a physician and the person holds a valid medical
873	cannabidiol card under Title 26, Chapter 58, Medical Cannabidiol Act; or
874	[(c)] <u>(d)</u> otherwise legally ingested.
875	(4) (a) A person convicted of a violation of Subsection (2) is guilty of a class B
876	misdemeanor.
877	(b) A person who violates this section is subject to conviction and sentencing under
878	both this section and any applicable offense under Section 58-37-8.
879	(5) A peace officer may, without a warrant, arrest a person for a violation of this
880	section when the officer has probable cause to believe the violation has occurred, although not
881	in the officer's presence, and if the officer has probable cause to believe that the violation was
882	committed by the person.
883	(6) The Driver License Division shall, if the person is 21 years of age or older on the
884	date of arrest:
885	(a) suspend, for a period of 120 days, the driver license of a person convicted under
886	Subsection (2) of an offense committed on or after July 1, 2009; or
887	(b) revoke, for a period of two years, the driver license of a person if:
888	(i) the person has a prior conviction as defined under Subsection 41-6a-501(2); and
889	(ii) the current violation under Subsection (2) is committed on or after July 1, 2009,
890	and within a period of 10 years after the date of the prior violation.
891	(7) The Driver License Division shall, if the person is 19 years of age or older but
892	under 21 years of age on the date of arrest:
893	(a) suspend, until the person is 21 years of age or for a period of one year, whichever is

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- longer, the driver license of a person convicted under Subsection (2) of an offense committed on or after July 1, 2011; or
 - (b) revoke, until the person is 21 years of age or for a period of two years, whichever is longer, the driver license of a person if:
 - (i) the person has a prior conviction as defined under Subsection 41-6a-501(2); and
 - (ii) the current violation under Subsection (2) is committed on or after July 1, 2009, and within a period of 10 years after the date of the prior violation.
 - (8) The Driver License Division shall, if the person is under 19 years of age on the date of arrest:
 - (a) suspend, until the person is 21 years of age, the driver license of a person convicted under Subsection (2) of an offense committed on or after July 1, 2009; or
 - (b) revoke, until the person is 21 years of age, the driver license of a person if:
 - (i) the person has a prior conviction as defined under Subsection 41-6a-501(2); and
 - (ii) the current violation under Subsection (2) is committed on or after July 1, 2009, and within a period of 10 years after the date of the prior violation.
 - (9) The Driver License Division shall subtract from any suspension or revocation period the number of days for which a license was previously suspended under Section 53-3-223 or 53-3-231, if the previous suspension was based on the same occurrence upon which the record of conviction is based.
 - (10) The Driver License Division shall:
 - (a) deny, suspend, or revoke a person's license for the denial and suspension periods in effect prior to July 1, 2009, for a conviction of a violation under Subsection (2) that was committed prior to July 1, 2009; or
 - (b) deny, suspend, or revoke the operator's license of a person for the denial, suspension, or revocation periods in effect from July 1, 2009, through June 30, 2011, if:
 - (i) the person was 20 years of age or older but under 21 years of age at the time of arrest; and
- 921 (ii) the conviction under Subsection (2) is for an offense that was committed on or after 922 July 1, 2009, and prior to July 1, 2011.
- 923 (11) A court that reported a conviction of a violation of this section for a violation that 924 occurred on or after July 1, 2009, to the Driver License Division may shorten the suspension

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- 925 period imposed under Subsection (7)(a) or (8)(a) prior to completion of the suspension period 926 if the person: 927 (a) completes at least six months of the license suspension; 928 (b) completes a screening; 929 (c) completes an assessment, if it is found appropriate by a screening under Subsection 930 (11)(b);931 (d) completes substance abuse treatment if it is found appropriate by the assessment 932 under Subsection (11)(c): 933 (e) completes an educational series if substance abuse treatment is not required by the 934 assessment under Subsection (11)(c) or the court does not order substance abuse treatment; 935 (f) has not been convicted of a violation of any motor vehicle law in which the person 936 was involved as the operator of the vehicle during the suspension period imposed under 937 Subsection (7)(a) or (8)(a): 938 (g) has complied with all the terms of the person's probation or all orders of the court if 939 not ordered to probation; and 940 (h) (i) is 18 years of age or older and provides a sworn statement to the court that the 941 person has not consumed a controlled substance not prescribed by a practitioner for use by the 942 person or unlawfully consumed alcohol during the suspension period imposed under 943 Subsection (7)(a) or (8)(a); or 944 (ii) is under 18 years of age and has the person's parent or legal guardian provide an 945 affidavit or other sworn statement to the court certifying that to the parent or legal guardian's 946 knowledge the person has not consumed a controlled substance not prescribed by a practitioner 947 for use by the person or unlawfully consumed alcohol during the suspension period imposed 948 under Subsection (7)(a) or (8)(a). 949 (12) If the court shortens a person's license suspension period in accordance with the 950 requirements of Subsection (11), the court shall forward the order shortening the person's 951 license suspension period prior to the completion of the suspension period imposed under
 - (13) (a) The court shall notify the Driver License Division if a person fails to:
 - (i) complete all court ordered screening and assessment, educational series, and substance abuse treatment; or

Subsection (7)(a) or (8)(a) to the Driver License Division.

956	(ii) pay all fines and fees, including fees for restitution and treatment costs.
957	(b) Upon receiving the notification, the division shall suspend the person's driving
958	privilege in accordance with Subsections 53-3-221(2) and (3).
959	(14) The court shall order supervised probation in accordance with Section 41-6a-507
960	for a person convicted under Subsection (2).
961	Section 36. Section 53-1-106.5 is enacted to read:
962	53-1-106.5. Medical Cannabidiol Act Department duties.
963	In addition to the duties described in Section 53-1-106, the department shall provide
964	standards for the training of peace officers and law enforcement agencies in the use of the
965	electronic verification system as defined in Section 26-58-102.
966	Section 37. Section 58-37-3.6 is enacted to read:
967	58-37-3.6. Exemption for possession or use of cannabidiol to treat a qualifying
968	illness.
969	(1) As used in this section:
970	(a) "Cannabidiol" means a product intended for human ingestion that:
971	(i) contains an extract or concentrate that:
972	(A) is obtained from cannabis; and
973	(B) contains at least 10 grams of the cannabinoid cannabidiol per one gram of
974	tetrahydrocannabinol content;
975	(ii) is composed of less than 5% tetrahydrocannabinol by weight;
976	(iii) is composed of at least 5% of the cannabinoid cannabidiol by weight; and
977	(iv) is prepared in a medicinal dosage form as required by Section 4-42-602.
978	(b) "Cannabis" means any part of the plant cannabis sativa, whether growing or not,
979	that has a delta-9 tetrahydrocannabinol concentration of less than 0.3% by dry weight.
980	(c) "Drug paraphernalia" means the same as that term is defined in Section 58-37a-3.
981	(d) "Tetrahydrocannabinol" means a substance derived from cannabidiol that meets the
982	description in Subsection 58-37-4(2)(a)(iii)(AA).
983	(2) Notwithstanding any other provision of this chapter:
984	(a) an individual who grows, possesses, sells, or offers to sell cannabis is not subject to
985	the penalties described in this title for the growth, possession, sale, or offer for sale of
986	marijuana or tetrahydrocannabinol to the extent that the individual's growth, possession, sale.

987	of other for safe of cannabis complies with.
988	(i) Title 4, Chapter 42, Cannabidiol Production Establishment License;
989	(ii) Title 26, Chapter 58, Medical Cannabidiol Act; and
990	(iii) Title 58, Chapter 86, Cannabidiol Dispensary License;
991	(b) an individual who grows, possesses, sells, or offers to sell cannabidiol is not subject
992	to the penalties described in this title for the growth, possession, sale, or offer for sale of
993	marijuana or tetrahydrocannabinol to the extent that the individual's growth, possession, sale,
994	or offer for sale of cannabidiol complies with:
995	(i) Title 4, Chapter 42, Cannabidiol Production Establishment License;
996	(ii) Title 26, Chapter 58, Medical Cannabidiol Act; and
997	(iii) Title 58, Chapter 86, Cannabidiol Dispensary License; and
998	(c) an individual who possesses, sells, or offers to sell cannabidiol is not subject to the
999	penalties described in this title for the possession, sale, or offer for sale of marijuana or
1000	tetrahydrocannabinol drug paraphernalia to the extent that the individual's growth, possession,
1001	sale, or offer for sale of cannabidiol complies with:
1002	(i) Title 4, Chapter 42, Cannabidiol Production Establishment License;
1003	(ii) Title 26, Chapter 58, Medical Cannabidiol Act; and
1004	(iii) Title 58, Chapter 86, Cannabidiol Dispensary License.
1005	Section 38. Section 58-37f-204 is enacted to read:
1006	58-37f-204. Controlled substance database and medical cannabidiol.
1007	(1) (a) The division shall establish a process for a cannabidiol dispensary agent to
1008	submit, at a specified time during each 24-hour period, the information required by this section
1009	(b) A cannabidiol dispensary shall comply with the process established by the division
1010	under Subsection (1)(a).
1011	(2) A cannabidiol dispensary shall, each time the cannabidiol dispensary dispenses
1012	cannabidiol to an individual with a medical cannabidiol card, submit to the division the
1013	following information:
1014	(a) the name of the physician who recommended the cannabidiol and the unique
1015	number identifying the recommendation;
1016	(b) the date of the recommendation;
1017	(c) the date the cannabidiol was dispensed;

1018	(d) the name of the individual with the medical cannabidiol card;
1019	(e) positive identification of the individual who receives the cannabidiol, including the
1020	type of identification and any identifying numbers on the identification;
1021	(f) the amount of cannabidiol dispensed;
1022	(g) the dosage, quantity, and frequency recommended by the physician;
1023	(h) the name of the cannabidiol dispensary dispensing the cannabidiol product;
1024	(i) the name of the cannabidiol dispensary agent who dispensed the cannabidiol
1025	product; and
1026	(j) any other information required by the division under Subsection (8).
1027	(3) If an individual's medical cannabidiol record is in the controlled substance
1028	database:
1029	(a) the individual may obtain the record by requesting the record from the division in
1030	writing; and
1031	(b) the individual may request, in writing, with the individual's postal address included
1032	that the division correct any incorrect information about the individual contained in the
1033	database.
1034	(4) For a request described in Subsection (3), the division shall:
1035	(a) grant or deny the request no later than 30 days after the day on which the division
1036	receives the request; and
1037	(b) notify the individual who submitted the request of the division's decision by mail
1038	postmarked no later than 35 days after the day on which the division received the request.
1039	(5) If the division denies a request described in Subsection (3), or does not respond to
1040	the request within the time period described in Subsection (4), the individual who submitted
1041	the request may, no later than 60 days after the day on which the individual's initial request is
1042	postmarked, submit an appeal to the Department of Commerce.
1043	(6) The division shall ensure that the database system records and maintains for
1044	reference:
1045	(a) the identity of and a form of identification for each individual who requests
1046	information from the database;
1047	(b) the information accessed by the individual described in Subsection (6)(a); and
1048	(c) the date and time the individual described in Subsection (6)(a) made the request.

1049	(7) A cannabidiol dispensary agent may access the controlled substance database in the
1050	same manner and for the same purpose as a pharmacist may access the database under
1051	Subsection 58-37f-301(2)(i).
1052	(8) The division shall establish, by rule made in accordance with Title 63G, Chapter 3,
1053	Utah Administrative Rulemaking Act:
1054	(a) requirements for the form and manner of submission of information submitted to
1055	the database under this section; and
1056	(b) for the purpose of collecting health data on medical cannabidiol, additional
1057	information that a cannabidiol dispensary is required to submit to the controlled substance
1058	database.
1059	Section 39. Section 58-38a-201 is amended to read:
1060	58-38a-201. Controlled Substances Advisory Committee.
1061	There is created within the Division of Occupational and Professional Licensing the
1062	Controlled Substances Advisory Committee. The committee consists of:
1063	(1) the director of the Department of Health or the director's designee;
1064	(2) the State Medical Examiner or the examiner's designee;
1065	(3) the commissioner of the Department of Public Safety or the commissioner's
1066	designee;
1067	(4) one physician who is a member of the Physicians Licensing Board and is
1068	designated by that board;
1069	(5) one pharmacist who is a member of the Utah State Board of Pharmacy and is
1070	designated by that board;
1071	[(6) one dentist who is a member of the Dentist and Dental Hygienist Licensing Board
1072	and is designated by that board;
1073	[(7) one physician who is currently licensed and practicing in the state, to be appointed
1074	by the governor;]
1075	[(8)] (6) one psychiatrist who is currently licensed and practicing in the state, to be
1076	appointed by the governor;
1077	[9] one individual with expertise in substance abuse addiction, to be appointed by
1078	the governor;
1079	[(10)] (8) one representative from the Statewide Association of Prosecutors, to be

1080	designated by that association;
1081	[(11) one naturopathic physician who is currently licensed and practicing in the state,
1082	to be appointed by the governor;]
1083	[(12)] (9) one advanced practice registered nurse who is currently licensed and
1084	practicing in this state, to be appointed by the governor; [and]
1085	(10) two medical research professionals with expertise in controlled substances,
1086	including one medical research professional who is affiliated with a research-based higher
1087	education institution;
1088	(11) one representative of the Utah Chiefs of Police Association; and
1089	[(13)] (12) one member of the public, to be appointed by the governor.
1090	Section 40. Section 58-38a-203 is amended to read:
1091	58-38a-203. Duties of the committee.
1092	(1) The committee serves as a consultative and advisory body to the Legislature
1093	regarding:
1094	(a) the movement of a controlled substance from one schedule or list to another;
1095	(b) the removal of a controlled substance from any schedule or list; [and]
1096	(c) the designation of a substance as a controlled substance and the placement of the
1097	substance in a designated schedule or list[-]; and
1098	(d) the designation of a medical condition as a qualified illness for treatment using
1099	cannabidiol as described in Subsection 58-38a-203.1(1).
1100	(2) On or before September 30 of each year, the committee shall submit to the Health
1101	and Human Services Interim Committee a written report:
1102	(a) describing any substances recommended by the committee for scheduling,
1103	rescheduling, listing, or deletion from the schedules or list by the Legislature; [and]
1104	(b) containing the report described in Subsection 58-38a-203.1(1); and
1105	[(b)] (c) stating the reasons for the recommendation.
1106	(3) In advising the Legislature regarding the need to add, delete, relist, or reschedule a
1107	substance, the committee shall consider:
1108	(a) the actual or probable abuse of the substance, including:
1109	(i) the history and current pattern of abuse both in Utah and in other states;
1110	(ii) the scope, duration, and significance of abuse;

1111	(iii) the degree of actual or probable detriment to public health which may result from
1112	abuse of the substance; and
1113	(iv) the probable physical and social impact of widespread abuse of the substance;
1114	(b) the biomedical hazard of the substance, including:
1115	(i) its pharmacology, including the effects and modifiers of the effects of the substance;
1116	(ii) its toxicology, acute and chronic toxicity, interaction with other substances,
1117	whether controlled or not, and the degree to which it may cause psychological or physiological
1118	dependence; and
1119	(iii) the risk to public health and the particular susceptibility of segments of the
1120	population;
1121	(c) whether the substance is an immediate precursor, as defined in Section 58-37-2, of
1122	a substance that is currently a controlled substance;
1123	(d) the current state of scientific knowledge regarding the substance, including whether
1124	there is any acceptable means to safely use the substance under medical supervision;
1125	(e) the relationship between the use of the substance and criminal activity, including
1126	whether:
1127	(i) persons engaged in illicit trafficking of the substance are also engaged in other
1128	criminal activity;
1129	(ii) the nature and relative profitability of manufacturing or delivering the substance
1130	encourages illicit trafficking in the substance;
1131	(iii) the commission of other crimes is one of the recognized effects of abuse of the
1132	substance; and
1133	(iv) addiction to the substance relates to the commission of crimes to facilitate the
1134	continued use of the substance;
1135	(f) whether the substance has been scheduled by other states; and
1136	(g) whether the substance has any accepted medical use in treatment in the United
1137	States.
1138	(4) The committee's duties under this chapter do not include tobacco products as
1139	defined in Section 59-14-102 or alcoholic beverages as defined in Section 32B-1-102.
1140	Section 41. Section 58-38a-203.1 is enacted to read:
1141	58-38a-203.1. Qualifying illness for treatment using medical cannabidiol

1142	Committee duties Recommendation to Legislature.
1143	(1) For the purposes of Title 26, Chapter 58, Medical Cannabidiol Act, the following
1144	conditions are considered a qualifying illness:
1145	(a) epilepsy;
1146	(b) nausea and vomiting during chemotherapy;
1147	(c) appetite stimulation caused by an HIV or AIDS infection;
1148	(d) muscle spacticity or a movement disorder; and
1149	(e) neuropathic pain conditions as follows:
1150	(i) complex regional pain syndrome;
1151	(ii) peripheral neuropathy caused by diabetes;
1152	(iii) post herpetic neuralgia;
1153	(iv) pain related to HIV;
1154	(v) pain related to cancer;
1155	(vi) pain occurring after and related to a stroke; and
1156	(vii) phantom limb pain.
1157	(2) On or before September 30 of each year, the committee shall:
1158	(a) review the list of conditions described in Subsection (1) to determine if, based on
1159	available medically relevant information, it is medically appropriate to add or remove a
1160	condition from the list; and
1161	(b) present the committee's recommendation to the Health and Human Services Interim
1162	Committee.
1163	Section 42. Section 58-67-807 is enacted to read:
1164	58-67-807. Recommendation of cannabidiol Registration with division and
1165	Department of Health.
1166	(1) A physician may recommend the use of cannabidiol to a patient in accordance with
1167	Title 26, Chapter 58, Medical Cannabidiol Act, if the physician:
1168	(a) registers with the division and the Department of Health as a physician who
1169	recommends cannabidiol; and
1170	(b) completes the training required under Subsection (3).
1171	(2) A physician who recommends cannabidiol shall:
1172	(a) recommend cannabidiol to no more than an amount of patients determined by the

1173	Department of Health by rule made in accordance with Title 63G, Chapter 3, Utah
1174	Administrative Rulemaking Act;
1175	(b) consult the controlled substance database before recommending cannabidiol to a
1176	patient to determine if the patient is abusing cannabidiol;
1177	(c) report an adverse event experienced by a patient related to the patient's medical
1178	cannabidiol use to the Department of Health; and
1179	(d) report other data on cannabidiol required by Title 26, Chapter 58, Medical
1180	Cannabidiol Act.
1181	(3) (a) The division shall establish by rule made in accordance with Title 63G, Chapter
1182	3, Utah Administrative Rulemaking Act, training requirements for a physician that
1183	recommends cannabidiol.
1184	(b) The division shall include, in the training requirements the division establishes
1185	under Subsection (3)(a), training on using caution when recommending cannabidiol to avoid
1186	patient cannabidiol abuse.
1187	(4) It is not a breach of the applicable standard of care for a physician to recommend
1188	treatment with cannabidiol to an individual under this section and Title 26, Chapter 58,
1189	Medical Cannabidiol Act.
1190	(5) A physician who recommends treatment with cannabidiol or a cannabidiol product
1191	to an individual under this section and Title 26, Chapter 58, Medical Cannabidiol Act, may not,
1192	solely based on that recommendation, be subject to:
1193	(a) civil liability;
1194	(b) criminal liability; or
1195	(c) licensure sanctions under this chapter.
1196	Section 43. Section 58-68-807 is enacted to read:
1197	58-68-807. Recommendation of cannabidiol Registration with division and
1198	Department of Health.
1199	(1) A physician may recommend the use of cannabidiol to a patient in accordance with
1200	Title 26, Chapter 58, Medical Cannabidiol Act, if the physician:
1201	(a) registers with the division and the Department of Health as a physician who
1202	recommends cannabidiol; and
1203	(b) completes the training required under Subsection (3).

1204	(2) A physician who recommends cannabidiol shall:
1205	(a) recommend cannabidiol to no more than an amount of patients determined by the
1206	Department of Health by rule made in accordance with Title 63G, Chapter 3, Utah
1207	Administrative Rulemaking Act;
1208	(b) consult the controlled substance database before recommending cannabidiol to a
1209	patient to determine if the patient is abusing cannabidiol;
1210	(c) report an adverse event experienced by a patient related to the patient's medical
1211	cannabidiol use to the Department of Health; and
1212	(d) report other data on cannabidiol required by Title 26, Chapter 58, Medical
1213	Cannabidiol Act.
1214	(3) (a) The division shall establish by rule made in accordance with Title 63G, Chapter
1215	3, Utah Administrative Rulemaking Act, training requirements for a physician that
1216	recommends cannabidiol.
1217	(b) The division shall include, in the training requirements the division establishes
1218	under Subsection (3)(a), training on using caution when recommending cannabidiol to avoid
1219	patient cannabidiol abuse.
1220	(4) It is not a breach of the applicable standard of care for a physician to recommend
1221	treatment with cannabidiol to an individual under this section and Title 26, Chapter 58,
1222	Medical Cannabidiol Act.
1223	(5) A physician who recommends treatment with cannabidiol or a cannabidiol product
1224	to an individual under this section and Title 26, Chapter 58, Medical Cannabidiol Act, may not,
1225	solely based on that recommendation, be subject to:
1226	(a) civil liability;
1227	(b) criminal liability; or
1228	(c) licensure sanctions under this chapter.
1229	Section 44. Section 58-86-101 is enacted to read:
1230	CHAPTER 86. CANNABIDIOL DISPENSARY LICENSE
1231	Part 1. General Provisions
1232	<u>58-86-101.</u> Title.
1233	This chapter is known as "Cannabidiol Dispensary License."
1234	Section 45. Section 58-86-102 is enacted to read:

1235	<u>58-86-102.</u> Definitions.
1236	As used in this chapter:
1237	(1) "Cannabidiol" means the same as that term is defined in Section 58-37-3.6.
1238	(2) "Cannabidiol cultivation facility" means the same as that term is defined in Section
1239	<u>4-42-102.</u>
1240	(3) "Cannabidiol dispensary" means a person that:
1241	(a) sells cannabidiol; or
1242	(b) purchases or possesses cannabidiol with the intent to sell cannabidiol.
1243	(4) "Cannabidiol dispensary agent" means an owner, officer, director, board member,
1244	shareholder, agent, employee or volunteer of a cannabidiol dispensary.
1245	(5) "Cannabidiol dispensary agent registration card" means a registration card, issued
1246	by the division under Section 58-85-301, that authorizes an individual to be a cannabidiol
1247	dispensary agent.
1248	(6) "Cannabidiol production establishment" means the same as that term is defined in
1249	Section 4-42-102.
1250	(7) "Cannabidiol production establishment agent" means the same as that term is
1251	defined in Section 4-42-102.
1252	(8) "Cannabidiol production establishment agent registration card" means the same as
1253	that term is defined in Section 4-42-102.
1254	(9) "Cannabis" means the same as that term is defined in Section 58-37-3.6.
1255	(10) "Designated caregiver" means the same as that term is defined in Section
1256	<u>26-58-102.</u>
1257	(11) "Electronic verification system" means the system described in Section 26-58-104.
1258	(12) "Independent cannabidiol testing laboratory" means the same as that term is
1259	defined in Section 4-42-102.
1260	(13) "Inventory control system" means the system described in Section 4-42-103.
1261	(14) "Medical cannabidiol card" means the same as that term is defined in Section
1262	<u>26-58-102.</u>
1263	(15) "Physician" means the same as that term is defined in Section 26-58-102.
1264	Section 46. Section 58-86-201 is enacted to read:
1265	Part 2. License and Eligibility

1200	58-80-201. Cannabidioi dispensary License Engibility.
1267	(1) A person may not operate as a cannabidiol dispensary without a license from the
1268	division issued under this part.
1269	(2) Subject to the requirements of this part, the division shall, within 30 business days
1270	after receiving a complete application, issue a license to operate a cannabidiol dispensary to a
1271	person who submits to the division:
1272	(a) a proposed name, address, and physical location where the person will operate the
1273	cannabidiol dispensary;
1274	(b) evidence that the person:
1275	(i) possesses or controls a minimum of \$50,000 in liquid assets for each application
1276	submitted to the division;
1277	(ii) can comply with the operating requirements for a cannabidiol dispensary described
1278	in this chapter;
1279	(iii) will implement an inventory control system at the cannabidiol dispensary; and
1280	(iv) can obtain a business license and meet zoning requirements established by a
1281	political subdivision;
1282	(c) an application fee, in an amount determined by the division in accordance with
1283	Section 63J-1-504, that is necessary to cover the division's cost to implement this part; and
1284	(d) an operating plan that complies with Section 58-86-203.
1285	(3) If the division determines that a cannabidiol dispensary is eligible for a license
1286	under this section, the division shall charge the cannabidiol dispensary an initial license fee in
1287	an amount determined by the division in accordance with Section 63J-1-504.
1288	(4) The division may revoke a license under this chapter if the cannabidiol dispensary
1289	is not operational within one year of the issuance of the initial license.
1290	Section 47. Section 58-86-202 is enacted to read:
1291	<u>58-86-202.</u> Renewal.
1292	(1) Except as provided in Subsection (2), the division shall renew a person's license
1293	under this part every two years if, at the time of renewal:
1294	(a) the person meets the requirements of Section 58-86-201; and
1295	(b) the person pays the division a license renewal fee in an amount determined by the
1296	division in accordance with Section 63J-1-504.

1297	(2) (a) The division may not renew a cannabidiol dispensary's license for a sixth
1298	consecutive time unless the division publishes a notice, in a newspaper of general circulation
1299	for the geographic area in which the cannabidiol dispensary is located, one year before the day
1300	on which the cannabidiol dispensary's license expires, that includes:
1301	(i) the name and location of the cannabidiol dispensary;
1302	(ii) the day on which the license for the cannabidiol dispensary will expire; and
1303	(iii) a solicitation for cannabidiol dispensary license applicants.
1304	(b) If, after the division publishes the notice described in Subsection (2)(a), the division
1305	receives an application for a cannabidiol dispensary from a new applicant and also receives an
1306	application for renewal from the existing cannabidiol dispensary, the division shall issue the
1307	license to the applicant that the division determines best meets the criteria established in
1308	Section 58-86-204.
1309	(3) (a) If a licensed cannabidiol dispensary abandons the cannabidiol dispensary's
1310	license, the division shall publish notice of an available license in the same manner as
1311	described in Subsection (2)(a).
1312	(b) The division may establish criteria, in accordance with Title 63G, Chapter 3, Utah
1313	Administrative Rulemaking Act, for what actions by a cannabidiol dispensary constitute
1314	abandonment of a cannabidiol dispensary license.
1315	Section 48. Section 58-86-203 is enacted to read:
1316	<u>58-86-203.</u> Operating plan.
1317	(1) A person applying for a cannabidiol dispensary license shall submit to the division
1318	a proposed operating plan for the cannabidiol dispensary.
1319	(2) The operating plan described in Subsection (1) shall include:
1320	(a) a description of the cannabidiol dispensary's employee training standards;
1321	(b) a security plan for the cannabidiol dispensary;
1322	(c) the time period in which the person estimates the cannabidiol dispensary will
1323	become operational; and
1324	(d) the products, and anticipated sources of the products, that a cannabidiol dispensary
1325	plans to sell.
1326	Section 49. Section 58-86-204 is enacted to read:
1327	58-86-204. Maximum number of licenses.

1328	(1) The division may not issue more than five cannabidiol dispensary licenses at any
1329	given time.
1330	(2) If more than one applicant for a license meets the qualifications of this chapter for a
1331	cannabidiol dispensary, the division shall evaluate the applicants to determine which applicant
1332	has best demonstrated:
1333	(a) experience with:
1334	(i) establishing and running a business in a related field;
1335	(ii) operating a secure inventory control system;
1336	(iii) complying with a regulatory environment; and
1337	(iv) training, evaluating, and monitoring employees; and
1338	(b) connections to the local community.
1339	Section 50. Section 58-86-301 is enacted to read:
1340	Part 3. Cannabidiol Dispensary Agents
1341	58-86-301. Cannabidiol dispensary agent Registration.
1342	(1) An individual may not act as an owner, officer, director, board member,
1343	shareholder, agent, or employee of a cannabidiol dispensary unless the individual is registered
1344	by the division as a cannabidiol dispensary agent.
1345	(2) A physician may not act as a cannabidiol dispensary agent.
1346	(3) The division shall, within 15 business days after receiving a complete application,
1347	register and issue a cannabidiol dispensary agent registration card to an individual who:
1348	(a) has not been convicted of an offense that is a felony under either state or federal
1349	<u>law;</u>
1350	(b) provides to the division:
1351	(i) the individual's name and address; and
1352	(ii) the name and location of the licensed cannabidiol dispensary where the individual
1353	will act as a cannabidiol dispensary agent;
1354	(c) pays a registration fee to the division, in an amount determined by the division in
1355	accordance with Section 63J-1-504, that is necessary to cover the division's cost to implement
1356	this chapter;
1357	(d) complies with the requirement for, and passes, a criminal background check
1358	described in Section 58-86-302; and

1359	(e) demonstrates to the division that the individual has completed a training program
1360	designated by the division under Subsection (4).
1361	(4) The division shall establish cannabidiol dispensary agent training requirements by
1362	rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
1363	(5) The division shall revoke or refuse to issue the cannabidiol dispensary agent
1364	registration card of an individual who:
1365	(a) violates the requirements of this chapter; or
1366	(b) is convicted of an offense that is a felony under state or federal law.
1367	Section 51. Section 58-86-302 is enacted to read:
1368	58-86-302. Cannabidiol dispensary agents Criminal background checks.
1369	(1) An individual applying for a cannabidiol dispensary agent registration card under
1370	this chapter shall:
1371	(a) submit to the division:
1372	(i) a fingerprint card in a form acceptable to the Department of Public Safety; and
1373	(ii) a signed waiver in accordance with Subsection 53-10-108(4) indicating that the
1374	individual's fingerprints are being registered in the Federal Bureau of Investigation's Next
1375	Generation Identification system's Rap Back Service; and
1376	(b) consent to a fingerprint background check by:
1377	(i) the Utah Bureau of Criminal Identification; and
1378	(ii) the Federal Bureau of Investigation.
1379	(2) The Bureau of Criminal Identification shall:
1380	(a) check the fingerprints submitted under Subsection (1) against the applicable state,
1381	regional and national criminal records databases, including the Federal Bureau of
1382	Investigation's Next Generation Identification system;
1383	(b) report the results of the background check to the department;
1384	(c) maintain a separate file of fingerprints submitted under Subsection (1) for search by
1385	future submissions to the local and regional criminal records databases, including latent prints;
1386	(d) request that the fingerprints be retained in the Federal Bureau of Investigation's
1387	Next Generation Identification system's Rap Back Service for search by future submissions to
1388	national criminal records databases, including the Next Generation Identification system and
1389	latent prints; and

1390	(e) establish a privacy risk mitigation strategy to ensure that the entity only receives
1391	notifications for an individual with whom the entity maintains an authorizing relationship.
1392	(4) The division shall:
1393	(a) assess an individual who submits fingerprints, in accordance with this section, a fee
1394	that the Bureau of Criminal Identification is authorized to collect for the services the Bureau of
1395	Criminal Identification or other authorized agency provides under this section; and
1396	(b) remit a fee collected under Subsection (4)(a) to the Bureau of Criminal
1397	Identification.
1398	Section 52. Section 58-86-303 is enacted to read:
1399	58-86-303. Cannabidiol dispensary agent registration card Required to carry
1400	registration card.
1401	(1) An individual who has a cannabidiol dispensary agent registration card shall carry
1402	the individual's cannabidiol dispensary agent registration card with the individual at all times
1403	when:
1404	(a) the individual is on the premises of a cannabidiol dispensary; and
1405	(b) the individual is transporting cannabis or cannabidiol between two cannabidiol
1406	production establishments or transporting cannabidiol between a cannabidiol production
1407	establishment and a cannabidiol dispensary.
1408	(2) A cannabidiol dispensary agent registered with the department is guilty of an
1409	infraction if the registered cannabidiol dispensary agent:
1410	(a) (i) is on the premises of a cannabidiol dispensary where the individual is registered
1411	as an agent; or
1412	(ii) transports cannabis or cannabidiol; and
1413	(b) does not possess, on the registered cannabidiol dispensary agent's person, a valid
1414	cannabidiol dispensary agent registration card.
1415	(3) A registered cannabidiol dispensary agent who is guilty of an infraction under
1416	Subsection (3) is subject to a \$100 fine.
1417	Section 53. Section 58-86-401 is enacted to read:
1418	Part 4. Cannabidiol Dispensary Operation Requirements
1419	58-86-401. Operating requirements General.
1420	(1) (a) A cannabidiol dispensary shall operate in accordance with the operating plan

1421	that the cannabidiol dispensary provides to the department under Section 58-86-203.
1422	(b) A cannabidiol dispensary shall notify the department within 30 days of any change
1423	in the cannabidiol dispensary's operation plan.
1424	(2) Except as provided in Subsection (3), a cannabidiol dispensary shall operate:
1425	(a) in a facility that is accessible only by an individual with a valid cannabidiol
1426	dispensary agent registration card issued under Section 58-86-301 or by an individual with a
1427	medical cannabidiol card; and
1428	(b) at the physical address provided to the department under Section 58-86-201.
1429	(3) A cannabidiol production facility may allow the press, a visitor, or a contractor
1430	access to the cannabidiol dispensary if:
1431	(a) the cannabidiol production facility tracks and monitors the individual at all times
1432	while the individual is in the cannabidiol dispensary; and
1433	(b) a record of the individual's access to the cannabidiol dispensary is maintained by
1434	the cannabidiol dispensary.
1435	(4) A cannabidiol dispensary may not operate without:
1436	(a) a security system with a backup power source in the event of a power outage to:
1437	(i) detect and record entry at all times the cannabidiol dispensary is closed; and
1438	(ii) provide notice of unauthorized entry to local law enforcement;
1439	(b) a lock on any entrance to the area of the cannabidiol dispensary where cannabidiol
1440	is stored; and
1441	(c) an inventory control system that complies with Section 4-42-104.
1442	(5) Except as provided in Subsection (6), a physician may not:
1443	(a) serve as a cannabidiol dispensary agent; or
1444	(b) except online, advertise that the physician may or will recommend cannabidiol.
1445	(6) (a) A cannabidiol dispensary shall employ an individual licensed as a pharmacist
1446	under Title 58, Chapter 17b, Pharmacy Practice Act, to act as a consultant.
1447	(b) The individual described in Subsection (6)(a) shall:
1448	(i) review the records of each individual with a medical cannabidiol card who
1449	purchases cannabidiol from the cannabidiol dispensary; and
1450	(ii) answer questions for an individual with a medical cannabidiol card.
1451	(7) A cannabidiol dispensary may not allow any individual to consume cannabidiol on

1452	the property or premises of the establishment.
1453	(8) A cannabidiol dispensary may not sell cannabidiol before January 1, 2017.
1454	Section 54. Section 58-86-402 is enacted to read:
1455	58-86-402. Dispensing Amount a cannabidiol dispensary may dispense
1456	Reporting Form of cannabis or cannabis product.
1457	(1) A cannabidiol dispensary may only sell, subject to this chapter:
1458	(a) cannabidiol; or
1459	(b) educational materials related to the medical use of cannabidiol.
1460	(2) A cannabidiol dispensary may only sell cannabidiol to an individual with a medical
1461	cannabidiol card issued by the department.
1462	(3) A cannabidiol dispensary may not dispense on behalf of any one individual with a
1463	medical cannabidiol card, in any one 30-day period, an amount of cannabidiol that exceeds a
1464	30-day supply of the dosage recommended by the individual's physician.
1465	(4) An individual with a medical cannabidiol card may not purchase more cannabidiol
1466	than the amounts designated in Subsection (3).
1467	(5) A designated caregiver designated by any one individual with a medical
1468	cannabidiol card may not purchase, for the individual, an amount of cannabidiol that exceeds
1469	the amounts designated in Subsection (3).
1470	(6) A cannabidiol dispensary shall:
1471	(a) submit a record to the electronic verification system of each time the cannabidiol
1472	dispensary dispenses cannabidiol to an individual with a medical cannabidiol card;
1473	(b) access the electronic verification system before dispensing cannabidiol to an
1474	individual with a medical cannabis card in order to determine if the individual has exceeded the
1475	amount of cannabis or cannabis products described in Subsection (3); and
1476	(c) comply with Section 58-37f-204.
1477	Section 55. Section 58-86-403 is enacted to read:
1478	58-86-403. Product quality Labeling Packaging.
1479	(1) A cannabidiol dispensary may not sell or offer to sell cannabidiol unless:
1480	(a) the amount of cannabidiol is clearly and accurately stated on the cannabidiol
1481	packaging; and
1482	(b) the cannabidiol is sealed in a tamper resistant, resealable container with a label that

1483	includes a bar code or identification number that links the cannabidiol to the cannabidiol
1484	dispensary's inventory control system.
1485	(2) A cannabidiol dispensary may only sell cannabidiol that has been inspected by an
1486	independent cannabidiol testing laboratory in accordance with Section 4-42-701.
1487	Section 56. Section 58-86-404 is enacted to read:
1488	<u>58-86-404.</u> Advertising.
1489	(1) Except as provided in Subsection (2), a cannabidiol dispensary may not advertise in
1490	any medium.
1491	(2) A cannabidiol dispensary may advertise using a:
1492	(a) sign on the outside of the cannabidiol dispensary that includes only the cannabidiol
1493	dispensary's name and hours of operation; and
1494	(b) a website that includes information about the location of the dispensary, products
1495	and services available at the dispensary, and educational materials related to the use of
1496	cannabidiol.
1497	Section 57. Section 58-86-405 is enacted to read:
1498	<u>58-86-405.</u> Inspections.
1499	(1) The division shall inspect, in accordance with Subsection (2), a cannabidiol
1500	dispensary's facility and records in order to determine if the cannabidiol dispensary complies
1501	with the requirements of this chapter.
1502	(2) The division may inspect the records and facility of a cannabidiol dispensary:
1503	(a) as many as four times per year, scheduled or unscheduled; and
1504	(b) if the division has reason to believe that the cannabidiol dispensary has violated the
1505	law, at any time, scheduled or unscheduled.
1506	Section 58. Section 58-86-406 is enacted to read:
1507	58-86-406. Cannabidiol transportation.
1508	(1) An individual may not transport cannabidiol unless the individual has a valid:
1509	(a) cannabidiol production establishment agent registration card; or
1510	(b) cannabidiol dispensary agent registration card.
1511	(2) An individual transporting cannabidiol shall keep a transportation record that
1512	includes:
1513	(a) a har code or identification number that links the cannabidiol to a relevant inventory

1314	control system,
1515	(b) origin and destination information for any cannabidiol the individual is
1516	transporting; and
1517	(c) monitors the departure and arrival time of the individual transporting the
1518	cannabidiol.
1519	(3) In addition to the requirements in Subsections (1) and (2), the Department of
1520	Agriculture and Food may establish, by rule made in accordance with Title 63G, Chapter 3,
1521	Utah Administrative Rulemaking Act, requirements for transporting cannabidiol related to
1522	human consumption safety.
1523	(4) A cannabidiol dispensary agent registered with the department is guilty of an
1524	infraction if the registered cannabidiol dispensary agent:
1525	(a) transports cannabis or cannabidiol; and
1526	(b) does not possess, on the registered cannabidiol dispensary agent's person or in the
1527	transport vehicle, a transportation record that complies with Subsection (2).
1528	(5) A registered cannabidiol dispensary agent who is guilty of an infraction under
1529	Subsection (3) is subject to a \$100 fine.
1530	Section 59. Section 58-86-501 is enacted to read:
1531	Part 5. Enforcement
1532	58-86-501. Enforcement Fine Citation.
1533	(1) The division may, for a violation of this chapter by a person who is a cannabidiol
1534	dispensary or cannabidiol dispensary agent:
1535	(a) revoke the person's license;
1536	(b) refuse to renew the person's license;
1537	(c) assess the person an administrative penalty; or
1538	(d) take any other appropriate administrative action.
1539	(2) The division shall deposit an administrative penalty imposed under this section into
1540	the General Fund as a dedicated credit to be used by the division to administer and enforce this
1541	chapter.
1542	(3) The division may, for a person subject to an uncontested citation, a stipulated
1543	settlement, or a finding of a violation in an adjudicative proceeding under this section:
1544	(a) assess the person a fine, established in accordance with Section 63J-1-504, of up to

1545	\$5,000 per violation, in accordance with a fine schedule established by rule made in accordance
1546	with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; or
1547	(b) order the person to cease and desist from the action that creates a violation.
1548	(4) The division may not revoke a cannabidiol dispensary's license via a citation.
1549	(5) If within 20 calendar days after the day on which a division serves a citation for a
1550	violation of this chapter, the person that is the subject of the citation fails to request a hearing
1551	to contest the citation, the citation becomes the basis of the division's final order.
1552	(6) The division may, for a person who fails to comply with a citation under this
1553	section:
1554	(a) refuse to issue or renew the person's license or cannabidiol dispensary agent
1555	registration card; or
1556	(b) suspend, revoke, or place on probation the person's license or cannabidiol
1557	dispensary agent registration card.
1558	Section 60. Section 59-12-103 is amended to read:
1559	59-12-103. Sales and use tax base Rates Effective dates Use of sales and use
1560	tax revenues.
1561	(1) A tax is imposed on the purchaser as provided in this part for amounts paid or
1562	charged for the following transactions:
1563	(a) retail sales of tangible personal property made within the state;
1564	(b) amounts paid for:
1565	(i) telecommunications service, other than mobile telecommunications service, that
1566	originates and terminates within the boundaries of this state;
1567	(ii) mobile telecommunications service that originates and terminates within the
1568	boundaries of one state only to the extent permitted by the Mobile Telecommunications
1569	Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
1570	(iii) an ancillary service associated with a:
1571	(A) telecommunications service described in Subsection (1)(b)(i); or
1572	(B) mobile telecommunications service described in Subsection (1)(b)(ii);
1573	(c) sales of the following for commercial use:
1574	(i) gas;
1575	(ii) electricity;

1576	(iii) heat;
1577	(iv) coal;
1578	(v) fuel oil; or
1579	(vi) other fuels;
1580	(d) sales of the following for residential use:
1581	(i) gas;
1582	(ii) electricity;
1583	(iii) heat;
1584	(iv) coal;
1585	(v) fuel oil; or
1586	(vi) other fuels;
1587	(e) sales of prepared food;
1588	(f) except as provided in Section 59-12-104, amounts paid or charged as admission or
1589	user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
1590	exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
1591	fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
1592	television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
1593	driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
1594	tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
1595	horseback rides, sports activities, or any other amusement, entertainment, recreation,
1596	exhibition, cultural, or athletic activity;
1597	(g) amounts paid or charged for services for repairs or renovations of tangible personal
1598	property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
1599	(i) the tangible personal property; and
1600	(ii) parts used in the repairs or renovations of the tangible personal property described
1601	in Subsection (1)(g)(i), regardless of whether:
1602	(A) any parts are actually used in the repairs or renovations of that tangible personal
1603	property; or
1604	(B) the particular parts used in the repairs or renovations of that tangible personal
1605	property are exempt from a tax under this chapter;
1606	(h) except as provided in Subsection 59-12-104(7), amounts paid or charged for

1607	assisted cleaning or washing of tangible personal property;
1608	(i) amounts paid or charged for tourist home, hotel, motel, or trailer court
1609	accommodations and services that are regularly rented for less than 30 consecutive days;
1610	(j) amounts paid or charged for laundry or dry cleaning services;
1611	(k) amounts paid or charged for leases or rentals of tangible personal property if within
1612	this state the tangible personal property is:
1613	(i) stored;
1614	(ii) used; or
1615	(iii) otherwise consumed;
1616	(l) amounts paid or charged for tangible personal property if within this state the
1617	tangible personal property is:
1618	(i) stored;
1619	(ii) used; or
1620	(iii) consumed; [and]
1621	(m) amounts paid or charged for a sale:
1622	(i) (A) of a product transferred electronically; or
1623	(B) of a repair or renovation of a product transferred electronically, and
1624	(ii) regardless of whether the sale provides:
1625	(A) a right of permanent use of the product; or
1626	(B) a right to use the product that is less than a permanent use, including a right:
1627	(I) for a definite or specified length of time; and
1628	(II) that terminates upon the occurrence of a condition[-]; and
1629	(n) retail sales of cannabidiol as that term is defined in Section 58-37-3.6.
1630	(2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
1631	is imposed on a transaction described in Subsection (1) equal to the sum of:
1632	(i) a state tax imposed on the transaction at a tax rate equal to the sum of:
1633	(A) 4.70%; and
1634	(B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
1635	and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
1636	through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
1637	State Sales and Use Tax Act; and

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- 1638 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales 1639 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 1640 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state 1641 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and 1642 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the 1643 transaction under this chapter other than this part. 1644 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed 1645 on a transaction described in Subsection (1)(d) equal to the sum of: 1646 (i) a state tax imposed on the transaction at a tax rate of 2%; and 1647 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the 1648 transaction under this chapter other than this part. 1649 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed 1650 on amounts paid or charged for food and food ingredients equal to the sum of: 1651 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at 1652 a tax rate of 1.75%; and 1653 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the 1654 amounts paid or charged for food and food ingredients under this chapter other than this part. 1655 (d) (i) For a bundled transaction that is attributable to food and food ingredients and 1656 tangible personal property other than food and food ingredients, a state tax and a local tax is 1657 imposed on the entire bundled transaction equal to the sum of: 1658 (A) a state tax imposed on the entire bundled transaction equal to the sum of: 1659 (I) the tax rate described in Subsection (2)(a)(i)(A); and (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State 1660 1661 Sales and Use Tax Act, if the location of the transaction as determined under Sections 1662 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, 1663 Additional State Sales and Use Tax Act; and 1664 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 1665
 - (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates

59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which

the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

described in Subsection (2)(a)(ii).

- (ii) If an optional computer software maintenance contract is a bundled transaction that consists of taxable and nontaxable products that are not separately itemized on an invoice or similar billing document, the purchase of the optional computer software maintenance contract is 40% taxable under this chapter and 60% nontaxable under this chapter.
- (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled transaction described in Subsection (2)(d)(i) or (ii):
- (A) if the sales price of the bundled transaction is attributable to tangible personal property, a product, or a service that is subject to taxation under this chapter and tangible personal property, a product, or service that is not subject to taxation under this chapter, the entire bundled transaction is subject to taxation under this chapter unless:
- (I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is not subject to taxation under this chapter from the books and records the seller keeps in the seller's regular course of business; or
 - (II) state or federal law provides otherwise; or
- (B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:
- (I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business; or
 - (II) state or federal law provides otherwise.
- (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.
- (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental of tangible personal property, other property, a product, or a service that is not subject to taxation under this chapter, the entire transaction is subject to taxation under this chapter unless

the seller, at the time of the transaction:

- (A) separately states the portion of the transaction that is not subject to taxation under this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or
- (B) is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.
 - (ii) A purchaser and a seller may correct the taxability of a transaction if:
- (A) after the transaction occurs, the purchaser and the seller discover that the portion of the transaction that is not subject to taxation under this chapter was not separately stated on an invoice, bill of sale, or similar document provided to the purchaser because of an error or ignorance of the law; and
- (B) the seller is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.
- (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.
- (f) (i) If the sales price of a transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate unless the seller, at the time of the transaction:
- (A) separately states the items subject to taxation under this chapter at each of the different rates on an invoice, bill of sale, or similar document provided to the purchaser; or
- (B) is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business.
- (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.
- (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax rate imposed under the following shall take effect on the first day of a calendar quarter:

1731 (i) Subsection (2)(a)(i)(A); 1732 (ii) Subsection (2)(b)(i); 1733 (iii) Subsection (2)(c)(i); or 1734 (iv) Subsection (2)(d)(i)(A)(I). 1735 (h) (i) A tax rate increase takes effect on the first day of the first billing period that 1736 begins on or after the effective date of the tax rate increase if the billing period for the 1737 transaction begins before the effective date of a tax rate increase imposed under: 1738 (A) Subsection (2)(a)(i)(A): 1739 (B) Subsection (2)(b)(i); 1740 (C) Subsection (2)(c)(i); or 1741 (D) Subsection (2)(d)(i)(A)(I). 1742 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing 1743 statement for the billing period is rendered on or after the effective date of the repeal of the tax 1744 or the tax rate decrease imposed under: 1745 (A) Subsection (2)(a)(i)(A); 1746 (B) Subsection (2)(b)(i); 1747 (C) Subsection (2)(c)(i); or 1748 (D) Subsection (2)(d)(i)(A)(I). 1749 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is 1750 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or 1751 change in a tax rate takes effect: 1752 (A) on the first day of a calendar quarter; and 1753 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change. 1754 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following: 1755 (A) Subsection (2)(a)(i)(A); (B) Subsection (2)(b)(i); 1756 1757 (C) Subsection (2)(c)(i); or 1758 (D) Subsection (2)(d)(i)(A)(I). 1759 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, 1760 the commission may by rule define the term "catalogue sale." 1761 (3) (a) The following state taxes shall be deposited into the General Fund:

1762 (i) the tax imposed by Subsection (2)(a)(i)(A); 1763 (ii) the tax imposed by Subsection (2)(b)(i); 1764 (iii) the tax imposed by Subsection (2)(c)(i); or 1765 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I). 1766 (b) The following local taxes shall be distributed to a county, city, or town as provided 1767 in this chapter: 1768 (i) the tax imposed by Subsection (2)(a)(ii); 1769 (ii) the tax imposed by Subsection (2)(b)(ii); 1770 (iii) the tax imposed by Subsection (2)(c)(ii); and 1771 (iv) the tax imposed by Subsection (2)(d)(i)(B). 1772 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 1773 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b) 1774 through (g): 1775 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated: 1776 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and 1777 (B) for the fiscal year; or (ii) \$17,500,000. 1778 1779 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount 1780 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the 1781 Department of Natural Resources to: 1782 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to 1783 protect sensitive plant and animal species; or 1784 (B) award grants, up to the amount authorized by the Legislature in an appropriations 1785 act, to political subdivisions of the state to implement the measures described in Subsections 1786 79-2-303(3)(a) through (d) to protect sensitive plant and animal species. 1787 (ii) Money transferred to the Department of Natural Resources under Subsection 1788 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other 1789 person to list or attempt to have listed a species as threatened or endangered under the 1790 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq. 1791 (iii) At the end of each fiscal year: 1792 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources

- 1793 Conservation and Development Fund created in Section 73-10-24;
- 1794 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan 1795 Program Subaccount created in Section 73-10c-5; and
 - (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.
 - (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund created in Section 4-18-106.
 - (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of water rights.
 - (ii) At the end of each fiscal year:
 - (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;
 - (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
 - (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.
 - (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources.
 - (ii) In addition to the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24, the Water Resources Conservation and Development Fund may also be used to:
 - (A) conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;
 - (B) fund state required dam safety improvements; and

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credits; and

- 1824 (C) protect the state's interest in interstate water compact allocations, including the 1825 hiring of technical and legal staff. 1826 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described 1827 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount 1828 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects. 1829 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described 1830 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount 1831 created in Section 73-10c-5 for use by the Division of Drinking Water to: 1832 (i) provide for the installation and repair of collection, treatment, storage, and 1833 distribution facilities for any public water system, as defined in Section 19-4-102; 1834 (ii) develop underground sources of water, including springs and wells; and 1835 (iii) develop surface water sources. (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 1836 1837 2006, the difference between the following amounts shall be expended as provided in this 1838 Subsection (5), if that difference is greater than \$1: 1839 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the 1840 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and 1841 (ii) \$17,500,000. 1842 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be: 1843 (A) transferred each fiscal year to the Department of Natural Resources as dedicated 1844 credits; and 1845 (B) expended by the Department of Natural Resources for watershed rehabilitation or 1846 restoration. 1847 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described 1848 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund 1849 created in Section 73-10-24. 1850 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the 1851 remaining difference described in Subsection (5)(a) shall be:

(B) expended by the Division of Water Resources for cloud-seeding projects

(A) transferred each fiscal year to the Division of Water Resources as dedicated

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- authorized by Title 73, Chapter 15, Modification of Weather.
- 1856 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described 1857 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund 1858 created in Section 73-10-24.
 - (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the remaining difference described in Subsection (5)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources for:
 - (i) preconstruction costs:
 - (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River Development Act; and
 - (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
 - (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26, Bear River Development Act;
 - (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and
 - (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).
 - (e) After making the transfers required by Subsections (5)(b) and (c) and subject to Subsection (5)(f), 6% of the remaining difference described in Subsection (5)(a) shall be transferred each year as dedicated credits to the Division of Water Rights to cover the costs incurred for employing additional technical staff for the administration of water rights.
 - (f) At the end of each fiscal year, any unexpended dedicated credits described in Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.
 - (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in the Transportation Fund created by Section 72-2-102.
 - (7) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of

- Finance shall deposit into the Transportation Investment Fund of 2005 created in Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable transactions under Subsection (1).
 - (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in Subsection (7), and subject to Subsection (8)(b), for a fiscal year beginning on or after July 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124:
 - (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of the revenues collected from the following taxes, which represents a portion of the approximately 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and vehicle-related products:
 - (A) the tax imposed by Subsection (2)(a)(i)(A);
 - (B) the tax imposed by Subsection (2)(b)(i);
 - (C) the tax imposed by Subsection (2)(c)(i); and
 - (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus
 - (ii) an amount equal to 30% of the growth in the amount of revenues collected in the current fiscal year from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) that exceeds the amount collected from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) in the 2010-11 fiscal year.
 - (b) (i) Subject to Subsections (8)(b)(ii) and (iii), in any fiscal year that the portion of the sales and use taxes deposited under Subsection (8)(a) represents an amount that is a total lower percentage of the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) generated in the current fiscal year than the total percentage of sales and use taxes deposited in the previous fiscal year, the Division of Finance shall deposit an amount under Subsection (8)(a) equal to the product of:
 - (A) the total percentage of sales and use taxes deposited under Subsection (8)(a) in the previous fiscal year; and
 - (B) the total sales and use tax revenue generated by the taxes described in Subsections (8)(a)(i)(A) through (D) in the current fiscal year.
 - (ii) In any fiscal year in which the portion of the sales and use taxes deposited under Subsection (8)(a) would exceed 17% of the revenues collected from the sales and use taxes

- described in Subsections (8)(a)(i)(A) through (D) in the current fiscal year, the Division of Finance shall deposit 17% of the revenues collected from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) for the current fiscal year under Subsection (8)(a).
- (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) was deposited under Subsection (8)(a), the Division of Finance shall annually deposit 17% of the revenues collected from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) in the current fiscal year under Subsection (8)(a).
- (9) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under Subsections (7) and (8), for a fiscal year beginning on or after July 1, 2012, the Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section 72-2-124.
- (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.
- (11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b), and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the transactions described in Subsection (1).
- (b) For purposes of Subsection (11)(a), the Division of Finance may not deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or charged for food and food ingredients, except for tax revenue generated by a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients described in Subsection (2)(d).
- (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a .025% tax rate on the transactions described in Subsection (1) to be expended to address chokepoints in construction management.

- 1948 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into 1949 the Transportation Fund any tax revenue generated by amounts paid or charged for food and 1950 food ingredients, except for tax revenue generated by a bundled transaction attributable to food 1951 and food ingredients and tangible personal property other than food and food ingredients 1952 described in Subsection (2)(d).
 - (13) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal year during which the Division of Finance receives notice under Subsection 63N-2-510[(3)](2) that construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in Section 63N-2-512.
- 1959 (14) Notwithstanding Subsections (4) through (13), an amount required to be expended 1960 or deposited in accordance with Subsections (4) through (13) may not include an amount the 1961 Division of Finance deposits in accordance with Section 59-12-103.2.
- Section 61. Section **63I-1-258** is amended to read:
- 1963 **63I-1-258.** Repeal dates, Title 58.
- 1964 (1) Title 58, Chapter 13, Health Care Providers Immunity from Liability Act, is 1965 repealed July 1, 2026.
 - (2) Title 58, Chapter 15, Health Facility Administrator Act, is repealed July 1, 2025.
- 1967 (3) Title 58, Chapter 20a, Environmental Health Scientist Act, is repealed July 1, 2018.
- 1968 (4) Section 58-37-4.3 is repealed July 1, 2016.
- 1969 (5) Section <u>58-38a-203.1</u> is repealed July 1, 2017.
- 1970 [(5)] (6) Title 58, Chapter 40, Recreational Therapy Practice Act, is repealed July 1,
- 1971 2023.

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- 1972 [(6)] <u>(7)</u> Title 58, Chapter 41, Speech-Language Pathology and Audiology Licensing Act, is repealed July 1, 2019.
- 1974 [(7)] (8) Title 58, Chapter 42a, Occupational Therapy Practice Act, is repealed July 1, 1975 2025.
- 1976 [(8)] <u>(9)</u> Title 58, Chapter 46a, Hearing Instrument Specialist Licensing Act, is repealed July 1, 2023.
- 1978 [(9)] (10) Title 58, Chapter 47b, Massage Therapy Practice Act, is repealed July 1,

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1979	2024.
1980	[(10)] (11) Title 58, Chapter 61, Part 7, Behavior Analyst Licensing Act, is repealed
1981	July 1, 2026.
1982	[(11)] (12) Title 58, Chapter 72, Acupuncture Licensing Act, is repealed July 1, 2017.
1983	Section 62. Effective date.
1984	This bill takes effect on July 1, 2016.