

59 (4) "Delta-9-tetrahydrocannabinol" or "delta-9-THC" means the cannabinoid identified
 60 as CAS# 1972-08-3, the primary psychotropic cannabinoid in cannabis.

61 (5) "Derivative cannabinoid" means any cannabinoid that has been intentionally
 62 created using a process to convert one cannabinoid into another.

63 (6) "Dosage form" means the form in which a product is produced for individual
 64 dosage and that is not specified as unlawful in this chapter.

65 ~~[(2)]~~ (7) "Industrial hemp" means any part of a cannabis plant, whether growing or not,
 66 with a concentration of less than 0.3% tetrahydrocannabinol by dry weight.

67 ~~[(3) "Industrial hemp certificate" means a certificate that the department issues to a~~
 68 ~~higher education institution to grow or cultivate industrial hemp under Subsection~~
 69 ~~4-41-103(1).]~~

70 ~~[(4) "Industrial hemp certificate holder" means a person possessing an industrial hemp~~
 71 ~~certificate that the department issues under this chapter.]~~

72 ~~[(5)]~~ (8) "Industrial hemp laboratory permit" means a permit that the department issues
 73 to a laboratory qualified to test industrial hemp under the state hemp production plan.

74 ~~[(6)]~~ (9) "Industrial hemp producer license" means a license that the department issues
 75 to a person for the purpose of ~~H~~→ [cultivating or] ←~~H~~ processing industrial hemp or an industrial
 75a hemp
 76 product.

77 ~~[(7)]~~ (10) "Industrial hemp retailer permit" means a permit that the department issues
 78 to a retailer who sells any industrial hemp product.

79 ~~[(8)]~~ (11) "Industrial hemp product" means a product derived from, or made by,
 80 processing industrial hemp plants or industrial hemp parts.

81 (12) "Industrial hemp product class" means a group of cannabinoid products:

82 (a) that have all ingredients in common; and

83 (b) are produced by or for the same company.

84 (13) (a) "Key participant" means any person who has a financial interest in the business
 85 entity, including members of a limited liability company, a sole proprietor, partners in a
 86 partnership, and incorporators or directors of a corporation.

87 (b) "Key participant" includes an:

88 (i) individual at an executive level, including a chief executive officer, chief operating
 89 officer, or chief financial officer; and

90 (ii) operation manager, site manager, or any employee who may present a risk of
91 diversion.

92 ~~[(9)]~~ (14) "Laboratory permittee" means a person possessing an industrial hemp
93 laboratory permit that the department issues under this chapter.

94 ~~[(10)]~~ (15) "Licensee" means a person possessing an industrial hemp producer license
95 that the department issues under this chapter.

96 ~~[(11) "Medicinal dosage form" means:]~~

97 ~~[(a) a tablet;]~~

98 ~~[(b) a capsule;]~~

99 ~~[(c) a concentrated oil;]~~

100 ~~[(d) a liquid suspension;]~~

101 ~~[(e) a sublingual preparation;]~~

102 ~~[(f) a topical preparation;]~~

103 ~~[(g) a transdermal preparation;]~~

104 ~~[(h) a gelatinous cube, gelatinous rectangular cuboid, or lozenge in a cube or~~
105 ~~rectangular cuboid shape; or]~~

106 ~~[(i) other preparations that the department approves.]~~

107 ~~[(12)]~~ (16) "Non-compliant material" means a hemp plant or hemp product that does
108 not comply with this chapter, including a cannabis plant or product that contains a
109 concentration of 0.3% tetrahydrocannabinol or greater by dry weight.

110 ~~[(13)]~~ (17) "Permittee" means a person possessing a permit that the department issues
111 under this chapter.

112 ~~[(14)]~~ (18) "Person" means:

113 (a) an individual, partnership, association, firm, trust, limited liability company, or
114 corporation; and

115 (b) an agent or employee of an individual, partnership, association, firm, trust, limited
116 liability company, or corporation.

117 ~~[(15)]~~ **H→** ~~[(19) "Research pilot program" means a program conducted by the department in~~
118 ~~collaboration with at least one licensee to study methods of cultivating, processing, or~~
119 ~~marketing industrial hemp.]~~ **←H**

120 ~~[(16)]~~ **H→** ~~[(20)]~~ (19) **←H** "Retailer permittee" means a person possessing an industrial
120a hemp retailer

121 permit that the department issues under this chapter.

122 ~~[(17) "State hemp production plan" means a plan submitted by the state to, and~~
 123 ~~approved by, the United States Department of Agriculture in accordance with 7 C.F.R. Chapter~~
 124 ~~990.]~~

125 ~~H→ [(21)] (20) ←H~~ "Synthetic cannabinoid" means any cannabinoid that:

126 (a) was chemically synthesized from starting materials other than a naturally occurring
 127 cannabinoid; and

128 (b) is not a derivative cannabinoid.

129 ~~H→ [(22)] (21) ←H~~ "Total cannabidiol" or "total CBD" means the combined amounts of
 129a cannabidiol

130 and cannabidiolic acid, calculated as "total CBD = CBD + (CBDA x 0.877)."

131 ~~H→ [(23)] (22) ←H~~ "Total tetrahydrocannabinol" or "total THC" means the sum of the
 131a determined

132 amounts of delta-9-THC, tetrahydrocannabinolic acid, calculated as "total THC = delta-9 THC
 133 + (THCA x 0.877)."

134 Section 2. Section **4-41-103.1** is amended to read:

135 **4-41-103.1. Authority to regulate production, sale, and testing of industrial hemp.**

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

138 ~~[(a) create a state hemp production plan that meets the standards of the Domestic~~
 139 ~~Hemp Production Program, 7 C.F.R. Chapter 990;]~~

140 ~~[(b)]~~ (a) establish requirements for an industrial hemp producer license to ~~[cultivate or]~~
 141 process industrial hemp;

142 ~~[(c)]~~ (b) establish requirements for an industrial hemp retailer permit to market or sell
 143 industrial hemp products; and

144 ~~[(d)]~~ (c) establish the standards, methods, practices, and procedures a laboratory must
 145 use to qualify for a permit to test industrial hemp and industrial hemp products and to dispose
 146 of non-compliant material.

147 (2) The department shall maintain a list of each licensee and permittee.

148 Section 3. Section **4-41-103.2** is amended to read:

149 **4-41-103.2. Industrial hemp producer license.**

150 (1) The department or a licensee of the department may ~~[cultivate or]~~ process industrial
 151 hemp.

214 cannabinoid product in the state [~~through June 30 of each year~~] for one year from the date of
215 the payment of the fee, subject to suspension or revocation for cause.

216 (5) The department shall mail, either through the postal service or electronically, forms
217 for the renewal of a registration to a registrant at least 30 days before the day on which the
218 registrant's registration expires.

219 Section 5. Section **4-41-105** is amended to read:

220 **4-41-105. Unlawful acts.**

221 (1) It is unlawful for a person to [~~cultivate,~~] handle, process, or market living industrial
222 hemp plants, viable hemp seeds, leaf materials, or floral materials derived from industrial hemp
223 without the appropriate license or permit issued by the department under this chapter.

224 (2) It is unlawful for any person to:

225 (a) distribute, sell, or market an industrial hemp product or cannabinoid product that is:

226 (i) not registered with the department [~~pursuant to~~] under Section 4-41-104[~~;~~]; or

227 (ii) noncompliant material;

228 (b) transport ~~H~~→ [~~outside~~] into or out of ~~H~~ the state extracted material or final product

228a that ~~H~~→ [is noncompliant

229 material] contains 0.3% or more of total THC ~~H~~ ;

230 (c) produce, sell, or use a cannabinoid product that is:

231 (i) added to a conventional food or beverage, as the department further defined in rules
232 described in Section 4-41-403; or

233 (ii) marketed or manufactured to be enticing to children, as further defined in rules
234 described in Section 4-41-403; or

235 (iii) smokable flower.

236 (3) The department may seize and destroy non-compliant material.

237 (4) Nothing in this chapter authorizes any person to violate federal law, regulation, or
238 any provision of this title.

239 Section 6. Section **4-41-106** is amended to read:

240 **4-41-106. Enforcement -- Fine -- Citation.**

241 (1) If a person violates this part, the department may:

242 (a) revoke the person's license or permit;

243 (b) decline to renew the person's license or permit; or

244 (c) assess the person a civil penalty that the department establishes in accordance with

276 permit; or

277 (b) suspend, revoke, or place on probation the person's producer license, retailer

278 permit, or laboratory permit.

279 Section 7. Section ~~4-41-403~~ is amended to read:

280 **4-41-403. Standards for registration.**

281 (1) ~~H~~→ (a) ~~H~~ The department shall make rules in accordance with Title 63G, Chapter 3,

281a Utah

282 Administrative Rulemaking Act[;];

283 ~~H~~→ [(a)] (i) ~~H~~ to determine standards for a registered cannabinoid product, including

283a standards

284 for:

285 [(a)] ~~H~~→ [(i)] (A) ~~H~~ testing to ensure the product is safe for human consumption; and

286 [(b)] ~~H~~→ [(ii)] (B) ~~H~~ accurate labeling; [and]

287 ~~H~~→ [(b)] (ii) ~~H~~ governing an entity that manufactures cannabinoid products, including

287a standards

288 for health and safety;

289 ~~H~~→ [(c)] (iii) ~~H~~ regarding what constitutes:

290 ~~H~~→ [(i)] (A) ~~H~~ a conventional food or beverage; and

291 ~~H~~→ [(ii)] (B) ~~H~~ a product that is marketed or manufactured to be enticing to children; and

292 [(c)] ~~H~~→ [(d)] (iv) ~~H~~ regarding any other issue the department considers necessary for the

292a safe

293 production and sale of cannabinoid products.

293a ~~H~~→ **(b) Notwithstanding Subsection (1)(a), the department may not prohibit a sugar**

293b **coating on a cannabinoid product to mask the product's taste, subject to the limitations**

293c **described in Subsection (1)(a)(iii) or (iv).** ~~H~~

294 (2) The department shall set a fee for a registered cannabinoid product, in accordance

295 with Section 4-2-103.

296 (3) (a) A producer, manufacturer, or distributor of a cannabinoid product may pay the

297 fee described in Subsection (2).

298 (b) A cannabinoid product may not be registered with the department until the fee

299 described in Subsection (2) is paid.

300 (4) The department shall set an administrative fine, larger than the fee described in

301 Subsection (2), for a person who sells a cannabinoid product that is not registered by the

302 department.

307 Section 9. **Coordinating H.B. 385 with S.B. 190 -- Substantive and technical**
308 **amendments.**

309 If this H.B. 385 and S.B. 190, Medical Cannabis Act Amendments, both pass and
310 become law, it is the intent of the Legislature that the Office of Legislative Research and
311 General Counsel shall prepare the Utah Code database for publication by amending Subsection
312 4-41-105(2) to read:

313 "(2) It is unlawful for any person to:

314 (a) distribute, sell, or market an industrial hemp product or cannabinoid product that is:

315 (i) not registered with the department [~~pursuant to~~] under Section 4-41-104[:]; or

316 (ii) noncompliant material;

317 (b) transport ~~H→~~ [~~outside~~] into or out of ~~←H~~ the state extracted material or final product

317a that ~~H→~~ [is noncompliant

318 material] contains 0.3% or more of total THC ~~←H~~ ; or

319 (c) produce, sell, or use a cannabinoid product that is:

320 (i) added to a conventional food or beverage, as the department further defined in rules
321 described in Section 4-41-403;

322 (ii) marketed or manufactured to be enticing to children, as further defined in rules
323 described in Section 4-41-403; or

324 (iii) smokable flower."