

1 AN ACT relating to medicinal cannabis.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 218A IS CREATED TO
4 READ AS FOLLOWS:

5 *For the purposes of Sections 1 to 30 of this Act, unless the context otherwise requires:*

6 *(1) "Bona fide practitioner-patient relationship" means a treating or consulting*
7 *relationship, during the course of which a medicinal cannabis practitioner has:*

8 *(a) Completed an initial in-person examination and assessment of the patient's*
9 *medical history and current medical condition;*

10 *(b) Consulted with the patient with respect to the possible medical, therapeutic,*
11 *and palliative properties of medicinal cannabis;*

12 *(c) Advised the patient of the possible risks and side effects associated with the*
13 *use of medicinal cannabis, including possible interactions between*
14 *medicinal cannabis and any other drug or medication that the patient is*
15 *taking at that time; and*

16 *(d) Established an expectation that he or she will provide follow-up care and*
17 *treatment to the patient in accordance with administrative regulations*
18 *promulgated pursuant to subsection (10) of Section 9 of this Act;*

19 *(2) "Cabinet" means the Cabinet for Health and Family Services;*

20 *(3) "Cannabis business" means an entity licensed under this chapter as a cultivator,*
21 *dispensary, processor, producer, or safety compliance facility;*

22 *(4) "Cannabis business agent" means a principal officer, board member, employee,*
23 *volunteer, or agent of a cannabis business;*

24 *(5) "Cardholder" means:*

25 *(a) A registered qualified patient, designated caregiver, or visiting qualified*
26 *patient who has applied for, obtained, and possesses a valid registry*
27 *identification card issued by the cabinet; or*

- 1 (b) A visiting qualified patient who has obtained and possesses:
- 2 1. A valid out-of-state registry identification card; and
- 3 2. Documentation of having been diagnosed with a qualifying medical
- 4 condition;
- 5 (6) "Cultivator" means an entity licensed as such under Sections 15, 16, and 17 of
- 6 this Act;
- 7 (7) "Cultivator agent" means a principal officer, board member, employee,
- 8 volunteer, or agent of a cultivator;
- 9 (8) "Designated caregiver" means a person who has registered as such with the
- 10 cabinet under Sections 10 and 11 of this Act;
- 11 (9) "Dispensary" means an entity licensed as such under Sections 15, 16, and 17 of
- 12 this Act;
- 13 (10) "Dispensary agent" means a principal officer, board member, employee,
- 14 volunteer, or agent of a dispensary;
- 15 (11) "Disqualifying felony offense" means:
- 16 (a) A felony offense that would classify the person as a violent offender under
- 17 KRS 439.3401; or
- 18 (b) A violation of a state or federal controlled substance law that was classified
- 19 as a felony in the jurisdiction where the person was convicted, except:
- 20 1. An offense for which the sentence, including any term of probation,
- 21 incarceration, or supervised release, was completed five (5) or more
- 22 years earlier; or
- 23 2. An offense that consisted of conduct for which Sections 1 to 30 of this
- 24 Act would likely have prevented a conviction, but the conduct either
- 25 occurred prior to the enactment of Sections 1 to 30 of this Act or was
- 26 prosecuted by an authority other than the Commonwealth of
- 27 Kentucky;

1 (12) "Enclosed, locked facility" means an indoor growing space such as a room,
2 greenhouse, building, or other indoor enclosed area that is maintained and
3 operated by a cultivator or producer and is equipped with locks and other security
4 devices that permit access only by authorized agents of the cultivator or producer,
5 as required by the cabinet;

6 (13) "Growth area" has the same meaning as an enclosed, locked facility;

7 (14) "Marijuana" has the same meaning as in Section 34 of this Act;

8 (15) "Medicinal cannabis":

9 (a) Means marijuana as defined in Section 34 of this Act when cultivated,
10 harvested, processed, produced, transported, dispensed, distributed, sold,
11 possessed, or used in accordance with Sections 1 to 30 of this Act;

12 (b) Includes medicinal cannabis products and raw plant material; and

13 (c) Does not include industrial hemp or industrial hemp products as defined in
14 Section 40 of this Act;

15 (16) "Medicinal cannabis accessories" means any equipment, product, or material of
16 any kind which is used, intended for use, or designed for use in the preparing,
17 storing, using, or consuming medicinal cannabis in accordance with Sections 1 to
18 30 of this Act;

19 (17) "Medicinal cannabis practitioner" means a physician or an advanced practice
20 registered nurse who is authorized to prescribe controlled substances under KRS
21 314.042, who is authorized by his or her state licensing board to provide written
22 certifications pursuant to Section 9 of this Act;

23 (18) "Medicinal cannabis product":

24 (a) Means any compound, manufacture, salt, derivative, mixture, or
25 preparation of any part of the plant Cannabis sp., its seeds or its resin; or
26 any compound, mixture, or preparation which contains any quantity of
27 these substances when cultivated, harvested, processed, produced,

1 transported, dispensed, distributed, sold, possessed, or used in accordance
2 with Sections 1 to 30 of this Act; and

3 (b) Does not include industrial hemp products as defined in KRS Section 40 of
4 this Act;

5 (19) "Minor" means a person less than eighteen (18) years of age;

6 (20) "Out-of-state registry identification card" means a registry identification card, or
7 an equivalent document, that was issued pursuant to the laws of another state,
8 district, territory, commonwealth, or insular possession of the United States;

9 (21) "Processor" means an entity licensed as such under Sections 15, 16, and 17 of
10 this Act;

11 (22) "Processor agent" means a principal officer, board member, employee,
12 volunteer, or agent of a processor;

13 (23) "Producer" means an entity licensed as such under Sections 15, 16, and 17 of
14 this Act;

15 (24) "Producer agent" means a principal officer, board member, employee, volunteer,
16 or agent of a producer;

17 (25) "Qualified patient" means a person who has obtained a written certification from
18 a medicinal cannabis practitioner with whom he or she has a bona fide
19 practitioner-patient relationship;

20 (26) "Qualifying medical condition" means:

21 (a) Any type or form of cancer regardless of stage;

22 (b) Chronic, severe, intractable, or debilitating pain;

23 (c) Epilepsy or any other intractable seizure disorder;

24 (d) Multiple sclerosis, muscle spasms, or spasticity;

25 (e) Chronic nausea or cyclical vomiting syndrome that has proven resistant to
26 other conventional medical treatments;

27 (f) Post-traumatic stress disorder; and

1 (g) Any other medical condition or disease for which the Kentucky Center for
2 Cannabis established in KRS 164.983, or its successor, determines that
3 sufficient scientific data and evidence exists to demonstrate that an
4 individual diagnosed with that condition or disease is likely to receive
5 medical, therapeutic, or palliative benefits from the use of medicinal
6 cannabis;

7 (27) "Raw plant material":

8 (a) Means the trichome-covered part of the female plant Cannabis sp. or any
9 mixture of shredded leaves, stems, seeds, and flowers of the Cannabis sp.
10 plant; and

11 (b) Does not include plant material obtained from industrial hemp as defined in
12 Section 40 of this Act;

13 (28) "Registered qualified patient" means a qualified patient who has applied for,
14 obtained, and possesses a valid registry identification card or provisional
15 registration receipt issued by the cabinet;

16 (29) "Registry identification card" means a document issued by the cabinet that
17 identifies a person as a registered qualified patient, visiting qualified patient, or
18 designated caregiver;

19 (30) "Safety compliance facility" means an entity licensed as such under Sections 15,
20 16, and 17 of this Act;

21 (31) "Safety compliance facility agent" means a principal officer, board member,
22 employee, volunteer, or agent of a safety compliance facility;

23 (32) "Seedling" means a medicinal cannabis plant that has no flowers and is not
24 taller than eight (8) inches;

25 (33) "Serious violation" means:

26 (a) Any violation of Sections 1 to 30 of this Act or any administrative regulation
27 promulgated thereunder that is capable of causing death or which causes

- 1 serious and prolonged disfigurement, prolonged impairment of health, or
2 prolonged loss or impairment of the function of any bodily organ;
- 3 (b) The diversion of medicinal cannabis for use not regulated pursuant to
4 Sections 1 to 30 of this Act; or
- 5 (c) Any act that would constitute a violation of Section 35 of this Act;
- 6 (34) "Smoking" means the inhalation of smoke produced from the combustion of raw
7 plant material when ignited by a flame;
- 8 (35) "State licensing board" means:
- 9 (a) The Kentucky Board of Medical Licensure; or
10 (b) The Kentucky Board of Nursing;
- 11 (36) "Telehealth" has the same meaning as in KRS 211.332;
- 12 (37) "Use of medicinal cannabis":
- 13 (a) Includes the acquisition, administration, possession, transfer,
14 transportation, or consumption of medicinal cannabis or medicinal
15 cannabis accessories by a cardholder in accordance with Sections 1 to 30 of
16 this Act; and
- 17 (b) Does not include:
- 18 1. Cultivation of marijuana by a cardholder;
19 2. The use or consumption of marijuana by smoking; or
20 3. The use of industrial hemp or industrial hemp products as defined in
21 Section 40 of this Act;
- 22 (38) "Visiting qualified patient" means a person who has registered as such through
23 the cabinet as required under this chapter or who possesses a valid out-of-state
24 registry identification card and documentation of having been diagnosed with a
25 qualifying medical condition;
- 26 (39) "Written certification" means a document dated and signed by a medicinal
27 cannabis practitioner, that:

1 (a) States, that in the medicinal cannabis practitioner's professional medical
2 opinion, the patient may receive medical, therapeutic, or palliative benefit
3 from the use of medicinal cannabis;

4 (b) Specifies the qualifying medical condition or conditions for which the
5 medicinal cannabis practitioner believes the patient may receive medical,
6 therapeutic, or palliative benefit; and

7 (c) Affirms that the medicinal cannabis practitioner has a bona fide
8 practitioner-patient relationship with the patient.

9 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 218A IS CREATED TO
10 READ AS FOLLOWS:

11 (1) Nothing in Sections 1 to 30 of this Act shall be construed as applying to industrial
12 hemp or industrial hemp products as defined in Section 40 of this Act.

13 (2) Notwithstanding any provision of law to the contrary, and except as provided in
14 subsections (3) and (4) of this section and Section 6 of this Act:

15 (a) The use of medicinal cannabis by a cardholder shall be considered lawful if
16 done in accordance with Sections 1 to 30 of this Act and any administrative
17 regulations promulgated thereunder;

18 (b) The acquisition, blending, cultivation, delivery, distribution, manufacturing,
19 manipulation, packaging for sale, preparation, possession, sale, testing,
20 transportation, or transfer of medicinal cannabis or medicinal cannabis
21 accessories by a cannabis business or cannabis business agent shall be
22 considered lawful if done in accordance with Sections 1 to 30 of this Act
23 and any administrative regulations promulgated thereunder;

24 (c) A registered qualified patient or visiting qualified patient shall not be
25 considered to be under the influence of medicinal cannabis solely because
26 of the presence of tetrahydrocannabinol metabolites, including but not
27 limited to the cannabinoid carboxy THC, which is also known as THC-

1 COOH;

2 (d) A medicinal cannabis practitioner shall not be subject, under the laws of the
3 Commonwealth, to arrest, prosecution, or penalty in any manner, or denied
4 any right or privilege, including but not limited to a civil penalty or
5 disciplinary action by a state licensing board or by any other occupational
6 or professional licensing board, solely for providing written certifications or
7 for otherwise stating that, in the medicinal cannabis practitioner's
8 professional opinion, a patient may receive medical, therapeutic, or
9 palliative benefit from the use of medicinal cannabis, if done in accordance
10 with Sections 1 to 30 of this Act;

11 (e) An attorney shall not be subject, under the laws of the Commonwealth, to
12 arrest, prosecution, or penalty in any manner, or denied any right or
13 privilege, including but not limited to a civil penalty or disciplinary action
14 by the Kentucky Court of Justice, Kentucky Bar Association, or by any
15 other professional licensing board, solely for providing an individual or
16 cannabis business with legal assistance related to activity that is no longer
17 subject to criminal penalties under state law pursuant to Sections 1 to 30 of
18 this Act; and

19 (f) No person shall be subject, under the laws of the Commonwealth, to arrest,
20 prosecution, or penalty in any manner, or denied any right or privilege,
21 including but not limited to a civil penalty or disciplinary action by an
22 occupational or professional licensing board, solely for providing assistance
23 or services, including but not limited to accounting services, financial
24 services, security services, or business consulting services, to any individual
25 or cannabis business related to activity that is no longer subject to criminal
26 penalties under state law pursuant to Sections 1 to 30 of this Act.

27 (3) Nothing in subsection (2) of this section shall be construed or interpreted to:

1 (a) Prohibit the arrest, prosecution, or imposition of any other penalty arising
2 from but not limited to breach of contract, breach of fiduciary duty,
3 negligence, or engaging in criminal activity that would constitute a felony
4 or misdemeanor; or

5 (b) Prevent a medicinal cannabis practitioner from being subject to
6 administrative penalties imposed by his or her state licensing board for any
7 violation of Sections 1 to 30 of this Act or any administrative regulation
8 promulgated thereunder.

9 (4) Notwithstanding subsection (2) of this section and any other provision of law to
10 the contrary, a cardholder who is licensed under KRS Chapter 311 or KRS
11 Chapter 314 may be subject to intervention or disciplinary action by his or her
12 state licensing board if:

13 (a) There is probable cause to believe that the cardholder has become impaired
14 by, or otherwise abused, medicinal cannabis; or

15 (b) The cardholder has a medically diagnosable disease that is characterized by
16 chronic, habitual, or periodic use of medicinal cannabis resulting in
17 interference with the cardholder's professional, social, or economic
18 functions in the community or the loss of powers of self-control regarding
19 the use of medicinal cannabis.

20 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 218A IS CREATED TO
21 READ AS FOLLOWS:

22 (1) The Cabinet for Health and Family Services is hereby charged with the
23 implementation, operation, oversight, and regulation of the medicinal cannabis
24 program established in Sections 1 to 30 of this Act.

25 (2) There is hereby established within the cabinet a Board of Physicians and
26 Advisors which shall consist of the following members:

27 (a) Seven (7) physicians appointed by the Kentucky Board of Medical

Licensure and confirmed by the Senate in accordance with KRS 11.160. In order to be eligible to be appointed to the board, a physician shall be authorized, pursuant to Section 9 of this Act to provide written certifications for the use of medicinal cannabis and shall be certified by the appropriate board in one (1) of the following specialties:

1. Addiction medicine;
2. Anesthesiology;
3. Gastroenterology;
4. Infectious disease;
5. Neurology;
6. Obstetrics and gynecology;
7. Oncology;
8. Ophthalmology;
9. Optometry;
10. Pain management;
11. Pain medicine;
12. Pediatrics;
13. Physical medicine and rehabilitation; or
14. Psychiatry; and

(b) Two (2) advanced practice registered nurses appointed by the Kentucky Board of Nursing and confirmed by the Senate. In order to be eligible to be appointed to the board, an advanced practice registered nurse shall be authorized, pursuant to Section 9 of this Act to provide written certifications for the use of medicinal cannabis.

(3) Each member of the Board of Physicians and Advisors shall:

(a) Serve for a term of four (4) years and until his or her successor is appointed and confirmed by the Senate;

- 1 (b) Be eligible for reappointment; and
- 2 (c) Serve without compensation, but each member of the board not otherwise
- 3 compensated for his or her time or expenses shall be entitled to
- 4 reimbursement for his or her actual and necessary expenses in carrying out
- 5 his or her duties with reimbursement for expenses being made in
- 6 accordance with administrative regulations relating to travel expenses.
- 7 (4) The Board of Physicians and Advisors shall not be subject to reorganization
- 8 under KRS Chapter 12.
- 9 (5) The Board of Physicians and Advisors shall:
- 10 (a) Review and recommend to the cabinet protocols for determining:
- 11 1. The amount of medicinal cannabis or delta-9 tetrahydrocannabinol
- 12 that constitutes a daily supply, an uninterrupted ten (10) day supply,
- 13 and an uninterrupted thirty (30) day supply of medicinal cannabis for
- 14 registered qualified patients and visiting qualified patients; and
- 15 2. The amount of raw plant material that medicinal cannabis products
- 16 are considered to be equivalent to;
- 17 (b) Review and recommend to the cabinet protocols, evolving continuous
- 18 quality improvement metrics, and minimal performance standards for the
- 19 biennial accreditation process of licensed cannabis businesses;
- 20 (c) Review relevant peer-reviewed, scientific data related to the delta-9
- 21 tetrahydrocannabinol content limits established in subsection (2)(b) of
- 22 Section 18 of this Act and make recommendations to the General Assembly
- 23 regarding revisions to the limits as the board deems appropriate;
- 24 (d) Review relevant peer-reviewed, scientific data related to the various methods
- 25 of use and consumption of medicinal cannabis and make recommendations
- 26 to the General Assembly to approve or restrict certain methods as the board
- 27 deems appropriate;

- 1 (e) Review relevant peer-reviewed, scientific data related to the use of medicinal
2 cannabis for medical, therapeutic, or palliative purposes and make
3 recommendations to the General Assembly to add or remove conditions
4 from the list of qualifying medical conditions defined in Section 1 of this
5 Act; and
- 6 (f) Perform other duties related to the use of medicinal cannabis upon request
7 by the secretary of the cabinet.
- 8 (6) No later than December 1 of each year beginning in 2024, the cabinet, in
9 consultation with the University of Kentucky College of Medicine and the
10 Kentucky Center for Cannabis shall submit an annual report to the Legislative
11 Research Commission. The report submitted by the cabinet shall, at a minimum,
12 include:
- 13 (a) The number of applications and renewals received by the cabinet for
14 registry identification cards for registered qualified patients, visiting
15 qualified patients, and designated caregivers, individually and collectively;
- 16 (b) The number of applications and renewals for registry identification cards
17 that were approved and denied by the cabinet;
- 18 (c) The number of registry identification cards revoked by the cabinet for
19 misconduct and the nature of the misconduct;
- 20 (d) The number of medicinal cannabis practitioners authorized to provide
21 written certifications;
- 22 (e) The nature of the medical conditions for which medicinal cannabis
23 practitioners have provided written certifications;
- 24 (f) The number of applications and renewals received by the cabinet for
25 cannabis business licenses, the number of cannabis business licenses issued
26 for each business type and tier, and the number of cannabis business
27 license applications and renewals that were denied by the cabinet;

1 (g) The number of cannabis business agents employed by each type of cannabis
2 business;

3 (h) An assessment of:

4 1. The ability of cardholders in all areas of the state to obtain timely
5 affordable access to medicinal cannabis;

6 2. The evolving continuous quality improvement metrics and minimal
7 performance standards for the biennial accreditation process of
8 licensed cannabis businesses;

9 3. The effectiveness of the cultivators, processors, and producers licensed
10 under this chapter, individually and collectively, in serving the needs
11 of processors, dispensaries, and cardholders, the reasonableness of
12 their fees, whether they are generating any complaints or security
13 problems, and the sufficiency of the number operating to serve
14 processors, dispensaries, and cardholders in the Commonwealth;

15 4. The effectiveness of the dispensaries licensed under this chapter,
16 individually and collectively, in serving the needs of cardholders,
17 including the provision of educational and support services, the
18 reasonableness of their fees, whether they are generating any
19 complaints or security problems, and the sufficiency of the number
20 operating to serve cardholders in the Commonwealth; and

21 5. The effectiveness of the licensed safety compliance facilities licensed
22 under this chapter, individually and collectively, in serving the needs
23 of other cannabis businesses, including the provision of testing and
24 training services, the reasonableness of their fees, whether they are
25 generating any complaints or security problems, and the sufficiency of
26 the number operating to serve other cannabis businesses and
27 cardholders in the Commonwealth;

- 1 (i) The amount of medicinal cannabis sold per month in the Commonwealth;
- 2 (j) The total amount of revenue for each calendar year and aggregated by prior
- 3 years generated from any cannabis business licensure and cardholder
- 4 application and renewal fees established by the cabinet;
- 5 (k) The total cost of enforcement for the medicinal cannabis program at the
- 6 time of the report, by city, county, and overall;
- 7 (l) The sufficiency of the regulatory and security safeguards contained in
- 8 Sections 1 to 30 of this Act and adopted by the cabinet through
- 9 administrative regulations to ensure that access to and use of medicinal
- 10 cannabis cultivated and processed in this state is provided only to
- 11 cardholders;
- 12 (m) Any recommended additions or revisions to Sections 1 to 30 of this Act or
- 13 administrative regulations promulgated thereunder, including those relating
- 14 to security, safe handling, labeling, and nomenclature;
- 15 (n) The results of any scientific research studies regarding the health effects of
- 16 cannabis; and
- 17 (o) Any other data requested by the Legislative Research Commission relating
- 18 to the medicinal cannabis program and Sections 1 to 30 of this Act.
- 19 (7) The cabinet shall provide the University of Kentucky College of Medicine and the
- 20 Kentucky Center for Cannabis established in KRS 164.983 with all information
- 21 necessary to allow collaboration with the cabinet on the preparation of this
- 22 report. The University of Kentucky College of Medicine and the Kentucky Center
- 23 for Cannabis may also produce its own report regarding the medicinal cannabis
- 24 program established in Sections 1 to 30 of this Act which, if produced, shall be
- 25 submitted to the Legislative Research Commission upon completion.
- 26 (8) The information contained in the report described in subsection (4) of this section
- 27 shall be presented in a manner that complies with the federal Health Insurance

1 Portability and Accountability Act, Pub. L. No. 104-191, and does not disclose
2 any identifying information about cardholders or licensed cannabis businesses.

3 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 218A IS CREATED TO
4 READ AS FOLLOWS:

5 (1) A registered qualified patient, except as provided in subsection (2) of this section
6 and Section 6 of this Act, shall not be subject, under the laws of the
7 Commonwealth, to arrest, prosecution, or denial of any right or privilege,
8 including but not limited to a civil penalty or disciplinary action by a court or
9 occupational or professional licensing board, for the use of medicinal cannabis,
10 if the registered qualified patient does not possess more than:

11 (a) An amount of medicinal cannabis determined by the cabinet to constitute an
12 uninterrupted thirty (30) day supply at his or her residence;

13 (b) An amount of medicinal cannabis in excess of a thirty (30) day supply at his
14 or her residence, in accordance with administrative regulations
15 promulgated pursuant to subsection (1)(c)6. of Section 27 of this Act; or

16 (c) An amount of medicinal cannabis determined by the cabinet to constitute an
17 uninterrupted ten (10) day supply on his or her person, except that an
18 amount greater than a ten (10) day supply may be transported by a
19 registered qualified patient from a dispensary to his or her residence if the
20 medicinal cannabis is contained in a sealed package that requires at least a
21 two (2) step process for initial opening.

22 (2) A registered qualified patient who is under eighteen (18) years of age shall not be
23 permitted to possess, purchase, or acquire medicinal cannabis and shall only
24 engage in the use of medicinal cannabis with the assistance of a designated
25 caregiver who is the registered qualified patient's parent or legal guardian
26 responsible for providing consent for medical treatment.

27 (3) A visiting qualified patient shall not be subject, under the laws of the

1 Commonwealth, to arrest, prosecution, or denial of any right or privilege,
2 including but not limited to civil penalty or disciplinary action by a court or
3 occupational or professional licensing board, for the use of medicinal cannabis,
4 if the visiting qualified patient does not possess more than an amount of
5 medicinal cannabis determined by the cabinet to constitute an uninterrupted ten
6 (10) day supply on his or her person.

7 (4) A designated caregiver shall not be subject, under the laws of the
8 Commonwealth, to arrest, prosecution, or denial of any right or privilege,
9 including but not limited to civil penalty or disciplinary action by a court or
10 occupational or professional licensing board, for assisting a registered qualified
11 patient to whom the designated caregiver is connected through the cabinet's
12 registration process with the use of medicinal cannabis if the designated
13 caregiver does not possess more than:

14 (a) An amount of medicinal cannabis determined by the cabinet to constitute an
15 uninterrupted thirty (30) day supply at his or her residence for each
16 registered qualified patient to whom the caregiver is connected through the
17 cabinet's registration process;

18 (b) An amount of medicinal cannabis in excess of a thirty (30) day supply at his
19 or her residence for each registered qualified patient to whom the caregiver
20 is connected through the cabinet's registration process, in accordance with
21 administrative regulations promulgated pursuant to subsection (1)(c)6. of
22 Section 27 of this Act; or

23 (c) An amount of medicinal cannabis determined by the cabinet to constitute an
24 uninterrupted ten (10) day supply on his or her person for each registered
25 qualified patient to whom the caregiver is connected through the cabinet's
26 registration process, except that an amount greater than a ten (10) day
27 supply may be transported by a designated caregiver from a dispensary to

1 his or her residence if the medicinal cannabis is contained in a sealed
2 package that requires at least a two (2) step process for initial opening.

3 (5) (a) All medicinal cannabis possessed by a cardholder outside of his or her
4 residence shall be kept in the original container in which the cardholder
5 received the medicinal cannabis from a dispensary.

6 (b) When a cardholder possesses medicinal cannabis outside of his or her
7 residence, the cardholder shall also be in possession of a valid registry
8 identification card issued by the cabinet or, for visiting qualified patients, a
9 valid out-of-state registry identification card and documentation of having
10 been diagnosed with a qualifying medical condition.

11 (6) Notwithstanding subsections (1), (3), and (4) of this section and except as
12 provided in administrative regulations promulgated pursuant to subsection
13 (1)(c)6. of Section 27 of this Act:

14 (a) A registered qualified patient shall not be permitted to purchase more
15 medicinal cannabis than the amount determined by the cabinet to constitute
16 an uninterrupted thirty (30) day supply of medicinal cannabis during a
17 given twenty-five (25) day period;

18 (b) A designated caregiver shall not be permitted to purchase more medicinal
19 cannabis than the amount determined by the cabinet to constitute an
20 uninterrupted thirty (30) day supply of medicinal cannabis for each
21 registered qualified patient to whom the caregiver is connected through the
22 cabinet's registration process during a given twenty-five (25) day period;
23 and

24 (c) A visiting qualified patient shall not be permitted to purchase more
25 medicinal cannabis than the amount determined by the cabinet to constitute
26 an uninterrupted ten (10) day supply of medicinal cannabis during a given
27 eight (8) day period.

1 (7) A cardholder shall not be subject, under the laws of the Commonwealth, to arrest,
2 prosecution, or denial of any right or privilege, including but not limited to a civil
3 penalty or disciplinary action by a court or occupational or professional licensing
4 board, for:

5 (a) Possession of cannabis that is incidental to the use of medicinal cannabis;

6 (b) Possession of medicinal cannabis accessories; or

7 (c) Transferring medicinal cannabis to a safety facility for testing.

8 (8) No person shall be subject, under the laws of the Commonwealth, to arrest,
9 prosecution, or denial of any right or privilege, including but not limited to a civil
10 penalty or disciplinary action by a court or occupational or professional licensing
11 board, for:

12 (a) Selling medicinal cannabis accessories to a cardholder who is over eighteen
13 (18) years of age upon presentation of a valid registry identification card
14 issued by the cabinet or, for visiting qualified patients, a valid out-of-state
15 registry identification card and documentation of having been diagnosed
16 with a qualifying medical condition;

17 (b) Being in the presence or vicinity of the use of medicinal cannabis as
18 allowed under Sections 1 to 30 of this Act; or

19 (c) Assisting a registered qualified patient or visiting qualified patient with
20 using or administering medicinal cannabis. For purposes of illustration and
21 not limitation, this includes preparing raw plant material or brewing tea for
22 a registered qualified patient or visiting qualified patient. It does not include
23 providing medicinal cannabis to a patient that the patient did not already
24 possess.

25 (9) Notwithstanding any other provision of law to the contrary, a registered qualified
26 patient who is injured or defrauded, including by theft or deprivation of use and
27 benefit of any money, personal property including medicinal cannabis, or articles

1 of value of any kind, by his or her designated caregiver shall have a civil cause of
2 action in Circuit Court to recover the actual damages sustained, together with the
3 cost of the lawsuit, including a reasonable fee for the individual's attorney of
4 record.

5 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 218A IS CREATED TO
6 READ AS FOLLOWS:

7 (1) (a) Any medicinal cannabis, medicinal cannabis accessories, lawful property,
8 or interest in lawful property that is possessed, owned, or used in connection
9 with the use of medicinal cannabis or acts incidental to that use shall not be
10 subject to seizure or forfeiture under KRS 218A.405 to 218A.460.

11 (b) Sections 1 to 30 of this Act shall not prevent the seizure or forfeiture of
12 marijuana exceeding the amounts allowed under Section 4 of this Act or
13 administrative regulations promulgated pursuant to subsection (1)(c)6. of
14 Section 27 of this Act, nor shall it prevent seizure or forfeiture if the basis
15 for that action is unrelated to the use of medicinal cannabis in accordance
16 with Sections 1 to 30 of this Act and any administrative regulation
17 promulgated thereunder.

18 (2) Possession of, or application for, a registry identification card, an out-of-state
19 registry identification card, or cannabis business license shall not constitute
20 probable cause or reasonable suspicion, nor shall it be used to support the search
21 of the person, property, or home of the person possessing or applying for the
22 registry identification card, out-of-state registry identification card, or cannabis
23 business license. The possession of, or application for, a registry identification
24 card, out-of-state registry identification card, or cannabis business license shall
25 not preclude the existence of probable cause if probable cause exists on other
26 grounds.

27 (3) (a) There shall be a rebuttable presumption that a cardholder is engaged in the

1 lawful use of medicinal cannabis, or in the case of a designated caregiver,
2 assisting with the lawful use of medicinal cannabis, if the cardholder:

3 1. Possesses a valid registry identification card or, in the case of a
4 visiting qualified patient, an out-of-state registry identification card
5 and documentation of having been diagnosed with a qualifying
6 medical condition; and

7 2. Possesses an amount of medicinal cannabis that does not exceed the
8 amount allowed under Section 4 of this Act or administrative
9 regulations promulgated pursuant to subsection (1)(c)6. of Section 27
10 of this Act.

11 (b) This presumption may be rebutted by a preponderance of evidence that
12 conduct was unrelated to the use of medicinal cannabis or was otherwise in
13 violation of Sections 1 to 30 of this Act.

14 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 218A IS CREATED TO
15 READ AS FOLLOWS:

16 (1) Sections 1 to 30 of this Act do not authorize any person to engage in, and shall
17 not prevent the imposition of any civil, criminal, or other penalties, including but
18 not limited to criminal prosecution or disciplinary action by the cabinet or an
19 occupational or professional licensing board, for engaging in the following
20 conduct:

21 (a) Operating, navigating, or being in actual physical control of any aircraft,
22 vehicle, vessel, or any other device known, or hereafter invented, that is
23 powered by machinery and that is or may be used to transport persons or
24 property while under the influence of medicinal cannabis;

25 (b) Consuming medicinal cannabis while operating, navigating, or being in
26 actual physical control of an aircraft, vehicle, vessel, or any other device
27 known, or hereafter invented, that is powered by machinery and that is or

1 may be used to transport persons or property;

2 (c) Possessing medicinal cannabis that is within the operator's arm's reach or
3 requires less than a two (2) step process to access while operating,
4 navigating, or being in actual physical control of an aircraft, vehicle, vessel,
5 or any other device known, or hereafter invented, that is powered by
6 machinery and that is or may be used to transport persons or property;

7 (d) Undertaking any task under the influence of medicinal cannabis, when
8 doing so would constitute negligence or professional malpractice;

9 (e) Possessing medicinal cannabis, or otherwise engaging in the use of
10 medicinal cannabis:

11 1. On the grounds of any preschool or primary or secondary school,
12 except as permitted in accordance with policies enacted pursuant to
13 subsection (4) of Section 8 of this Act;

14 2. In any correctional facility; or

15 3. On any property of the federal government;

16 (f) Using marijuana, if that person is not a registered qualified patient or
17 visiting qualified patient;

18 (g) Using or consuming marijuana by smoking; or

19 (h) Cultivating marijuana unless that person is licensed by the cabinet as a
20 cannabis cultivator or cannabis producer pursuant to Sections 15, 16, and
21 17 of this Act or is a cultivator or producer agent.

22 (2) The penalty for a violation of subsection (1)(a) or (b) of this section shall be the
23 same as those established for operating a motor vehicle under the influence of
24 alcohol or any other substance in KRS 189A.010.

25 (3) (a) An individual who violates subsection (1)(g) of this section shall not be
26 considered to be in possession of medicinal cannabis or engaged in the use
27 of medicinal cannabis and shall not benefit from the legal protections

1 afforded by Sections 1 to 30 of this Act.

2 (b) The odor or smell of uncombusted raw plant material shall not constitute
3 evidence of use or consumption of cannabis by smoking.

4 (c) If an individual uses or consumes marijuana by smoking while on any form
5 of public transportation, in any public place as defined in KRS 525.010, or
6 in any place of public accommodation, resort, or amusement as defined in
7 KRS 344.130:

8 1. The cabinet may revoke the individual's registry identification card;
9 and

10 2. The individual may be subject to prosecution under Sections 35 and 36
11 of this Act.

12 (4) Nothing in Sections 1 to 30 of this Act supersedes statutory laws relating to
13 driving while under the influence of intoxicants. Sections 1 to 30 of this Act shall
14 not prevent the enforcement of current laws pertaining to driving while
15 intoxicated, including KRS 183.061, 189.520, 189A.010, and 235.240.

16 (5) As used in this section:

17 (a) "Aircraft" has the same meaning as in KRS 183.011;

18 (b) "Vehicle" has the same meaning as in KRS 189.010; and

19 (c) "Vessel" has the same meaning as in KRS 235.010.

20 ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 218A IS CREATED TO
21 READ AS FOLLOWS:

22 (1) Nothing in Sections 1 to 30 of this Act shall:

23 (a) Require an employer to permit or accommodate the use, consumption,
24 possession, transfer, display, transportation, distribution, sale, or growing of
25 medicinal cannabis in the workplace;

26 (b) Prohibit an employer from implementing policies promoting workplace
27 health and safety by:

- 1 1. Restricting the use of medicinal cannabis by employees; or
- 2 2. Restricting or prohibiting the use of equipment, machinery, or power
- 3 tools by an employee who is a registered qualified patient, if the
- 4 employer believes that the use of such equipment, machinery, or
- 5 power tools by an employee who is a registered qualified patient poses
- 6 an unreasonable safety risk;
- 7 (c) Prohibit an employer from including in any contract provisions that
- 8 prohibit the use of medicinal cannabis by employees;
- 9 (d) Permit a cause of action against an employer for wrongful discharge or
- 10 discrimination;
- 11 (e) Except as provided in Section 8 of this Act, prohibit a person, employer,
- 12 corporation, or any other entity who occupies, owns, or controls a property
- 13 from prohibiting or otherwise regulating the use, consumption, possession,
- 14 transfer, display, transportation, sale, or growing of medicinal cannabis on
- 15 or in that property;
- 16 (f) Prohibit an employer from establishing and enforcing a drug testing policy,
- 17 drug-free workplace, or zero-tolerance drug policy; or
- 18 (g) Prohibit an employer from exercising his or her ability to determine
- 19 impairment of an employee who is a cardholder. Good faith determinations
- 20 of impairment permitted under this paragraph shall include behavioral
- 21 assessments of impairment and a secondary step of testing an employee who
- 22 is a cardholder for the presence of cannabis by an established method. If an
- 23 employer determines, pursuant to subsection (2)(c) of Section 2 of this Act,
- 24 that an employee who is a cardholder is impaired by the use of cannabis
- 25 from the behavioral assessment and testing, the burden of proving non-
- 26 impairment shall shift to the employee to refute the findings of the
- 27 employer.

1 (2) An employee who is discharged from employment for consuming medicinal
2 cannabis in the workplace, working while under the influence of medicinal
3 cannabis, or testing positive for a controlled substance shall not be eligible to
4 receive benefits under KRS Chapter 341, if such actions are in violation of an
5 employment contract or established personnel policy.

6 (3) An employer shall not be penalized or denied any benefit under state law for
7 employing a cardholder.

8 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 218A IS CREATED TO
9 READ AS FOLLOWS:

10 (1) A registered qualified patient or visiting qualified patient who uses medicinal
11 cannabis shall be afforded all the same rights under state and local law,
12 including those guaranteed under KRS Chapter 344, as the individual would
13 have been afforded if he or she were solely prescribed pharmaceutical
14 medications as they pertain to drug testing required by any state or local law.

15 (2) A cardholder otherwise entitled to custody of, or visitation time or parenting time
16 with, a minor child shall not be denied that right, and there shall be no
17 presumption of abuse, neglect, or dependency for conduct permitted under
18 Sections 1 to 30 of this Act unless the person's actions in relation to medicinal
19 cannabis created an unreasonable danger to the safety of the minor child as
20 established by clear and convincing evidence.

21 (3) (a) For the purposes of medical care, including organ transplants, a patient's
22 authorized use of medicinal cannabis is the equivalent of the authorized use
23 of any other medication used at the direction of a practitioner.

24 (b) A health facility as defined in KRS 216B.015 may develop policies to allow a
25 patient who is a registered qualified patient or visiting qualified patient to
26 use medicinal cannabis on the premises of the health facility.

27 (4) (a) A school shall not refuse to enroll, or otherwise penalize, a person solely for

1 his or her status as a cardholder, unless failing to do so would violate
2 federal law or regulations and cause the school to lose a monetary or
3 licensing-related benefit under federal law or regulations.

4 (b) A school shall not be penalized or denied any benefit under state law for
5 enrolling a cardholder.

6 (c) Each local board of education and each board of directors of a public
7 charter school shall, no later than July 1, 2024, establish policies to permit
8 a pupil who is a registered qualified patient to consume medicinal cannabis
9 on school property as deemed necessary by the pupil's parent or legal
10 guardian. Policies enacted pursuant to this paragraph shall require
11 medicinal cannabis be administered by a school nurse or under the
12 supervision of appropriate school staff.

13 ➔SECTION 9. A NEW SECTION OF KRS CHAPTER 218A IS CREATED TO
14 READ AS FOLLOWS:

15 (1) Except as provided in subsection (11) of this section, a physician or an advanced
16 practice registered nurse who is authorized to prescribe controlled substances
17 under KRS 314.042 seeking to provide written certifications for the use of
18 medicinal cannabis shall apply to the same state licensing board that issued his or
19 her professional practice license, on a form prescribed by the state licensing
20 board, for authorization to provide written certifications for the use of medicinal
21 cannabis.

22 (2) (a) A state licensing board shall approve an application for authorization to
23 provide written certifications for the use of medicinal cannabis if the
24 application is complete and meets the requirements established in
25 administrative regulations promulgated by the state licensing board.

26 (b) A state licensing board shall not authorize an application for authorization
27 to provide written certifications for the use of medicinal cannabis if the

1 applicant has an ownership or investment interest in or compensation
2 agreement with a cannabis business licensed under this chapter. A state
3 licensing board may consult with the cabinet to determine if an applicant
4 has an ownership or investment interest in or compensation agreement with
5 a cannabis business.

6 (3) Authorization to provide written certifications for the use of medicinal cannabis
7 granted under this section shall expire and may be renewed in accordance with
8 administrative regulations promulgated by a state licensing board.

9 (4) A medicinal cannabis practitioner authorized by a state licensing board to provide
10 written certifications for the use of medicinal cannabis may only provide a patient
11 with a written certification after the medicinal cannabis practitioner has:

12 (a) Established a bona fide practitioner-patient relationship with the patient;

13 (b) Diagnosed the patient, or confirmed a diagnosis provided by another health
14 care provider, with a medical condition for which the medicinal cannabis
15 practitioner believes that the patient may receive therapeutic or palliative
16 benefit from the use of medicinal cannabis;

17 (c) Reviewed a report of information from the electronic monitoring system
18 established pursuant to Section 38 of this Act related to the patient for a
19 period of time that covers at least the twelve (12) months immediately
20 preceding the date of the report;

21 (d) Consulted with the patient, or the patient's custodial parent or legal
22 guardian responsible for providing consent to treatment if the patient is a
23 minor child, with respect to the possible risks and side effects associated
24 with medicinal cannabis, including possible interactions between medicinal
25 cannabis and any other drug or medication that the patient is taking at that
26 time; and

27 (e) Obtained the consent of the patient's custodial parent or legal guardian

1 responsible for providing consent to treatment, if the patient is a minor
2 child.

3 (5) A bona fide practitioner-patient relationship may be established following a
4 referral from the patient's primary care provider and may be maintained via
5 telehealth. However, a bona fide practitioner-patient relationship shall not be
6 established via telehealth.

7 (6) (a) When issuing a written certification for the use of medicinal cannabis to a
8 patient, the medicinal cannabis practitioner shall use a form prescribed by
9 the cabinet.

10 (b) An initial written certification for the use of medicinal cannabis shall be
11 provided during the course of an in-person examination of the patient by
12 the medicinal cannabis practitioner. Subsequent written certifications,
13 including for the purpose of renewing a registry identification card, may be
14 provided electronically or during the course of a telehealth consultation.

15 (c) For the purpose of applying for a registry identification card, a written
16 certification provided under this section shall be valid for a period of not
17 more than sixty (60) days. The medicinal cannabis practitioner may renew a
18 written certification for not more than three (3) additional periods of not
19 more than sixty (60) days each. Thereafter, the medicinal cannabis
20 practitioner may issue another certification to the patient only after an in-
21 person examination or an examination conducted via telehealth of the
22 patient by the medicinal cannabis practitioner.

23 (d) Within twenty-four (24) hours of providing a patient with a written
24 certification for the use of medicinal cannabis, a medicinal cannabis
25 practitioner shall record the issuance of the written certification in the
26 electronic monitoring system established pursuant to Section 38 of this Act.

27 (7) A medicinal cannabis practitioner shall not:

1 (a) Dispense medicinal cannabis; or

2 (b) Provide a written certification for the use of medicinal cannabis to a family
3 member or for himself or herself.

4 (8) Nothing in Sections 1 to 30 of this Act shall prevent a medicinal cannabis
5 practitioner from being sanctioned for:

6 (a) Issuing a written certification without first obtaining authorization to
7 provide written certifications from a state licensing board;

8 (b) Issuing a written certification to a patient with whom the medicinal
9 cannabis practitioner does not have a bona fide practitioner-patient
10 relationship;

11 (c) Failing to properly evaluate a patient's medical history and current medical
12 condition prior to issuing a written certification;

13 (d) Otherwise failing to use good faith in his or her treatment of the patient; or

14 (e) Any other violation of this section.

15 (9) A state licensing board may suspend or revoke a medicinal cannabis
16 practitioner's authorization to provide written certification for the use of
17 medicinal cannabis and practice license for multiple violations or a serious
18 violation of this section or administrative regulations promulgated thereunder.

19 (10) The state licensing boards shall:

20 (a) No later than July 1, 2024, promulgate administrative regulations in
21 accordance with KRS Chapter 13A to establish:

22 1. Procedures for applying for authorization to provide written
23 certifications;

24 2. The conditions that must be met to be eligible for authorization to
25 provide written certifications;

26 3. The process and procedures for renewing authorization to provide
27 written certifications;

1 4. Continuing education requirements for medicinal cannabis
2 practitioners who are authorized to provide written certifications;

3 5. The reasons for which authorization to provide written certifications
4 for the use of medicinal cannabis may be suspended or revoked; and

5 6. The minimal standards of care when providing written certifications
6 including record maintenance and follow-up care requirements;

7 (b) On a regular basis, provide the cabinet with the names of all medicinal
8 cannabis practitioners; and

9 (c) Immediately provide the cabinet with the name of any medicinal cannabis
10 practitioner whose authorization to provide written certifications is
11 suspended or revoked.

12 (11) This section does not apply to a practitioner who recommends treatment with
13 cannabis or a drug derived from cannabis under any of the following that are
14 approved by an investigational review board or equivalent entity, the United
15 States Food and Drug Administration, or the National Institutes for Health or
16 any of its cooperative groups or centers under the United States Department of
17 Health and Human Services:

18 (a) A research protocol;

19 (b) A clinical trial;

20 (c) An investigational new drug application; or

21 (d) An expanded access submission.

22 (12) As used in this section, "telehealth" has the same meaning as in KRS 211.332.

23 ➔SECTION 10. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
24 TO READ AS FOLLOWS:

25 (1) Except as provided in subsection (5) of this section, no person shall possess,
26 purchase, acquire, or otherwise engage or assist in the use of medicinal cannabis
27 in Kentucky without first applying for and receiving a registry identification card

1 issued by the cabinet.

2 (2) A person shall be eligible to apply for a registry identification card as a registered
3 qualified patient if he or she is a resident of Kentucky, has obtained a written
4 certification from a medicinal practitioner with whom he or she has a bona fide
5 practitioner-patient relationship, and has not been convicted of a disqualifying
6 felony offense.

7 (3) (a) Except as provided in paragraph (b) of this subsection, a person shall be
8 eligible to apply for a registry identification card as a designated caregiver if
9 he or she is a resident of Kentucky, is at least twenty-one (21) years of age,
10 has not been convicted of a disqualifying felony offense, and has agreed to
11 assist no more than three (3) registered qualified patients with the use of
12 medicinal cannabis.

13 (b) Any person who has been appointed as a guardian, limited guardian,
14 conservator, or limited conservator under KRS Chapter 387 shall be eligible
15 to be designated as a designated caregiver by the individual for whom they
16 have been appointed as a guardian, limited guardian, conservator, or
17 limited conservator.

18 (4) A person shall be eligible to apply for a registry identification card as a visiting
19 qualified patient if he or she is not a resident of Kentucky or has been a resident
20 of Kentucky for less than thirty (30) days, is at least twenty-one (21) years of age,
21 has not been convicted of a disqualifying felony offense, possesses a valid out-of-
22 state registry identification card, and possesses documentation of having been
23 diagnosed with a qualifying medical condition.

24 (5) A person with a valid out-of-state registry identification card and documentation
25 of having been diagnosed with a qualifying medical condition may use his or her
26 out-of-state registry identification card for all purposes established in Sections 1
27 to 30 of this Act and shall not be required to apply for or receive a visiting

1 qualified patient registry identification card from the cabinet.

2 (6) To apply for or renew a registry identification card, a qualified patient shall
3 submit the following, in accordance with administrative regulations promulgated
4 by the cabinet:

5 (a) The name, address, and date of birth of the qualified patient, except that if
6 the applicant is homeless an address where the applicant may be reached
7 shall be provided to the cabinet;

8 (b) A written certification issued by a medicinal cannabis practitioner within
9 ninety (90) days immediately preceding the date of an application;

10 (c) The name, address, and telephone number of the qualified patient's
11 medicinal cannabis practitioner;

12 (d) The name, address, and date of birth of not more than two (2) individuals
13 chosen by the qualified patient to be designated as a caregiver, if the
14 qualified patient chooses to designate a caregiver, except that if an
15 individual has been appointed as a guardian, limited guardian, conservator,
16 or limited conservator under KRS Chapter 387, the qualified patient shall
17 choose that individual as a designated caregiver;

18 (e) A statement, signed by the qualified patient, pledging not to divert medicinal
19 cannabis to anyone who is not permitted to possess medicinal cannabis
20 pursuant to Sections 1 to 30 of this Act. The statement shall contain a listing
21 of potential penalties, including criminal prosecution, for diverting
22 medicinal cannabis;

23 (f) A statement, signed by the individuals chosen by the qualified patient to be
24 designated as a caregiver, if any, agreeing to be designated as the patient's
25 designated caregiver and pledging not to divert medicinal cannabis to
26 anyone other than the registered qualified patient to whom the caregiver is
27 connected through the cabinet's registration process. The statement shall

1 contain a listing of potential penalties, including criminal prosecution, for
2 diverting medicinal cannabis; and

3 (g) The application or renewal fee for a registry identification card for a
4 qualified patient and the application or renewal fee for a registry
5 identification card for any designated caregiver chosen by the qualified
6 patient.

7 (7) To apply for or renew a registry identification card, a qualified patient who is
8 under eighteen (18) years of age shall, in addition to the information required
9 under subsection (6) of this section, submit:

10 (a) Documentation of diagnosis of a qualifying medical condition by a
11 practitioner other than the medicinal cannabis practitioner who provided
12 the written certification for the use of medicinal cannabis; and

13 (b) A statement signed by the custodial parent or legal guardian with
14 responsibility for health care decisions for the qualified patient attesting to
15 the fact that the custodial parent or legal guardian agrees to:

16 1. Allow the qualified patient to use medicinal cannabis;

17 2. Serve as the qualified patient's designated caregiver; and

18 3. Control the acquisition, dosage, and frequency of use of medicinal
19 cannabis by the qualified patient.

20 (8) To apply for or renew a registry identification card, a visiting qualified patient
21 shall submit the following, in accordance with administrative regulations
22 promulgated by the cabinet:

23 (a) The name, address, and date of birth of the visiting qualified patient, except
24 that if the applicant is homeless an address where the applicant may be
25 reached shall be provided to the cabinet;

26 (b) A copy of his or her valid out-of-state registry identification card;

27 (c) Proof that he or she has been diagnosed with a qualifying medical

1 condition;

2 (d) The application or renewal fee for a registry identification card for a
3 visiting qualified patient; and

4 (e) A statement, signed by the visiting qualified patient, pledging not to divert
5 medicinal cannabis to anyone who is not permitted to possess medicinal
6 cannabis pursuant to Sections 1 to 30 of this Act. The statement shall
7 contain a listing of potential penalties, including criminal prosecution, for
8 diverting medicinal cannabis.

9 (9) The application for qualified patients' registry identification cards shall ask
10 whether the patient would like the cabinet to notify him or her of any clinical
11 studies needing human subjects for research on the use of medicinal cannabis.
12 The cabinet shall notify interested patients if it is aware of studies that will be
13 conducted in the United States.

14 (10) A registered qualified patient applying to renew a registry identification card
15 issued by the cabinet shall be required to submit to the cabinet a written
16 certification issued by a medicinal cannabis practitioner within ninety (90) days
17 immediately preceding the date of a renewal application.

18 ➔SECTION 11. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
19 TO READ AS FOLLOWS:

20 (1) The cabinet shall establish, implement, and operate a registry identification card
21 program, including registry identification card application and renewal fees, for
22 registered qualified patients, visiting qualified patients, and designated
23 caregivers. Registry identification card application and renewal fees collected by
24 the cabinet pursuant to this section shall be retained by the cabinet for
25 administrative purposes.

26 (2) Registry identification cards shall contain the following:

27 (a) The name of the cardholder;

- 1 (b) A designation of whether the cardholder is a registered qualified patient,
2 visiting qualified patient, or designated caregiver;
- 3 (c) The date of issuance and expiration date of the registry identification card;
- 4 (d) A random alphanumeric identification number of at least ten (10)
5 characters, containing at least four (4) numbers and at least four (4) letters,
6 that is unique to the cardholder;
- 7 (e) A bar code or other marking that can be scanned electronically;
- 8 (f) A photograph of the cardholder, if the cabinet's administrative regulations
9 require one;
- 10 (g) The telephone number and website address for the electronic monitoring
11 system established pursuant to Section 38 of this Act;
- 12 (h) If the cardholder is a registered qualified patient who has designated one
13 (1) or more designated caregivers, the random alphanumeric identification
14 number of the patient's designated caregivers;
- 15 (i) If the cardholder is a designated caregiver, the random alphanumeric
16 identification number of the registered qualified patient the designated
17 caregiver is receiving the registry identification card to assist; and
- 18 (j) If the cardholder is under eighteen (18) years of age, a clear and obvious
19 designation or identifier indicating that the cardholder is under eighteen
20 (18) years of age.
- 21 (3) (a) Except as provided in paragraph (b) of this subsection, the expiration date
22 for registry identification cards shall be one (1) year after the date of
23 issuance.
- 24 (b) If a medicinal cannabis practitioner states in the written certification that
25 the qualified patient would benefit from the use of medicinal cannabis until
26 a specified earlier date, then the registry identification card shall expire on
27 that date.

1 (4) The cabinet may, at its discretion, electronically store in the card all of the
2 information listed in subsection (2) of this section, along with the address and
3 date of birth of the cardholder, to allow it to be read electronically by law
4 enforcement agents and licensed cannabis businesses.

5 (5) (a) The cabinet shall operate a provisional registration receipt system for
6 registered qualified patients, designated caregivers, and visiting qualified
7 patients that shall be valid for forty-five (45) days, or until a permanent card
8 can be issued, as if it is a registry identification card issued by the cabinet.
9 This program shall be implemented and operational simultaneously with the
10 cabinet's implementation of the registry identification card program
11 established in this section. A provisional registration receipt shall contain
12 the following:

13 1. A temporary licensure number;

14 2. A barcode or other marking that can be scanned electronically;

15 3. The name of the applicant;

16 4. A designation of whether the cardholder is a registered qualified
17 patient, visiting qualified patient, or designated caregiver;

18 5. If the cardholder is under eighteen (18) years of age, a clear and
19 obvious designation or identifier indicating that the cardholder is
20 under eighteen (18) years of age;

21 6. The effective date of the receipt;

22 7. The expiration date of the receipt;

23 8. An indication that the cardholder fee has been paid;

24 9. An indication that the application has been submitted and is
25 apparently complete; and

26 10. The name of the certifying medicinal cannabis practitioner.

27 (b) The registration receipt system shall be designed so that this provisional

1 registration receipt shall be produced by the application website upon
2 completion of an application that includes a written certification for the use
3 of medicinal cannabis and payment of the cardholder fee. To reduce
4 application errors and processing time, a medicinal cannabis practitioner or
5 a dispensary may offer a service that allows an applicant to use a computer
6 and printer on the premises of the medicinal cannabis practitioner's office
7 or dispensary to complete an application and receive a provisional
8 registration receipt pursuant to this subsection.

9 (c) Notwithstanding any other provision of Sections 1 to 30 of this Act, a valid
10 provisional registration receipt issued pursuant to this subsection shall
11 convey to the individual whose name appears on the provisional registration
12 receipt all of the same rights and privileges as a registry identification card
13 issued by the cabinet and shall be accepted by a cannabis business in place
14 of a registry identification card.

15 ➔SECTION 12. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
16 TO READ AS FOLLOWS:

17 (1) Except as provided in subsections (2) to (5) of this section, the cabinet shall:

18 (a) Acknowledge receipt of an application within fifteen (15) days of receipt,
19 and approve or deny an application or renewal within thirty (30) days of
20 receiving a completed application or renewal application; and

21 (b) Issue registry identification cards to a qualified patient and any individual
22 designated by the qualified patient as a designated caregiver or a visiting
23 qualified patient within five (5) days of approving the application or
24 renewal. An individual designated as a caregiver shall be issued a
25 designated caregiver registry identification card for each registered
26 qualified patient to whom he or she is connected through the cabinet's
27 registration process.

1 (2) The cabinet shall not issue a registry identification card to a qualified patient who
2 is younger than eighteen (18) years of age unless:

3 (a) The custodial parent or legal guardian with responsibility for health care
4 decisions for the qualified patient consents in writing to:

5 1. Allow the qualified patient's use of medicinal cannabis;

6 2. Serve as the qualified patient's designated caregiver; and

7 3. Control the acquisition of the medicinal cannabis, the dosage, and the
8 frequency of the use by the qualified patient; and

9 (b) The designated caregiver application for the custodial parent or legal
10 guardian with responsibility for health care decisions for the qualified
11 patient is approved.

12 (3) The cabinet may deny an application or renewal for a qualified patient's or
13 visiting qualified patient's registry identification card for any reason that the
14 cabinet, in the exercise of sound discretion, deems sufficient, including but not
15 limited to if the applicant:

16 (a) Did not provide the information or materials required by Section 10 of this
17 Act;

18 (b) Previously had a registry identification card revoked;

19 (c) Provided false or falsified information; or

20 (d) Does not meet the eligibility requirements established in Section 10 of this
21 Act.

22 (4) (a) Except as provided in paragraph (b) of this subsection, the cabinet may
23 deny an application or renewal for a designated caregiver's registration
24 card for any reason that the cabinet, in the exercise of sound discretion,
25 deems sufficient, including but not limited to if the applicant:

26 1. Is already registered as a designated caregiver for three (3) registered
27 qualified patients;

- 1 2. Does not meet the eligibility requirements established in Section 10 of
2 this Act;
- 3 3. Did not provide the information or materials required by Section 10 of
4 this Act;
- 5 4. Previously had a registry identification card revoked;
- 6 5. Provided false or falsified information;
- 7 6. Was previously convicted of a disqualifying felony offense; or
- 8 7. Has applied as a designated caregiver for a qualified patient whose
9 application or renewal for a registry identification card was denied.
- 10 (b) Notwithstanding paragraph (a) of this subsection, the cabinet shall approve
11 an application or renewal for a designated caregiver's registration card if
12 the applicant has applied as a designated caregiver for a qualified patient
13 for who the applicant has been appointed under KRS Chapter 387 as a
14 guardian, limited guardian, conservator, or limited conservator.
- 15 (5) The cabinet may deny an application or renewal for a visiting qualified patient's
16 registration card for any reason that the cabinet, in the exercise of sound
17 discretion, deems sufficient, including but not limited to if the applicant:
- 18 (a) Did not provide the information or materials required by Section 10 of this
19 Act;
- 20 (b) Previously had a registry identification card revoked;
- 21 (c) Provided false or falsified information; or
- 22 (d) Does not meet the eligibility requirements established in Section 10 of this
23 Act.
- 24 (6) The cabinet may conduct a criminal background check of any applicant if the
25 criminal background check is conducted solely to determine whether the
26 applicant was previously convicted of a disqualifying felony offense.
- 27 (7) The cabinet shall notify the registered qualified patient who has designated

1 someone to serve as his or her designated caregiver if the individual designated as
2 a caregiver is denied a registry identification card.

3 (8) The cabinet shall notify the applicant in writing of the denial and reasons by
4 registered or certified mail at the address given in the application or supplement.
5 The applicant may, within thirty (30) days after the date of the mailing of the
6 cabinet's notice, file a written request for an administrative hearing on the
7 application. The hearing shall be conducted on the application in compliance
8 with the requirements of KRS Chapter 13B.

9 (9) Final orders of the cabinet after administrative hearings shall be subject to
10 judicial review. Jurisdiction and venue for judicial review are vested in the
11 Circuit Court of the county in which the appealing party resides.

12 ➔SECTION 13. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
13 TO READ AS FOLLOWS:

14 (1) Cardholders shall be required to make the following notifications to the cabinet:

15 (a) A cardholder shall notify the cabinet of any change in his or her name or
16 address;

17 (b) A registered qualified patient shall notify the cabinet within thirty (30) days
18 if he or she ceases to suffer from the medical condition for which a
19 medicinal cannabis practitioner provided a written certification;

20 (c) A registered qualified patient shall notify the cabinet if he or she wishes to
21 terminate a designated caregiver relationship with an individual who has
22 been designated as his or her caregiver;

23 (d) A designated caregiver shall notify the cabinet within thirty (30) days if he
24 or she becomes aware that a registered qualified patient to whom the
25 caregiver is connected through the cabinet's registration process has died or
26 has ceased to suffer from the medical condition for which a medicinal
27 cannabis practitioner provided a written certification; and

- 1 (e) If a cardholder loses his or her registry identification card, he or she shall
2 notify the cabinet within ten (10) days of becoming aware the card has been
3 lost.
- 4 (2) When a cardholder notifies the cabinet of items listed in paragraph (b) or (d) of
5 subsection (1) of this section, the cardholder shall, within ten (10) days of
6 notification, return any unused medicinal cannabis products to a licensed
7 dispensary for destruction.
- 8 (3) When a cardholder notifies the cabinet of items listed in paragraph (a), (c), or (e)
9 of subsection (1) of this section, but remains eligible under Sections 1 to 30 of
10 this Act, the cabinet shall issue the cardholder a new registry identification card
11 with a new random ten (10) character alphanumeric identification number. If the
12 cabinet issues a new registry identification card to a registered qualified patient,
13 the cabinet shall also issue a new registry identification card with a new ten (10)
14 character alphanumeric number to the registered qualified patient's designated
15 caregiver. New registry identification cards issued under this subsection shall be
16 issued by the cabinet within ten (10) days of receiving the updated information.
- 17 (4) If a registered qualified patient ceases to be a registered qualified patient or
18 changes his or her designated caregiver, the cabinet shall promptly notify the
19 designated caregiver in writing. The designated caregiver's protections under
20 Sections 1 to 30 of this Act as to that registered qualified patient shall expire
21 fifteen (15) days after notification by the cabinet.
- 22 (5) If a medicinal cannabis practitioner who provided a written certification notifies
23 the cabinet in writing that the registered qualified patient has died, ceased to
24 suffer from the medical condition for which a medicinal cannabis practitioner
25 provided a written certification, or that the medicinal cannabis practitioner no
26 longer believes the patient might receive therapeutic or palliative benefit from the
27 use of medicinal cannabis, the cabinet shall promptly notify the registered

1 qualified patient in writing. The registered qualified patient's protections under
2 Sections 1 to 30 of this Act shall expire fifteen (15) days after notification by the
3 cabinet, and the registered qualified patient shall have fifteen (15) days to dispose
4 of or donate his or her medicinal cannabis to a dispensary.

5 ➔SECTION 14. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
6 TO READ AS FOLLOWS:

7 (1) Any cardholder who sells, distributes, or dispenses medicinal cannabis to a
8 person who is not permitted to possess or use medicinal cannabis under Sections
9 1 to 30 of this Act shall have his or her registry identification card revoked and
10 shall be subject to other penalties, including but not limited to criminal
11 prosecution under this chapter and KRS 138.870 to 138.889.

12 (2) The cabinet may revoke the registry identification card of any cardholder who
13 knowingly commits multiple violations or a serious violation of Sections 1 to 30 of
14 this Act.

15 (3) The cabinet shall provide notice of revocation, fine, or other penalty by mailing,
16 via certified mail, the same in writing to the cardholder. The cardholder may,
17 within thirty (30) days after the date of the mailing of the cabinet's notice, file a
18 written request for an administrative hearing regarding the revocation, fine, or
19 other penalty. The hearing shall be conducted in compliance with the
20 requirements of KRS Chapter 13B.

21 (4) Final orders of the cabinet after administrative hearings shall be subject to
22 judicial review. Jurisdiction and venue for judicial review are vested in the
23 Circuit Court of the county in which the appealing party resides.

24 ➔SECTION 15. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
25 TO READ AS FOLLOWS:

26 (1) No person shall cultivate, process, produce, possess, test, transfer, transport, or
27 sell medicinal cannabis or otherwise operate a cannabis business in this state

1 without first obtaining a license under this section.

2 (2) The cabinet shall create separate licenses, licensure application fees, initial
3 licensure fees, and licensure renewal fees allowing persons to operate a cannabis
4 business, pursuant to Sections 1 to 30 of this Act and any administrative
5 regulations promulgated thereunder, as a:

6 (a) Tier I cannabis cultivator;

7 (b) Tier II cannabis cultivator;

8 (c) Tier III cannabis cultivator;

9 (d) Tier IV cannabis cultivator;

10 (e) Cannabis dispensary;

11 (f) Cannabis processor;

12 (g) Cannabis producer; or

13 (h) Cannabis safety compliance facility.

14 (3) Licensure application fees, initial licensing fees, and licensure renewal fees
15 collected by the cabinet pursuant to this section shall be retained by the cabinet
16 for administrative purposes.

17 (4) (a) Except as provided in paragraph (b) of this subsection, a cannabis business
18 shall be required to apply for and obtain from the cabinet a separate license
19 for each location it intends to operate.

20 (b) A cannabis business licensed as a producer may operate cultivation and
21 processing activities at separate locations, but shall not operate more than
22 one (1) cultivation and one (1) processing facility per license.

23 (5) (a) A cannabis business license issued under this section and Sections 16 and
24 17 of this Act shall be valid for one (1) year from the date of issuance. The
25 cabinet shall notify each licensee ninety (90) days prior to the date the
26 license expires to allow the licensee to begin the renewal process established
27 by the cabinet pursuant to Section 27 of this Act.

1 **(b) The renewal of a cannabis business license shall be contingent upon**
2 **successful achievement of minimal performance standards established by**
3 **the cabinet as part of the biennial accreditation process established by the**
4 **cabinet pursuant to Section 27 of this Act.**

5 **(6) The cabinet shall approve a license holder's sale of a license issued pursuant to**
6 **this section and Sections 16 and 17 of this Act if the purchaser and any new**
7 **facilities meet the requirements of Sections 1 to 30 of this Act.**

8 ➔SECTION 16. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
9 TO READ AS FOLLOWS:

10 **(1) The cabinet shall create a uniform application form for the cannabis business**
11 **licenses established in Section 15 of this Act.**

12 **(2) When applying for a license, the applicant shall submit the following in**
13 **accordance with the cabinet's administrative regulations:**

14 **(a) The proposed legal name of the cannabis business;**

15 **(b) The proposed physical address of the cannabis business and the global**
16 **positioning system coordinates for any proposed cultivation activities;**

17 **(c) The name, address, and date of birth of each principal officer and board**
18 **member of the cannabis business;**

19 **(d) Any instances in which a business or not-for-profit entity that any of the**
20 **prospective board members managed or served on the board of was**
21 **convicted, fined, censured, or had a registration or license suspended or**
22 **revoked in any administrative or judicial proceeding; and**

23 **(e) Any additional information required by the cabinet.**

24 ➔SECTION 17. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
25 TO READ AS FOLLOWS:

26 **(1) The cabinet shall:**

27 **(a) Acknowledge receipt of an application for a cannabis business license**

1 within fifteen (15) days of receipt; and

2 (b) Provide notification to the cannabis business license applicant as to whether
3 the application for a cannabis business license has been approved or denied
4 within forty-five (45) days of receiving a completed application.

5 (2) The cabinet may deny an application for a cannabis business license for any
6 reason that the cabinet, in the exercise of sound discretion, deems sufficient,
7 including but not limited to:

8 (a) The applicant failed to submit the materials required by Section 16 of this
9 Act, including if the applicant's plans do not satisfy the security, oversight,
10 or recordkeeping administrative regulations promulgated by the cabinet;

11 (b) The applicant falsifies information on the licensure application;

12 (c) The applicant would not be in compliance with local cannabis business
13 prohibitions enacted pursuant to Section 25 of this Act;

14 (d) One (1) or more of the prospective principal officers or board members:

15 1. Has been convicted of a disqualifying felony offense, the provisions of
16 KRS 335B.020 and 335B.030 notwithstanding;

17 2. Has served as a principal officer or board member for a cannabis
18 business that has had its license revoked;

19 3. Is younger than twenty-one (21) years of age; or

20 4. Is a medicinal cannabis practitioner; or

21 (f) 1. For a safety compliance facility, one (1) or more of the prospective
22 principal officers or board members is a principal officer or board
23 member of a cultivator, processor, producer, or dispensary licensed to
24 operate in Kentucky.

25 2. For a cultivator, processor, producer, or dispensary, one (1) or more
26 of the prospective principal officers or board members is a principal
27 officer or board member of a safety compliance facility licensed to

1 operate in Kentucky.

2 (3) If a cannabis business license application is approved:

3 (a) The cannabis business shall, before it begins operations, submit its complete
4 physical address and the global positioning system coordinates for any
5 cultivation activities if a physical address or the global positioning system
6 coordinates for any cultivation activities had not been finalized when it
7 applied; and

8 (b) The cabinet shall:

- 9 1. Issue a copy of the license that includes the business's identification
10 number to the approved cannabis business;
11 2. Provide a licensed dispensary with contact and access information for
12 the electronic monitoring system established pursuant to Section 38 of
13 this Act; and
14 3. Provide notice of licensure approval and issuance to the city and
15 county in which the cannabis business intends to operate.

16 (4) If a cannabis business license application is denied, the cabinet shall notify the
17 applicant in writing of a license denial and reasons by registered or certified mail
18 at the address given in the application or supplement. The applicant may, within
19 thirty (30) days after the mailing of the cabinet's notice, file a written request for
20 an administrative hearing on the application. The hearing shall be conducted on
21 the application in compliance with the requirements of KRS Chapter 13B. Final
22 orders of the cabinet after administrative hearings shall be subject to judicial
23 review as provided in KRS 13B.140. Jurisdiction and venue for judicial review
24 are vested in the Circuit Court of the county in which the applicant's business
25 would be located.

26 ➔SECTION 18. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
27 TO READ AS FOLLOWS:

1 (1) A cannabis business licensed under this chapter shall:

2 (a) Comply with Sections 1 to 30 of this Act and any administrative regulations
3 promulgated thereunder by the cabinet;

4 (b) Conduct a criminal background check into the criminal history of each
5 person seeking to become a principal officer, board member, agent,
6 volunteer, or employee before that person begins work. A cannabis business
7 shall not employ, accept as a volunteer, or have as a board member,
8 principal officer, or agent any person who:

9 1. Was convicted of a disqualifying felony offense; or

10 2. Is younger than twenty-one (21) years of age;

11 (c) Implement appropriate security measures to deter and prevent the theft of
12 medicinal cannabis and unauthorized entrance into areas containing
13 medicinal cannabis;

14 (d) Demonstrate sufficient capital such that it can establish its business and
15 meet the needs for its type of cannabis business;

16 (e) Display its license on the premises at all times; and

17 (f) Only acquire, possess, cultivate, manufacture, deliver, transfer, transport,
18 supply, or dispense medicinal cannabis:

19 1. For the purposes of distributing medicinal cannabis to cardholders
20 who possess a valid registry identification card issued by the cabinet,
21 or for visiting qualified patients, a valid out-of-state registry
22 identification card and documentation of having been diagnosed with
23 a qualifying medical condition; and

24 2. From a cannabis business licensed under this chapter.

25 (2) A cannabis business licensed under this chapter shall not:

26 (a) Be located within one thousand (1,000) feet of an existing elementary or
27 secondary school or a daycare center;

- 1 (b) Acquire, possess, cultivate, process, manufacture, deliver, transfer,
2 transport, supply, dispense, or sell:
- 3 1. Raw plant material with a delta-9 tetrahydrocannabinol content of
4 more than thirty-five percent (35%);
- 5 2. Medicinal cannabis products intended for oral consumption as an
6 edible, oil, or tincture with more than ten (10) milligrams of delta-9
7 tetrahydrocannabinol per serving;
- 8 3. Any medicinal cannabis product not described in subparagraph 1. or
9 2. of this paragraph with a delta-9 tetrahydrocannabinol content of
10 more than seventy percent (70%); or
- 11 4. Any medicinal cannabis product that contains vitamin E acetate;
- 12 (c) Permit a person under eighteen (18) years of age to enter or remain on the
13 premises of a cannabis business;
- 14 (d) Permit a person who is not a cardholder to enter or remain on the premises
15 of a cannabis business, except in accordance with subsection (6) of this
16 section;
- 17 (e) Employ, have as a board member, or be owned by, in part or in whole, a
18 medicinal cannabis practitioner; or
- 19 (f) Advertise medicinal cannabis sales in print, broadcast, online, by paid in-
20 person solicitation of customers, or by any other advertising device as
21 defined in KRS 177.830, except that this paragraph shall not prevent
22 appropriate signs on the property of a licensed cannabis business, listings in
23 business directories including phone books, listings in trade or medical
24 publications, or sponsorship of health or not-for-profit charity or advocacy
25 events.
- 26 (3) The operating documents of a cannabis business shall include procedures for its
27 oversight and procedures to ensure accurate recordkeeping and inventory

1 control.

2 (4) When transporting medicinal cannabis on behalf of a cannabis business that is
3 permitted to transport it, a cannabis business agent shall have:

4 (a) A copy of the cannabis business license for the business that employs the
5 agent;

6 (b) Documentation that specifies the amount of medicinal cannabis being
7 transported and the date on which it is being transported; and

8 (c) The cannabis business license number and telephone number of any other
9 cannabis business receiving or otherwise involved in the transportation of
10 the medicinal cannabis.

11 (5) The cultivation of medicinal cannabis for cannabis businesses licensed in this
12 state shall only be done by cultivators and producers licensed under this chapter
13 and shall only take place in an enclosed, locked facility which can only be
14 accessed by cultivator agents working on behalf of the cultivator or producer at
15 the physical address or global positioning system coordinates provided to the
16 cabinet during the license application process.

17 (6) A person who is at least eighteen (18) years of age but not a cardholder may be
18 allowed to enter and remain on the premises of a cannabis business if:

19 (a) The person is present at the cannabis business to perform contract work,
20 including but not limited to electrical, plumbing, or security maintenance,
21 that does not involve handling medicinal cannabis; or

22 (b) The person is a government employee and is at the cannabis business in the
23 course of his or her official duties.

24 ➔SECTION 19. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
25 TO READ AS FOLLOWS:

26 (1) Cannabis businesses shall be subject to reasonable inspection by the cabinet
27 pursuant to the cabinet's procedures or administrative regulations. The cabinet

1 may inspect any licensed cannabis business premises without having to first
2 obtain a search warrant.

3 (2) The cabinet may, on its own motion or on complaint, after investigation and
4 opportunity for a public hearing at which the cannabis business has been
5 afforded an opportunity to appear and be heard pursuant to KRS Chapter 13B,
6 suspend or revoke a cannabis business license for multiple violations or a serious
7 violation of Sections 1 to 30 of this Act or any administrative regulations
8 promulgated thereunder by the licensee or any of its agents. A suspension shall
9 not be for a period of time longer than six (6) months.

10 (3) The cabinet shall provide notice of suspension, revocation, fine, or other penalty,
11 as well as the required notice of the hearing, by mailing, via certified mail, the
12 same in writing to the cannabis business at the address on the license. The
13 cannabis business may, within thirty (30) days after the date of the mailing of the
14 cabinet's notice, file a written request for an administrative hearing regarding the
15 suspension, revocation, fine, or other penalty. The hearing shall be conducted in
16 compliance with the requirements of KRS Chapter 13B.

17 (4) Final orders of the cabinet after administrative hearings shall be subject to
18 judicial review. Jurisdiction and venue for judicial review are vested in the
19 Circuit Court of the county in which the cannabis business is physically located.

20 (5) A cultivator may continue to cultivate and possess cannabis plants during a
21 suspension, but it shall not transfer or sell medicinal cannabis during a
22 suspension.

23 (6) A dispensary may continue to possess its existing medicinal cannabis inventory
24 during a suspension, but it shall not acquire additional medicinal cannabis, or
25 dispense, transfer, or sell medicinal cannabis during a suspension.

26 (7) A processor may continue to process and possess its existing medicinal cannabis
27 inventory during a suspension, but it shall not acquire additional medicinal

1 cannabis, or dispense, transfer, or sell medicinal cannabis products during a
2 suspension.

3 (8) A producer may continue to cultivate, process, and possess cannabis plants and
4 its existing medicinal cannabis inventory during a suspension, but it shall not
5 acquire additional medicinal cannabis, or dispense, transfer, or sell medicinal
6 cannabis during a suspension.

7 (9) A safety compliance facility may continue to possess medicinal cannabis during a
8 suspension, but it shall not receive any new medicinal cannabis, test or otherwise
9 analyze medicinal cannabis, or transfer or transport medicinal cannabis during a
10 suspension.

11 ➔SECTION 20. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
12 TO READ AS FOLLOWS:

13 (1) A cultivator or cultivator agent acting on behalf of a cultivator shall not be
14 subject to prosecution under state or local law, to search or inspection except by
15 the cabinet pursuant to Section 19 of this Act, or to seizure or penalty in any
16 manner, or be denied any right or privilege, including but not limited to civil
17 penalty or disciplinary action by a court or business licensing board, for acting
18 pursuant to Sections 1 to 30 of this Act and the cabinet's administrative
19 regulations for:

20 (a) Acquiring, possessing, planting, cultivating, raising, harvesting, trimming,
21 or storing cannabis seeds, seedlings, plants, or raw plant material;

22 (b) Delivering, transporting, transferring, supplying, or selling raw plant
23 material or related supplies to other licensed cannabis businesses in this
24 state; or

25 (c) Selling cannabis seeds or seedlings to similar entities that are licensed to
26 cultivate cannabis in this state or in any other jurisdiction.

27 (2) Cultivators and cultivator agents acting on behalf of a cultivator shall:

1 (a) Only deliver raw plant material to a licensed processor, licensed producer,
2 licensed safety compliance facility, or licensed dispensary for fair market
3 value;

4 (b) Only deliver raw plant material to a licensed dispensary, processor, or
5 producer after it has been checked by a safety compliance facility agent for
6 cannabinoid contents and contaminants in accordance with administrative
7 regulations promulgated by the cabinet;

8 (c) Not supply a dispensary with more than the amount of raw plant material
9 reasonably required by a dispensary; and

10 (d) Not deliver, transfer, or sell raw plant material with a delta-9
11 tetrahydrocannabinol content of more than thirty-five percent (35%) to a
12 licensed dispensary, processor, or producer.

13 (3) (a) A Tier I cultivator shall not exceed an indoor growth area of two thousand
14 five hundred (2,500) square feet.

15 (b) A Tier II cultivator shall not exceed an indoor growth area of ten thousand
16 (10,000) square feet.

17 (c) A Tier III cultivator shall not exceed an indoor growth area of twenty-five
18 thousand (25,000) square feet.

19 (d) A Tier IV cultivator shall not exceed an indoor growth area of fifty
20 thousand (50,000) square feet.

21 ➔SECTION 21. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
22 TO READ AS FOLLOWS:

23 (1) A dispensary or dispensary agent acting on behalf of a dispensary shall not be
24 subject to prosecution under state or local law, to search or inspection except by
25 the cabinet pursuant to Section 19 of this Act, to seizure or penalty in any
26 manner, or be denied any right or privilege, including but not limited to a civil
27 penalty or disciplinary action by a court or business licensing board, for acting

1 pursuant to Sections 1 to 30 of this Act and the cabinet's administrative
2 regulations for:

3 (a) Acquiring or possessing medicinal cannabis from a cultivator, processor, or
4 producer in this state;

5 (b) Acquiring or possessing medicinal cannabis accessories or educational
6 material;

7 (c) Supplying, selling, dispensing, distributing, or delivering medicinal
8 cannabis, medicinal cannabis accessories, and educational material to
9 cardholders or other dispensaries;

10 (d) Selling cannabis seeds to similar entities that are licensed to cultivate
11 cannabis in this state or in any other jurisdiction; or

12 (e) Acquiring, accepting, or receiving medicinal cannabis products from a
13 cardholder, except that a dispensary may not offer anything of monetary
14 value in return for medicinal cannabis received from a cardholder. Any
15 medicinal cannabis received by a dispensary under this paragraph or
16 pursuant to Section 13 of this Act shall be destroyed by the dispensary or its
17 agents and shall not be sold, dispensed, or distributed to another
18 cardholder.

19 (2) A dispensary or dispensary agent acting on behalf of a dispensary shall:

20 (a) Maintain records that include specific notations of the amount of medicinal
21 cannabis being dispensed to a cardholder and whether it was dispensed
22 directly to a registered qualified patient or visiting qualified patient, or to a
23 registered qualified patient's designated caregiver. Each entry shall include
24 the date and time the medicinal cannabis was dispensed. The data required
25 to be recorded by this paragraph shall be entered into the electronic
26 monitoring system established pursuant to Section 38 of this Act in
27 accordance with administrative regulations promulgated by the cabinet for

1 the recording of medicinal cannabis dispensing;

2 (b) Only dispense or sell medicinal cannabis after it has been checked by a
3 safety compliance facility agent for cannabinoid contents and contaminants
4 in accordance with administrative regulations promulgated by the cabinet;

5 (c) Only dispense or sell medicinal cannabis to a registered qualified patient,
6 visiting qualified patient, or designated caregiver after making a diligent
7 effort to verify:

8 1. That the registry identification card or, for visiting qualified patients,
9 the out-of-state registry identification card presented to the dispensary
10 is valid, including by checking the verification system, if it is
11 operational, or other cabinet-designated databases;

12 2. That the person presenting the registry identification card or, for
13 visiting qualified patients, the out-of-state registry identification card
14 is at least eighteen (18) years of age and is the person identified on the
15 registry identification card by examining at least one (1) other form of
16 government-issued photo identification; and

17 3. The amount of medicinal cannabis the person is legally permitted to
18 purchase pursuant to Section 4 of this Act by checking the electronic
19 monitoring system established pursuant to Section 38 of this Act;

20 (d) Not acquire, possess, dispense, sell, offer for sale, transfer, or transport:

21 1. Raw plant material with a delta-9 tetrahydrocannabinol content of
22 more than thirty-five percent (35%);

23 2. Medicinal cannabis products intended for oral consumption as an
24 edible, oil, or tincture with more than ten (10) milligrams of delta-9
25 tetrahydrocannabinol per serving;

26 3. Any medicinal cannabis product not described in subparagraph 1. or
27 2. of this paragraph with a delta-9 tetrahydrocannabinol content of

- 1 more than seventy percent (70%); or
- 2 4. Any medicinal cannabis product that contains vitamin E acetate;
- 3 (e) Not acquire medicinal cannabis from any person other than a cannabis
- 4 business licensed under this chapter, or an agent thereof, a registered
- 5 qualified patient, or a designated caregiver;
- 6 (f) Not sell or dispense medicinal cannabis products intended for consumption
- 7 by vaporizing to a cardholder who is younger than twenty-one (21) years of
- 8 age or to a designated caregiver for a registered qualified patient who is
- 9 younger than twenty-one (21) years of age;
- 10 (g) Not dispense or sell medicinal cannabis to a minor;
- 11 (h) Not dispense or sell more medicinal cannabis to a cardholder than he or she
- 12 is legally permitted to purchase at the time of the transaction; and
- 13 (i) Not rent office space to a medicinal cannabis practitioner.
- 14 (3) (a) A dispensary may operate a delivery service for cardholders and may deliver
- 15 medicinal cannabis, medicinal cannabis accessories, and educational
- 16 material to cardholders at the address identified on the cardholder's registry
- 17 identification.
- 18 (b) All delivery services operated or offered by a dispensary shall comply with
- 19 administrative regulations promulgated by the cabinet pursuant to this
- 20 section and Section 27 of this Act.
- 21 (4) If a dispensary or dispensary agent fails to comply with subsection (2)(c), (d), (e),
- 22 (f), or (g) of this section, the dispensary and dispensary agent are liable in a civil
- 23 action for compensatory and punitive damages and reasonable attorney's fees to
- 24 any person or the representative of the estate of any person who sustains injury,
- 25 death, or loss to person or property as a result of the failure to comply with
- 26 subsection (2)(c), (d), (e), (f), or (g) of this section. In any action under this
- 27 subsection, the court may also award any injunctive or equitable relief that the

1 court considers appropriate.

2 ➔SECTION 22. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
3 TO READ AS FOLLOWS:

4 (1) A processor or processor agent acting on behalf of a processor shall not be
5 subject to prosecution under state or local law, to search or inspection except by
6 the cabinet pursuant to Section 19 of this Act, to seizure or penalty in any
7 manner, or be denied any right or privilege, including but not limited to civil
8 penalty or disciplinary action by a court or business licensing board, for acting
9 pursuant to Sections 1 to 30 of this Act and the cabinet's administrative
10 regulations for:

11 (a) Acquiring or purchasing raw plant material from a cultivator, processor, or
12 producer in this state;

13 (b) Possessing, processing, preparing, manufacturing, manipulating, blending,
14 preparing, or packaging medicinal cannabis;

15 (c) Transferring, transporting, supplying, or selling medicinal cannabis and
16 related supplies to other cannabis businesses in this state; or

17 (d) Selling cannabis seeds or seedlings to similar entities that are licensed to
18 cultivate cannabis in this state or in any other jurisdiction.

19 (2) A processor licensed under this section shall not possess, process, produce, or
20 manufacture:

21 (a) Raw plant material with a delta-9 tetrahydrocannabinol content of more
22 than thirty-five percent (35%);

23 (b) Medicinal cannabis products intended for oral consumption as an edible,
24 oil, or tincture with more than ten (10) milligrams of delta-9
25 tetrahydrocannabinol per serving;

26 (c) Any medicinal cannabis product not described in paragraph (a) or (b) of
27 this subsection with a delta-9 tetrahydrocannabinol content of more than

1 seventy percent (70%); or

2 (d) Any medicinal cannabis product that contains vitamin E acetate.

3 ➔SECTION 23. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
4 TO READ AS FOLLOWS:

5 (1) A producer or producer agent acting on behalf of a producer shall not be subject
6 to prosecution under state or local law, to search or inspection except by the
7 cabinet pursuant to Section 19 of this Act, to seizure or penalty in any manner, or
8 be denied any right or privilege, including but not limited to civil penalty or
9 disciplinary action by a court or business licensing board, for acting pursuant to
10 Sections 1 to 30 of this Act and the cabinet's administrative regulations for:

11 (a) Acquiring, possessing, planting, cultivating, raising, harvesting, trimming,
12 or storing cannabis seeds, seedlings, plants, or raw plant material;

13 (b) Delivering, transporting, transferring, supplying, or selling raw plant
14 material, medicinal cannabis products, or related supplies to other licensed
15 cannabis businesses in this state;

16 (c) Selling cannabis seeds or seedlings to similar entities that are licensed to
17 cultivate cannabis in this state or in any other jurisdiction;

18 (d) Acquiring or purchasing raw plant material from a cultivator in this state;
19 or

20 (e) Possessing, processing, preparing, manufacturing, manipulating, blending,
21 preparing, or packaging medicinal cannabis.

22 (2) Producers and producer agents acting on behalf of a producer shall:

23 (a) Only deliver raw plant material to a licensed processor, licensed producer,
24 licensed safety compliance facility, or licensed dispensary for fair market
25 value;

26 (b) Only deliver raw plant material to a licensed dispensary, processor, or
27 producer after it has been checked by a safety compliance facility agent for

1 cannabinoid contents and contaminants in accordance with administrative
2 regulations promulgated by the cabinet;

3 (c) Not supply a dispensary with more than the amount of raw plant material
4 reasonably required by a dispensary; and

5 (d) Be limited to an indoor cannabis growth area of fifty thousand (50,000)
6 square feet.

7 (3) A producer licensed under this section shall not possess, process, produce, or
8 manufacture:

9 (a) Raw plant material with a delta-9 tetrahydrocannabinol content of more
10 than thirty-five percent (35%);

11 (b) Medicinal cannabis products intended for oral consumption as an edible,
12 oil, or tincture with more than ten (10) milligrams of delta-9
13 tetrahydrocannabinol per serving;

14 (c) Any medicinal cannabis product not described in paragraph (a) or (b) of
15 this subsection with a delta-9 tetrahydrocannabinol content of more than
16 seventy percent (70%); or

17 (d) Any medicinal cannabis product that contains vitamin E acetate.

18 ➔SECTION 24. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
19 TO READ AS FOLLOWS:

20 A safety compliance facility or safety compliance facility agent acting on behalf of a
21 safety compliance facility shall not be subject to prosecution, search except by the
22 cabinet pursuant to Section 19 of this Act, seizure, or penalty in any manner, or be
23 denied any right or privilege, including but not limited to civil penalty or disciplinary
24 action by a court or business licensing board, for acting in accordance with Sections 1
25 to 30 of this Act and the cabinet's administrative regulations to provide the following
26 services:

27 (1) Acquiring or possessing medicinal cannabis obtained from cardholders or

- 1 cannabis businesses in this state;
- 2 (2) Returning the medicinal cannabis to cardholders or cannabis businesses in this
- 3 state;
- 4 (3) Transporting medicinal cannabis that was produced by cannabis businesses in
- 5 this state;
- 6 (4) The production or sale of approved educational materials related to the use of
- 7 medicinal cannabis;
- 8 (5) The production, sale, or transportation of equipment or materials other than
- 9 medicinal cannabis, including but not limited to lab equipment and packaging
- 10 materials that are used by cannabis businesses and cardholders, to cardholders or
- 11 cannabis businesses licensed under this chapter;
- 12 (6) Testing of medicinal cannabis produced in this state, including testing for
- 13 cannabinoid content, pesticides, mold, contamination, vitamin E acetate, and
- 14 other prohibited additives;
- 15 (7) Training cardholders and cannabis business agents. Training may include but
- 16 need not be limited to:
- 17 (a) The safe and efficient cultivation, harvesting, packaging, labeling, and
- 18 distribution of medicinal cannabis;
- 19 (b) Security and inventory accountability procedures; and
- 20 (c) Up-to-date scientific and medical research findings related to use of
- 21 medicinal cannabis;
- 22 (8) Receiving compensation for actions allowed under this section; and
- 23 (9) Engaging in any noncannabis-related business activities that are not otherwise
- 24 prohibited or restricted by state law.

25 ➔SECTION 25. A NEW SECTION OF KRS CHAPTER 218A IS CREATED

26 TO READ AS FOLLOWS:

- 27 (1) For the purposes of this section, "local government" means a city, county, urban-

1 county government, consolidated local government, charter county government,
2 or unified local government.

3 (2) A local government may:

4 (a) Enact ordinances not in conflict with Sections 1 to 30 of this Act or with the
5 cabinet's administrative regulations, regulating the time, place, and manner
6 of cannabis business operations, except that a local government shall not
7 enact ordinances that impose an undue burden or make cannabis business
8 operations unreasonable or impractical;

9 (b) Prohibit all cannabis business operations within its territory through the
10 passage of an ordinance; or

11 (c) Enact resolutions directing that the question of prohibiting cannabis
12 businesses from operating within its territory be submitted to the voters of
13 its territory at the next regular election pursuant to subsection (5)(j) of this
14 section.

15 (3) If a county, consolidated local government, charter county government, or
16 unified local government prohibits all cannabis business operations, the
17 legislative body of a city located within the county, consolidated local
18 government, charter county government, or unified local government may:

19 (a) Approve cannabis business operations within the limits of the city through
20 the passage of an ordinance; or

21 (b) Enact resolutions directing that the question of allowing cannabis
22 businesses to operate within the limits of the city be submitted to the voters
23 who are eligible to vote in that city's elections at the next regular election
24 pursuant to subsection (5)(j) of this section.

25 (4) If a local government legislative body with jurisdiction prohibits cannabis
26 business operations through the passage of an ordinance, a public question that
27 is initiated by petition and that proposes allowing a cannabis business to operate

1 within the affected territory is authorized.

2 (5) A public question that is initiated by petition and is authorized by subsection (4)
3 of this section shall be submitted to the voters within the affected territory at the
4 next regular election by complying with the following requirements:

5 (a) Before a petition for submission of the proposal may be presented for
6 signatures, an intent to circulate the petition, including a copy of the
7 unsigned petition, shall be filed with the county clerk of the affected
8 territory by any person or group of persons seeking the submission of the
9 public question. The statement of intent shall include the addresses of the
10 person or group of persons and shall specify the person or group of persons,
11 as well as the address, to whom all notices are to be sent. Within ten (10)
12 days after the intent to circulate the petition is filed, the county clerk shall
13 deliver a copy of the intent to circulate the petition, including a copy of the
14 unsigned petition, to the legislative body of the affected territory;

15 (b) The petition shall set out in full the following question: "Are you in favor of
16 the sale of medicinal cannabis at a licensed dispensary and the operation of
17 other cannabis businesses in (affected territory)?";

18 (c) The petition for the submission of the proposal shall be signed by a number
19 of constitutionally qualified voters of the territory to be affected equal to five
20 percent (5%) of registered voters for the affected territory;

21 (d) Each signature shall be executed in ink or indelible pencil and shall be
22 followed by the legibly printed name of each voter, followed by the voter's
23 residence address, year of birth, and the correct date upon which the voter's
24 name was signed;

25 (e) No petition for the submission of the proposal shall be circulated for more
26 than six (6) months prior to its filing;

27 (f) After a petition for the submission of the proposal has received no fewer

1 than the number of qualifying signatures required by paragraph (c) of this
2 subsection, the signed petition shall be filed with the county clerk. When it
3 is filed, each sheet of the petition shall have an affidavit executed by the
4 circulator stating that he or she personally circulated the sheet, the number
5 of signatures thereon, that all signatures were affixed in his or her
6 presence, that he or she believes them to be the genuine signatures of
7 registered voters within the affected territory, and that each signer had an
8 opportunity before signing to read the full text of the proposal;

9 (g) No signer of the petition may withdraw his or her name or have it taken
10 from the petition after the petition has been filed. If the name of any person
11 has been placed on the petition for submission of the public question
12 without that person's authority, the person may, at any time prior to
13 certification of sufficiency of the petition by the county clerk as required by
14 paragraph (h) of this subsection, request the removal of his or her name by
15 the county board of elections and, upon proof that the person's name was
16 placed on the petition without his or her authority, the person's name and
17 personal information shall be eliminated, and he or she shall not be counted
18 as a petitioner;

19 (h) Within thirty (30) days after the petition is filed, the county clerk shall
20 complete a certificate as to its sufficiency or, if it is insufficient, specifying
21 the particulars of the insufficiency, and shall send a copy to the person or
22 persons specified in the statement of intent to receive all notices and to the
23 legislative body of the affected territory, all by registered mail. A petition
24 certified insufficient for lack of the required number of valid signatures
25 may be amended once by filing a supplemental petition upon additional
26 sheets within thirty (30) days after receiving the certificate of insufficiency.
27 The supplemental petition shall comply with the requirements applicable to

1 the original petition and, within ten (10) days after it is filed, the county
2 clerk shall complete a certificate as to the sufficiency of the petition as
3 amended and promptly send a copy of the certificate to the person or
4 persons specified to receive all notices and to the legislative body of the
5 affected territory by registered mail;

6 (i) A final determination as to the sufficiency of a petition shall be subject to
7 review in the Circuit Court of the county of the affected territory and shall
8 be limited to the validity of the county clerk's determination. A final
9 determination of insufficiency shall not prejudice the filing of a new
10 petition for the same purpose; and

11 (j) If, not later than the second Tuesday in August preceding the day
12 established for a regular election, the county clerk has certified that a
13 petition is sufficient or has received a local government resolution pursuant
14 to subsection (2) or (3) of this section, the county clerk shall have prepared
15 to place before the voters of the affected territory at the next regular election
16 the question, which shall be "Are you in favor of the sale of medicinal
17 cannabis at a licensed dispensary and the operation of other cannabis
18 businesses in (affected territory)? Yes....No....". The county clerk shall
19 cause to be published in accordance with KRS Chapter 424, at the same
20 time as the remaining voter information, the full text of the proposal. The
21 county clerk shall cause to be posted in each polling place one (1) copy of
22 the full text of the proposal.

23 (6) If the question submitted to the voters under subsection (3) or (5) of this section
24 fails to pass, three (3) years shall elapse before the question of medicinal
25 cannabis sales and cannabis business operations may be included on a regular
26 election ballot for the affected territory.

27 (7) If the question submitted to the voters under subsection (3) or (5) of this section

1 passes, medicinal cannabis sales and cannabis business operations may be
2 conducted in the affected territory, notwithstanding any local government
3 ordinances which prohibit all cannabis business operations within its territory.

4 (8) In circumstances where a county, consolidated local government, charter county
5 government, or unified local government prohibits cannabis business operations
6 but a city within that county, consolidated local government, charter county
7 government, or unified local government approves cannabis business operations
8 either through the adoption of an ordinance or following the affirmative vote of a
9 public question allowing cannabis business operations, then:

10 (a) The cannabis business operations may proceed within the limits of the city;
11 and

12 (b) The county, consolidated local government, charter county government, or
13 unified local government may assess an additional reasonable fee to
14 compensate for any additional corrections impact caused by the approval of
15 cannabis business operations. Any additional fees collected pursuant to this
16 subsection shall not exceed the additional corrections impact caused by the
17 approval of cannabis business operations.

18 (9) In circumstances where neither a city or the county, urban-county government,
19 consolidated local government, charter county government, or unified local
20 government in which the city is located prohibit cannabis business operations, a
21 cannabis business that is located within the jurisdiction of both the city and the
22 county shall only pay the reasonable established local fees of either the city or the
23 county. The fee shall be established, assessed, collected, and shared between the
24 city and the county, in a manner to be negotiated between the city and the county.

25 (10) The provisions of general election law shall apply to public questions submitted to
26 voters under this section.

27 ➔SECTION 26. A NEW SECTION OF KRS CHAPTER 218A IS CREATED

1 TO READ AS FOLLOWS:

2 (1) The cabinet shall maintain a confidential list of the persons to whom the cabinet
3 has issued registry identification cards and their addresses, telephone numbers,
4 and registry identification numbers.

5 (2) The cabinet shall, only at a cardholder's request, confirm his or her status as a
6 registered qualified patient, visiting qualified patient, or designated caregiver to a
7 third party, such as a landlord, employer, school, medical professional, or court.

8 (3) The following information received and records kept pursuant to the cabinet's
9 administrative regulations promulgated for purposes of administering Sections 1
10 to 30 of this Act shall be confidential and exempt from the Open Records Act,
11 KRS 61.870 to 61.884, and shall not be subject to disclosure to any individual or
12 public or private entity, except as necessary for authorized employees of the
13 cabinet to perform official duties pursuant to Sections 1 to 30 of this Act:

14 (a) Applications and renewals, their contents, and supporting information
15 submitted by qualified patients, visiting qualified patients, and designated
16 caregivers in compliance with Section 10 of this Act, including information
17 regarding their designated caregivers and medicinal cannabis practitioners;

18 (b) The individual names and other information identifying persons to whom
19 the cabinet has issued registry identification cards;

20 (c) Any dispensing information required to be kept under Section 21 of this Act
21 or the cabinet's administrative regulations which shall only identify
22 cardholders by their registry identification numbers and shall not contain
23 names or other personal identifying information; and

24 (d) Any cabinet hard drives or other data-recording media that are no longer in
25 use and that contain cardholder information. These hard drives and other
26 media shall be destroyed after a reasonable time or after the data is
27 otherwise stored.

1 Data subject to this section shall not be combined or linked in any manner with
2 any other list or database maintained by the cabinet and shall not be used for any
3 purpose not provided for in Sections 1 to 30 of this Act.

4 (4) Nothing in this section shall preclude the following:

5 (a) Notification by the cabinet's employees to state or local law enforcement
6 about falsified or fraudulent information submitted to the cabinet or of
7 other apparently criminal violations of Sections 1 to 30 of this Act if the
8 employee who suspects that falsified or fraudulent information has been
9 submitted has conferred with his or her supervisor and both agree that
10 circumstances exist that warrant reporting;

11 (b) Notification by the cabinet's employees to state licensing board if the
12 cabinet has reasonable suspicion to believe a medicinal cannabis
13 practitioner did not have a bona fide practitioner-patient relationship with a
14 patient for whom he or she signed a written certification, if the cabinet has
15 reasonable suspicion to believe the medicinal cannabis practitioner violated
16 the standard of care, or for other suspected violations of Sections 1 to 30 of
17 this Act by a medicinal cannabis practitioner;

18 (c) Notification by dispensary agents to the cabinet of a suspected violation or
19 attempted violation of Sections 1 to 30 of this Act or the administrative
20 regulations promulgated thereunder;

21 (d) Verification by the cabinet of registry identification cards issued pursuant to
22 Sections 10, 11, and 12 of this Act; and

23 (e) The submission of the report required by Section 3 of this Act to the
24 General Assembly.

25 (5) It shall be a misdemeanor punishable by up to one hundred eighty (180) days in
26 jail for any person, including an employee or official of the cabinet or another
27 state agency or local government, to knowingly breach the confidentiality of

1 information obtained pursuant to Sections 1 to 30 of this Act.

2 ➔SECTION 27. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
3 TO READ AS FOLLOWS:

4 (1) No later than July 1, 2024, the cabinet shall:

5 (a) Ensure that the electronic monitoring system established pursuant to
6 Section 38 of this Act is designed or configured to enable:

7 1. Medicinal cannabis practitioners to record the issuance of written
8 certifications to qualified patients, as required by Section 9 of this Act;

9 2. The cabinet and state licensing boards to monitor the issuance of
10 written certifications by medicinal cannabis practitioners;

11 3. Cabinet personnel, law enforcement personnel, and dispensary agents
12 to verify the validity of registry identification cards issued by the
13 cabinet by entering a registry identification number to determine
14 whether or not the identification number corresponds with a current,
15 valid registry identification card. The system shall only disclose
16 whether the identification card is valid and whether the cardholder is
17 a registered qualified patient, visiting qualified patient, or designated
18 caregiver;

19 4. Law enforcement personnel and dispensary agents to access medicinal
20 cannabis sales data recorded by dispensary agents pursuant to Section
21 21 of this Act;

22 5. Dispensary agents to record the amount of medicinal cannabis that is
23 dispensed to a cardholder during each transaction as required by
24 Section 21 of this Act; and

25 6. The sharing of dispensing data recorded by dispensary agents
26 pursuant to Section 21 of this Act with all dispensaries in real time;

27 (b) Ensure that the electronic monitoring system established pursuant to

1 Section 38 of this Act is designed to facilitate the tracking of medicinal
2 cannabis from the point of cultivation to the point of sale to cardholders;
3 and

4 (c) Promulgate administrative regulations in accordance with KRS Chapter
5 13A to establish:

6 1. Procedures for the issuance, renewal, suspension, and revocation of
7 registry identification cards, including the creation of a standardized:

8 a. Written certification form; and

9 b. Application form which the cabinet shall require to be notarized;

10 2. Procedures for the issuance and revocation of registry identification
11 cards;

12 3. Procedures for the issuance, renewal, suspension, and revocation of
13 cannabis business licenses, including the creation of a uniform
14 licensure application form which the cabinet shall require to be
15 notarized and minimal performance standards for a biennial
16 accreditation process with all such procedures subject to the
17 requirements of KRS Chapters 13A and 13B;

18 4. A convenience fee to be assessed and collected by dispensaries for
19 visiting qualified patients who do not possess a valid registry
20 identification card issued by the cabinet and who purchase medicinal
21 cannabis with an out-of-state registry identification card and
22 documentation of having been diagnosed with a qualifying medical
23 condition. The convenience fee established pursuant to this
24 subparagraph shall not exceed fifteen dollars (\$15) per transaction;

25 5. In collaboration with the Board of Physicians and Advisors, the
26 Kentucky Board of Medical Licensure, the Kentucky Board of
27 Nursing, and the Kentucky Center for Cannabis:

1 a. A definition of the amount of medicinal cannabis or delta-9
2 tetrahydrocannabinol that constitutes a daily supply, an
3 uninterrupted ten (10) day supply, and an uninterrupted thirty
4 (30) day supply of medicinal cannabis; and

5 b. The amount of raw plant material that medicinal cannabis
6 products are considered to be equivalent to;

7 6. A process by which a medicinal cannabis practitioner may
8 recommend, and a registered qualified patient or his or her designated
9 caregiver may legally purchase and possess, an amount of medicinal
10 cannabis in excess of the thirty (30) day supply of medicinal cannabis,
11 if the medicinal cannabis practitioner reasonably believes that the
12 standard thirty (30) day supply would be insufficient in providing the
13 patient with uninterrupted therapeutic or palliative relief;

14 7. Provisions governing the following matters related to cannabis
15 businesses with the goal of protecting against diversion and theft,
16 without imposing any undue burden that would make cannabis
17 business operations unreasonable or impractical on cannabis
18 businesses or compromising the confidentiality of cardholders;

19 a. Recordkeeping and inventory control requirements, including
20 the use of the electronic monitoring systems established pursuant
21 to Section 38 of this Act;

22 b. Procedures for the verification and validation of a registry
23 identification card, or its equivalent, that was issued pursuant to
24 the laws of another state, district, territory, commonwealth, or
25 insular possession of the United States that allows for the use of
26 medicinal cannabis in the jurisdiction of issuance;

27 c. Security requirements for safety compliance facilities,

- 1 processors, producers, dispensaries, and cultivators, which shall
2 include at a minimum lighting, video security, alarm
3 requirements, on-site parking, and measures to prevent loitering;
4 d. Procedures for the secure transportation, including delivery
5 services provided by dispensaries, and storage of medicinal
6 cannabis by cannabis business licensees and their employees or
7 agents;
8 e. Employment and training requirements for licensees and their
9 agents, including requiring each licensee to create an
10 identification badge for each of the licensee's agents or
11 employees; and
12 f. Restrictions on visits to licensed cultivation and processing
13 facilities, including requiring the use of visitor logs;
14 8. Procedures to establish, publish, and annually update a list of varieties
15 of cannabis that possess a low but effective level of
16 tetrahydrocannabinol, including the substance cannabidiol, by
17 comparing percentages of chemical compounds within a given variety
18 against other varieties of cannabis;
19 9. A rating system that tracks the terpene content of at least the twelve
20 (12) major terpenoids within each strain of cannabis available for
21 medicinal use within the Commonwealth;
22 10. Requirements for random sample testing of medicinal cannabis to
23 ensure quality control, including testing for cannabinoids, terpenoids,
24 residual solvents, pesticides, poisons, toxins, mold, mildew, insects,
25 bacteria, and any other dangerous adulterant;
26 11. Requirements for licensed cultivators, producers, and processors to
27 contract with an independent safety compliance facility to test the

1 medicinal cannabis before it is sold at a dispensary. The cabinet may
2 approve the safety compliance facility chosen by a cultivator,
3 producer, or processor and require that the safety compliance facility
4 report test results for a designated quantity of medicinal cannabis to
5 the cultivator, producer, or processor and cabinet;

6 12. Standards for the operation of safety compliance facilities which may
7 include:

8 a. Requirements for equipment;

9 b. Personnel qualifications; and

10 c. Requiring facilities to be accredited by a relevant certifying
11 entity;

12 13. Standards for the packaging and labeling of medicinal cannabis sold
13 or distributed by cannabis businesses which shall comply with 15
14 U.S.C. secs. 1471 to 1476 and shall include:

15 a. Standards for packaging that requires at least a two (2) step
16 process of initial opening;

17 b. A warning label which may include the length of time it typically
18 takes for the product to take effect, how long the effects of the
19 product typically last, and any other information deemed
20 appropriate or necessary by the cabinet;

21 c. The amount of medicinal cannabis the product is considered the
22 equivalent to;

23 d. Disclosing ingredients, possible allergens, and certain bioactive
24 components, including cannabinoids and terpenoids, as
25 determined by the cabinet;

26 e. A nutritional fact panel;

27 f. Opaque, child-resistant packaging;

1 g. A requirement that all raw plant material packaged or sold in
2 this state be marked or labeled as "NOT INTENDED FOR
3 CONSUMPTION BY SMOKING";

4 h. A requirement that medicinal cannabis products be clearly
5 marked with an identifiable and standardized symbol indicating
6 that the product contains cannabis;

7 i. A requirement that all medicinal cannabis product packaging
8 include an expiration date; and

9 j. A requirement that medicinal cannabis products and their
10 packaging not be visually reminiscent of major brands of edible
11 noncannabis products or otherwise present an attractive
12 nuisance to minors;

13 14. Health and safety requirements for the processing of medicinal
14 cannabis and the indoor cultivation of medicinal cannabis by
15 licensees;

16 15. Restrictions on:

17 a. Additives to medicinal cannabis that are toxic, including vitamin
18 E acetate, or increase the likelihood of addiction; and

19 b. Pesticides, fertilizers, and herbicides used during medicinal
20 cannabis cultivation which pose a threat to human health and
21 safety;

22 16. Standards for the safe processing of medicinal cannabis products
23 created by extracting or concentrating compounds from raw plant
24 material;

25 17. Standards for determining the amount of unprocessed raw plant
26 material that medicinal cannabis products are considered the
27 equivalent to;

1 18. Restrictions on advertising, marketing, and signage in regard to
2 operations or establishments owned by licensees necessary to prevent
3 the targeting of minors;

4 19. The requirement that evidence-based educational materials regarding
5 dosage and impairment be disseminated to registered qualified
6 patients, visiting qualified patients, and designated caregivers who
7 purchase medicinal cannabis products;

8 20. Policies governing insurance requirements for cultivators,
9 dispensaries, processors, producers, and safety compliance facilities;
10 and

11 21. Standards, procedures, or restrictions that the cabinet deems
12 necessary to ensure the efficient, transparent, and safe operation of
13 the medicinal cannabis program, except that the cabinet shall not
14 promulgate any administrative regulation that would impose an undue
15 burden or make cannabis business operations unreasonable or
16 impractical.

17 (2) Except as provided in subsection (1)(g) of Section 6 of this Act, subsection (2)(b)
18 of Section 18 of this Act, subsection (2)(d) of Section 21 of this Act, subsection (2)
19 of Section 22 of this Act, subsection (3) of Section 23 of this Act, and subsection
20 (1)(c)10., 13., 15., and 16. of this section, the cabinet shall not restrict or limit
21 methods of delivery, use, or consumption of medicinal cannabis or the types of
22 products that may be acquired, produced, processed, possessed, sold, or
23 distributed by a cannabis business.

24 (3) If a need for additional cannabis cultivation in this state is demonstrated by
25 cannabis businesses or the cabinet's own analysis, the cabinet may through the
26 promulgation of administrative regulations increase the cultivation area square
27 footage limits for either cultivators or producers, or both by up to three (3) times

1 the limits established in Sections 20 and 23 of this Act. Any increase in the
2 cultivation square footage limits adopted by the cabinet pursuant to this section
3 shall not result in an increase in the licensure application or renewal fees
4 established by the cabinet.

5 (4) When promulgating administrative regulations under this section, the cabinet
6 shall consider standards, procedures, and restrictions that have been found to be
7 best practices relative to the use and regulation of medicinal cannabis.

8 ➔SECTION 28. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
9 TO READ AS FOLLOWS:

10 If the Kentucky Center for Cannabis established in KRS 164.983, or its successor,
11 determines that sufficient scientific data and evidence exists to demonstrate that an
12 individual diagnosed with that specific medical condition or disease is likely to receive
13 medical, therapeutic, or palliative benefits from the use of medicinal cannabis, the
14 center shall notify the cabinet, the Kentucky Board of Medical Licensure, and the
15 Kentucky Board of Nursing of its determination and the specific medical condition or
16 disease shall be considered to be a qualifying medical condition as defined in Section 1
17 of this Act.

18 ➔SECTION 29. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
19 TO READ AS FOLLOWS:

20 Nothing in Sections 1 to 30 of this Act shall require a government medical assistance
21 program, private health insurer or workers' compensation carrier, or self-funded
22 employer providing workers' compensation benefits to reimburse a person for costs
23 associated with the use of medicinal cannabis.

24 ➔SECTION 30. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
25 TO READ AS FOLLOWS:

26 The provisions of KRS 138.870 to 138.889 shall not apply to any individual or entity
27 for:

1 (1) Any amount of medicinal cannabis that is necessary or reasonably necessary for
2 use of a license or registry identification card issued by the cabinet; or

3 (2) Any use of medicinal cannabis that complies with Sections 1 to 30 of this Act and
4 any administrative regulations promulgated thereunder.

5 ➔Section 31. KRS 138.870 is amended to read as follows:

6 As used in KRS 138.870 to 138.889, unless the context requires otherwise:

7 (1) "Marijuana":

8 (a) Means marijuana, whether real or counterfeit, as defined in KRS 218A.010;

9 and

10 (b) Does not include medicinal cannabis as defined in Section 1 of this Act.

11 (2) "Controlled substance" means any controlled substance, whether real or counterfeit,
12 as defined in KRS 218A.010 or any regulation promulgated thereunder, except that
13 it shall not include marijuana or medicinal cannabis.

14 (3) "Offender" means a person who engages in this state in a taxable activity as defined
15 in subsection (4) of this section.

16 (4) "Taxable activity" means producing, cultivating, manufacturing, importing,
17 transporting, distributing, acquiring, purchasing, storing, selling, using, or otherwise
18 possessing, in violation of KRS Chapter 218A, more than five (5) marijuana plants
19 with foliage, 42.5 grams of marijuana which has been detached from the plant on
20 which it grew, seven (7) grams of any controlled substance, or fifty (50) or more
21 dosage units of any controlled substance which is not sold by weight. The weight or
22 dosage units in this subsection shall include the weight of marijuana or the weight
23 or dosage units of the controlled substance, whether pure, impure, or diluted. A
24 quantity of a controlled substance is diluted if it consists of a detectable quantity of
25 a pure controlled substance and any excipients or fillers.

26 (5) "Dosage unit" means a tablet, capsule, vial, or ampule of a controlled substance or,
27 in cases of mass volume or diluted quantities, the proper dose or quantity of a

1 controlled substance to be taken all at one (1) time or in fractional amounts within a
2 given period, as defined and adopted by the United States Pharmacopeia.

3 (6) "Possessing" includes either actual possession or constructive possession, or a
4 combination of both actual and constructive possession. Mere possession or
5 ownership of real estate or an interest therein does not establish constructive
6 possession.

7 ➔Section 32. KRS 139.480 is amended to read as follows:

8 Any other provision of this chapter to the contrary notwithstanding, the terms "sale at
9 retail," "retail sale," "use," "storage," and "consumption," as used in this chapter, shall not
10 include the sale, use, storage, or other consumption of:

11 (1) Locomotives or rolling stock, including materials for the construction, repair, or
12 modification thereof, or fuel or supplies for the direct operation of locomotives and
13 trains, used or to be used in interstate commerce;

14 (2) Coal for the manufacture of electricity;

15 (3) (a) All energy or energy-producing fuels used in the course of manufacturing,
16 processing, mining, or refining and any related distribution, transmission, and
17 transportation services for this energy that are billed to the user, to the extent
18 that the cost of the energy or energy-producing fuels used, and related
19 distribution, transmission, and transportation services for this energy that are
20 billed to the user exceed three percent (3%) of the cost of production.

21 (b) Cost of production shall be computed on the basis of a plant facility, which
22 shall include all operations within the continuous, unbroken, integrated
23 manufacturing or industrial processing process that ends with a product
24 packaged and ready for sale.

25 (c) A person who performs a manufacturing or industrial processing activity for a
26 fee and does not take ownership of the tangible personal property that is
27 incorporated into, or becomes the product of, the manufacturing or industrial

1 processing activity is a toller. For periods on or after July 1, 2018, the costs of
2 the tangible personal property shall be excluded from the toller's cost of
3 production at a plant facility with tolling operations in place as of July 1,
4 2018.

5 (d) For plant facilities that begin tolling operations after July 1, 2018, the costs of
6 tangible personal property shall be excluded from the toller's cost of
7 production if the toller:

- 8 1. Maintains a binding contract for periods after July 1, 2018, that governs
9 the terms, conditions, and responsibilities with a separate legal entity,
10 which holds title to the tangible personal property that is incorporated
11 into, or becomes the product of, the manufacturing or industrial
12 processing activity;
- 13 2. Maintains accounting records that show the expenses it incurs to fulfill
14 the binding contract that include but are not limited to energy or energy-
15 producing fuels, materials, labor, procurement, depreciation,
16 maintenance, taxes, administration, and office expenses;
- 17 3. Maintains separate payroll, bank accounts, tax returns, and other records
18 that demonstrate its independent operations in the performance of its
19 tolling responsibilities;
- 20 4. Demonstrates one (1) or more substantial business purposes for the
21 tolling operations germane to the overall manufacturing, industrial
22 processing activities, or corporate structure at the plant facility. A
23 business purpose is a purpose other than the reduction of sales tax
24 liability for the purchases of energy and energy-producing fuels; and
- 25 5. Provides information to the department upon request that documents
26 fulfillment of the requirements in subparagraphs 1. to 4. of this
27 paragraph and gives an overview of its tolling operations with an

1 explanation of how the tolling operations relate and connect with all
2 other manufacturing or industrial processing activities occurring at the
3 plant facility;

4 (4) Livestock of a kind the products of which ordinarily constitute food for human
5 consumption, provided the sales are made for breeding or dairy purposes and by or
6 to a person regularly engaged in the business of farming;

7 (5) Poultry for use in breeding or egg production;

8 (6) Farm work stock for use in farming operations;

9 (7) Seeds, the products of which ordinarily constitute food for human consumption or
10 are to be sold in the regular course of business, and commercial fertilizer to be
11 applied on land, the products from which are to be used for food for human
12 consumption or are to be sold in the regular course of business; provided such sales
13 are made to farmers who are regularly engaged in the occupation of tilling and
14 cultivating the soil for the production of crops as a business, or who are regularly
15 engaged in the occupation of raising and feeding livestock or poultry or producing
16 milk for sale; and provided further that tangible personal property so sold is to be
17 used only by those persons designated above who are so purchasing;

18 (8) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals to be
19 used in the production of crops as a business, or in the raising and feeding of
20 livestock or poultry, the products of which ordinarily constitute food for human
21 consumption;

22 (9) Feed, including pre-mixes and feed additives, for livestock or poultry of a kind the
23 products of which ordinarily constitute food for human consumption;

24 (10) Machinery for new and expanded industry;

25 (11) Farm machinery. As used in this section, the term "farm machinery":

26 (a) Means machinery used exclusively and directly in the occupation of:

27 1. Tilling the soil for the production of crops as a business;

- 1 2. Raising and feeding livestock or poultry for sale; or
- 2 3. Producing milk for sale;
- 3 (b) Includes machinery, attachments, and replacements therefor, repair parts, and
- 4 replacement parts which are used or manufactured for use on, or in the
- 5 operation of farm machinery and which are necessary to the operation of the
- 6 machinery, and are customarily so used, including but not limited to combine
- 7 header wagons, combine header trailers, or any other implements specifically
- 8 designed and used to move or transport a combine head; and
- 9 (c) Does not include:
- 10 1. Automobiles;
- 11 2. Trucks;
- 12 3. Trailers, except combine header trailers; or
- 13 4. Truck-trailer combinations;
- 14 (12) Tombstones and other memorial grave markers;
- 15 (13) On-farm facilities used exclusively for grain or soybean storing, drying, processing,
- 16 or handling. The exemption applies to the equipment, machinery, attachments,
- 17 repair and replacement parts, and any materials incorporated into the construction,
- 18 renovation, or repair of the facilities;
- 19 (14) On-farm facilities used exclusively for raising poultry or livestock. The exemption
- 20 shall apply to the equipment, machinery, attachments, repair and replacement parts,
- 21 and any materials incorporated into the construction, renovation, or repair of the
- 22 facilities. The exemption shall apply but not be limited to vent board equipment,
- 23 waterer and feeding systems, brooding systems, ventilation systems, alarm systems,
- 24 and curtain systems. In addition, the exemption shall apply whether or not the seller
- 25 is under contract to deliver, assemble, and incorporate into real estate the
- 26 equipment, machinery, attachments, repair and replacement parts, and any materials
- 27 incorporated into the construction, renovation, or repair of the facilities;

- 1 (15) Gasoline, special fuels, liquefied petroleum gas, and natural gas used exclusively
2 and directly to:
- 3 (a) Operate farm machinery as defined in subsection (11) of this section;
4 (b) Operate on-farm grain or soybean drying facilities as defined in subsection
5 (13) of this section;
6 (c) Operate on-farm poultry or livestock facilities defined in subsection (14) of
7 this section;
8 (d) Operate on-farm ratite facilities defined in subsection (23) of this section;
9 (e) Operate on-farm llama or alpaca facilities as defined in subsection (25) of this
10 section; or
11 (f) Operate on-farm dairy facilities;
- 12 (16) Textbooks, including related workbooks and other course materials, purchased for
13 use in a course of study conducted by an institution which qualifies as a nonprofit
14 educational institution under KRS 139.495. The term "course materials" means only
15 those items specifically required of all students for a particular course but shall not
16 include notebooks, paper, pencils, calculators, tape recorders, or similar student
17 aids;
- 18 (17) Any property which has been certified as an alcohol production facility as defined
19 in KRS 247.910;
- 20 (18) Aircraft, repair and replacement parts therefor, and supplies, except fuel, for the
21 direct operation of aircraft in interstate commerce and used exclusively for the
22 conveyance of property or passengers for hire. Nominal intrastate use shall not
23 subject the property to the taxes imposed by this chapter;
- 24 (19) Any property which has been certified as a fluidized bed energy production facility
25 as defined in KRS 211.390;
- 26 (20) (a) 1. Any property to be incorporated into the construction, rebuilding,
27 modification, or expansion of a blast furnace or any of its components or

1 appurtenant equipment or structures as part of an approved supplemental
2 project, as defined by KRS 154.26-010; and

3 2. Materials, supplies, and repair or replacement parts purchased for use in
4 the operation and maintenance of a blast furnace and related carbon
5 steel-making operations as part of an approved supplemental project, as
6 defined by KRS 154.26-010.

7 (b) The exemptions provided in this subsection shall be effective for sales made:

8 1. On and after July 1, 2018; and

9 2. During the term of a supplemental project agreement entered into
10 pursuant to KRS 154.26-090;

11 (21) Beginning on October 1, 1986, food or food products purchased for human
12 consumption with food coupons issued by the United States Department of
13 Agriculture pursuant to the Food Stamp Act of 1977, as amended, and required to
14 be exempted by the Food Security Act of 1985 in order for the Commonwealth to
15 continue participation in the federal food stamp program;

16 (22) Machinery or equipment purchased or leased by a business, industry, or
17 organization in order to collect, source separate, compress, bale, shred, or otherwise
18 handle waste materials if the machinery or equipment is primarily used for
19 recycling purposes;

20 (23) Ratite birds and eggs to be used in an agricultural pursuit for the breeding and
21 production of ratite birds, feathers, hides, breeding stock, eggs, meat, and ratite by-
22 products, and the following items used in this agricultural pursuit:

23 (a) Feed and feed additives;

24 (b) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;

25 (c) On-farm facilities, including equipment, machinery, attachments, repair and
26 replacement parts, and any materials incorporated into the construction,
27 renovation, or repair of the facilities. The exemption shall apply to incubation

1 systems, egg processing equipment, waterer and feeding systems, brooding
2 systems, ventilation systems, alarm systems, and curtain systems. In addition,
3 the exemption shall apply whether or not the seller is under contract to
4 deliver, assemble, and incorporate into real estate the equipment, machinery,
5 attachments, repair and replacement parts, and any materials incorporated into
6 the construction, renovation, or repair of the facilities;

7 (24) Embryos and semen that are used in the reproduction of livestock, if the products of
8 these embryos and semen ordinarily constitute food for human consumption, and if
9 the sale is made to a person engaged in the business of farming;

10 (25) Llamas and alpacas to be used as beasts of burden or in an agricultural pursuit for
11 the breeding and production of hides, breeding stock, fiber and wool products,
12 meat, and llama and alpaca by-products, and the following items used in this
13 pursuit:

14 (a) Feed and feed additives;

15 (b) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;
16 and

17 (c) On-farm facilities, including equipment, machinery, attachments, repair and
18 replacement parts, and any materials incorporated into the construction,
19 renovation, or repair of the facilities. The exemption shall apply to waterer
20 and feeding systems, ventilation systems, and alarm systems. In addition, the
21 exemption shall apply whether or not the seller is under contract to deliver,
22 assemble, and incorporate into real estate the equipment, machinery,
23 attachments, repair and replacement parts, and any materials incorporated into
24 the construction, renovation, or repair of the facilities;

25 (26) Baling twine and baling wire for the baling of hay and straw;

26 (27) Water sold to a person regularly engaged in the business of farming and used in the:

27 (a) Production of crops;

1 (b) Production of milk for sale; or

2 (c) Raising and feeding of:

3 1. Livestock or poultry, the products of which ordinarily constitute food
4 for human consumption; or

5 2. Ratites, llamas, alpacas, buffalo, cervids or aquatic organisms;

6 (28) Buffalos to be used as beasts of burden or in an agricultural pursuit for the
7 production of hides, breeding stock, meat, and buffalo by-products, and the
8 following items used in this pursuit:

9 (a) Feed and feed additives;

10 (b) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;

11 (c) On-farm facilities, including equipment, machinery, attachments, repair and
12 replacement parts, and any materials incorporated into the construction,
13 renovation, or repair of the facilities. The exemption shall apply to waterer
14 and feeding systems, ventilation systems, and alarm systems. In addition, the
15 exemption shall apply whether or not the seller is under contract to deliver,
16 assemble, and incorporate into real estate the equipment, machinery,
17 attachments, repair and replacement parts, and any materials incorporated into
18 the construction, renovation, or repair of the facilities;

19 (29) Aquatic organisms sold directly to or raised by a person regularly engaged in the
20 business of producing products of aquaculture, as defined in KRS 260.960, for sale,
21 and the following items used in this pursuit:

22 (a) Feed and feed additives;

23 (b) Water;

24 (c) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;
25 and

26 (d) On-farm facilities, including equipment, machinery, attachments, repair and
27 replacement parts, and any materials incorporated into the construction,

1 renovation, or repair of the facilities and, any gasoline, special fuels, liquefied
2 petroleum gas, or natural gas used to operate the facilities. The exemption
3 shall apply, but not be limited to: waterer and feeding systems; ventilation,
4 aeration, and heating systems; processing and storage systems; production
5 systems such as ponds, tanks, and raceways; harvest and transport equipment
6 and systems; and alarm systems. In addition, the exemption shall apply
7 whether or not the seller is under contract to deliver, assemble, and
8 incorporate into real estate the equipment, machinery, attachments, repair and
9 replacement parts, and any materials incorporated into the construction,
10 renovation, or repair of the facilities;

11 (30) Members of the genus cervidae permitted by KRS Chapter 150 that are used for the
12 production of hides, breeding stock, meat, and cervid by-products, and the
13 following items used in this pursuit:

- 14 (a) Feed and feed additives;
- 15 (b) Insecticides, fungicides, herbicides, rodenticides, and other chemicals; and
- 16 (c) On-site facilities, including equipment, machinery, attachments, repair and
17 replacement parts, and any materials incorporated into the construction,
18 renovation, or repair of the facilities. In addition, the exemption shall apply
19 whether or not the seller is under contract to deliver, assemble, and
20 incorporate into real estate the equipment, machinery, attachments, repair and
21 replacement parts, and any materials incorporated into the construction,
22 renovation, or repair of the facilities;

23 (31) (a) Repair or replacement parts for the direct operation or maintenance of a motor
24 vehicle, including any towed unit, used exclusively in interstate commerce for
25 the conveyance of property or passengers for hire, provided the motor vehicle
26 is licensed for use on the highway and its declared gross vehicle weight with
27 any towed unit is forty-four thousand and one (44,001) pounds or greater.

1 Nominal intrastate use shall not subject the property to the taxes imposed by
2 this chapter;

3 (b) Repair or replacement parts for the direct operation and maintenance of a
4 motor vehicle operating under a charter bus certificate issued by the
5 Transportation Cabinet under KRS Chapter 281, or under similar authority
6 granted by the United States Department of Transportation; and

7 (c) For the purposes of this subsection, "repair or replacement parts" means tires,
8 brakes, engines, transmissions, drive trains, chassis, body parts, and their
9 components. "Repair or replacement parts" shall not include fuel, machine
10 oils, hydraulic fluid, brake fluid, grease, supplies, or accessories not essential
11 to the operation of the motor vehicle itself, except when sold as part of the
12 assembled unit, such as cigarette lighters, radios, lighting fixtures not
13 otherwise required by the manufacturer for operation of the vehicle, or tool or
14 utility boxes;

15 (32) Food donated by a retail food establishment or any other entity regulated under
16 KRS 217.127 to a nonprofit organization for distribution to the needy;~~and~~

17 (33) Drugs and over-the counter drugs, as defined in KRS 139.472, that are purchased
18 by a person regularly engaged in the business of farming and used in the treatment
19 of cattle, sheep, goats, swine, poultry, ratite birds, llamas, alpacas, buffalo, aquatic
20 organisms, or cervids; and

21 **(34) Medicinal cannabis as defined in Section 1 of this Act when sold, used, stored, or**
22 **consumed in accordance with Sections 1 to 30 of this Act.**

23 ➔Section 33. KRS 216B.402 is amended to read as follows:

24 **(1)** When a person is admitted to a hospital emergency department or hospital
25 emergency room for treatment of a drug overdose:

26 **(a)**~~**(1)**~~ The person shall be informed of available substance use disorder
27 treatment services known to the hospital that are provided by that hospital,

1 other local hospitals, the local community mental health center, and any other
2 local treatment programs licensed pursuant to KRS 222.231;

3 ~~(b)(2)~~ The hospital may obtain permission from the person when stabilized, or
4 the person's legal representative, to contact any available substance use
5 disorder treatment programs offered by that hospital, other local hospitals, the
6 local community mental health center, or any other local treatment programs
7 licensed pursuant to KRS 222.231, on behalf of the person to connect him or
8 her to treatment; and

9 ~~(c)(3)~~ The local community mental health center may provide an on-call
10 service in the hospital emergency department or hospital emergency room for
11 the person who was treated for a drug overdose to provide information about
12 services and connect the person to substance use disorder treatment, as funds
13 are available. These services, when provided on the grounds of a hospital,
14 shall be coordinated with appropriate hospital staff.

15 **(2) When a person, who is a registered qualified patient or a visiting qualified patient**
16 **as defined in Section 1 of this Act, is admitted to a hospital emergency department**
17 **or a hospital emergency room for treatment of cannabinoid hyperemesis**
18 **syndrome, the hospital shall notify the cabinet within forty-eight (48) hours.**
19 **Notification shall include the registered qualified patient's or a visiting qualified**
20 **patient's name and registry identification card number, if available. The cabinet**
21 **shall record all cases of cannabinoid hyperemesis syndrome in the electronic**
22 **monitoring system established pursuant to Section 38 of this Act.**

23 ➔Section 34. KRS 218A.010 is amended to read as follows:

24 As used in this chapter, **unless the context otherwise requires:**

25 (1) "Administer" means the direct application of a controlled substance, whether by
26 injection, inhalation, ingestion, or any other means, to the body of a patient or
27 research subject by:

- 1 (a) A practitioner or by his or her authorized agent under his or her immediate
2 supervision and pursuant to his or her order; or
- 3 (b) The patient or research subject at the direction and in the presence of the
4 practitioner;
- 5 (2) "Anabolic steroid" means any drug or hormonal substance chemically and
6 pharmacologically related to testosterone that promotes muscle growth and includes
7 those substances classified as Schedule III controlled substances pursuant to KRS
8 218A.020 but does not include estrogens, progestins, and anticosteroids;
- 9 (3) "Cabinet" means the Cabinet for Health and Family Services;
- 10 (4) "Carfentanil" means any substance containing any quantity of carfentanil, or any of
11 its salts, isomers, or salts of isomers;
- 12 (5) "Certified community based palliative care program" means a palliative care
13 program which has received certification from the Joint Commission;
- 14 (6) "Child" means any person under the age of majority as specified in KRS 2.015;
- 15 (7) "Cocaine" means a substance containing any quantity of cocaine, its salts, optical
16 and geometric isomers, and salts of isomers;
- 17 (8) "Controlled substance" means methamphetamine, or a drug, substance, or
18 immediate precursor in Schedules I through V and includes a controlled substance
19 analogue;
- 20 (9) (a) "Controlled substance analogue," except as provided in paragraph (b) of this
21 subsection, means a substance:
- 22 1. The chemical structure of which is substantially similar to the structure
23 of a controlled substance in Schedule I or II; and
- 24 2. Which has a stimulant, depressant, or hallucinogenic effect on the
25 central nervous system that is substantially similar to or greater than the
26 stimulant, depressant, or hallucinogenic effect on the central nervous
27 system of a controlled substance in Schedule I or II; or

- 1 3. With respect to a particular person, which such person represents or
2 intends to have a stimulant, depressant, or hallucinogenic effect on the
3 central nervous system that is substantially similar to or greater than the
4 stimulant, depressant, or hallucinogenic effect on the central nervous
5 system of a controlled substance in Schedule I or II.
- 6 (b) Such term does not include:
- 7 1. Any substance for which there is an approved new drug application;
- 8 2. With respect to a particular person, any substance if an exemption is in
9 effect for investigational use for that person pursuant to federal law to
10 the extent conduct with respect to such substance is pursuant to such
11 exemption; or
- 12 3. Any substance to the extent not intended for human consumption before
13 the exemption described in subparagraph 2. of this paragraph takes
14 effect with respect to that substance;
- 15 (10) "Counterfeit substance" means a controlled substance which, or the container or
16 labeling of which, without authorization, bears the trademark, trade name, or other
17 identifying mark, imprint, number, or device, or any likeness thereof, of a
18 manufacturer, distributor, or dispenser other than the person who in fact
19 manufactured, distributed, or dispensed the substance;
- 20 (11) "Dispense" means to deliver a controlled substance to an ultimate user or research
21 subject by or pursuant to the lawful order of a practitioner, including the packaging,
22 labeling, or compounding necessary to prepare the substance for that delivery;
- 23 (12) "Dispenser" means a person who lawfully dispenses a Schedule II, III, IV, or V
24 controlled substance to or for the use of an ultimate user;
- 25 (13) "Distribute" means to deliver other than by administering or dispensing a controlled
26 substance;
- 27 (14) "Dosage unit" means a single pill, capsule, ampule, liquid, or other form of

1 administration available as a single unit;

2 (15) "Drug" means:

3 (a) Substances recognized as drugs in the official United States Pharmacopoeia,
4 official Homeopathic Pharmacopoeia of the United States, or official National
5 Formulary, or any supplement to any of them;

6 (b) Substances intended for use in the diagnosis, care, mitigation, treatment, or
7 prevention of disease in man or animals;

8 (c) Substances (other than food) intended to affect the structure or any function of
9 the body of man or animals; and

10 (d) Substances intended for use as a component of any article specified in this
11 subsection.

12 It does not include devices or their components, parts, or accessories;

13 (16) "Fentanyl" means a substance containing any quantity of fentanyl, or any of its
14 salts, isomers, or salts of isomers;

15 (17) "Fentanyl derivative" means a substance containing any quantity of any chemical
16 compound, except compounds specifically scheduled as controlled substances by
17 statute or by administrative regulation pursuant to this chapter, which is structurally
18 derived from 1-ethyl-4-(N-phenylamido) piperadine:

19 (a) By substitution:

20 1. At the 2-position of the 1-ethyl group with a phenyl, furan, thiophene, or
21 ethyloxotetrazole ring system; and

22 2. Of the terminal amido hydrogen atom with an alkyl, alkoxy, cycloalkyl,
23 or furanyl group; and

24 (b) Which may be further modified in one (1) or more of the following ways:

25 1. By substitution on the N-phenyl ring to any extent with alkyl, alkoxy,
26 haloalkyl, hydroxyl, or halide substituents;

27 2. By substitution on the piperadine ring to any extent with alkyl, allyl,

1 alkoxy, hydroxy, or halide substituents at the 2-, 3-, 5-, and/or 6-
2 positions;

3 3. By substitution on the piperadine ring to any extent with a phenyl,
4 alkoxy, or carboxylate ester substituent at the 4- position; or

5 4. By substitution on the 1-ethyl group to any extent with alkyl, alkoxy, or
6 hydroxy substituents;

7 (18) "Good faith prior examination," as used in KRS Chapter 218A and for criminal
8 prosecution only, means an in-person medical examination of the patient conducted
9 by the prescribing practitioner or other health-care professional routinely relied
10 upon in the ordinary course of his or her practice, at which time the patient is
11 physically examined and a medical history of the patient is obtained. "In-person"
12 includes telehealth examinations. This subsection shall not be applicable to hospice
13 providers licensed pursuant to KRS Chapter 216B;

14 (19) "Hazardous chemical substance" includes any chemical substance used or intended
15 for use in the illegal manufacture of a controlled substance as defined in this section
16 or the illegal manufacture of methamphetamine as defined in KRS 218A.1431,
17 which:

18 (a) Poses an explosion hazard;

19 (b) Poses a fire hazard; or

20 (c) Is poisonous or injurious if handled, swallowed, or inhaled;

21 (20) "Heroin" means a substance containing any quantity of heroin, or any of its salts,
22 isomers, or salts of isomers;

23 (21) "Hydrocodone combination product" means a drug with:

24 (a) Not more than three hundred (300) milligrams of dihydrocodeinone, or any of
25 its salts, per one hundred (100) milliliters or not more than fifteen (15)
26 milligrams per dosage unit, with a fourfold or greater quantity of an
27 isoquinoline alkaloid of opium; or

- 1 (b) Not more than three hundred (300) milligrams of dihydrocodeinone, or any of
2 its salts, per one hundred (100) milliliters or not more than fifteen (15)
3 milligrams per dosage unit, with one (1) or more active, nonnarcotic
4 ingredients in recognized therapeutic amounts;
- 5 (22) "Immediate precursor" means a substance which is the principal compound
6 commonly used or produced primarily for use, and which is an immediate chemical
7 intermediary used or likely to be used in the manufacture of a controlled substance
8 or methamphetamine, the control of which is necessary to prevent, curtail, or limit
9 manufacture;
- 10 (23) "Industrial hemp" has the same meaning as in KRS 260.850;
- 11 (24) "Industrial hemp products" has the same meaning as in KRS 260.850;
- 12 (25) "Intent to manufacture" means any evidence which demonstrates a person's
13 conscious objective to manufacture a controlled substance or methamphetamine.
14 Such evidence includes but is not limited to statements and a chemical substance's
15 usage, quantity, manner of storage, or proximity to other chemical substances or
16 equipment used to manufacture a controlled substance or methamphetamine;
- 17 (26) "Isomer" means the optical isomer, except the Cabinet for Health and Family
18 Services may include the optical, positional, or geometric isomer to classify any
19 substance pursuant to KRS 218A.020;
- 20 (27) "Manufacture," except as provided in KRS 218A.1431, means the production,
21 preparation, propagation, compounding, conversion, or processing of a controlled
22 substance, either directly or indirectly by extraction from substances of natural
23 origin or independently by means of chemical synthesis, or by a combination of
24 extraction and chemical synthesis, and includes any packaging or repackaging of
25 the substance or labeling or relabeling of its container except that this term does not
26 include activities:
- 27 (a) By a practitioner as an incident to his or her administering or dispensing of a

- 1 controlled substance in the course of his or her professional practice;
- 2 (b) By a practitioner, or by his or her authorized agent under his supervision, for
- 3 the purpose of, or as an incident to, research, teaching, or chemical analysis
- 4 and not for sale; or
- 5 (c) By a pharmacist as an incident to his or her dispensing of a controlled
- 6 substance in the course of his or her professional practice;
- 7 (28) "Marijuana" means all parts of the plant *Cannabis* sp., whether growing or not; the
- 8 seeds thereof; the resin extracted from any part of the plant; and every compound,
- 9 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin
- 10 or any compound, mixture, or preparation which contains any quantity of these
- 11 substances. The term "marijuana" does not include:
- 12 (a) Industrial hemp that is in the possession, custody, or control of a person who
- 13 holds a license issued by the Department of Agriculture permitting that person
- 14 to cultivate, handle, or process industrial hemp;
- 15 (b) Industrial hemp products that do not include any living plants, viable seeds,
- 16 leaf materials, or floral materials;
- 17 (c) The substance cannabidiol, when transferred, dispensed, or administered
- 18 pursuant to the written order of a physician practicing at a hospital or
- 19 associated clinic affiliated with a Kentucky public university having a college
- 20 or school of medicine;
- 21 (d) For persons participating in a clinical trial or in an expanded access program,
- 22 a drug or substance approved for the use of those participants by the United
- 23 States Food and Drug Administration;
- 24 (e) A cannabidiol product derived from industrial hemp, as defined in KRS
- 25 260.850;
- 26 (f) For the purpose of conducting scientific research, a cannabinoid product
- 27 derived from industrial hemp, as defined in KRS 260.850;~~[-or]~~

1 (g) A cannabinoid product approved as a prescription medication by the United
2 States Food and Drug Administration; or

3 (h) Medicinal cannabis as defined in Section 1 of this Act;

4 (29) "Medical history," as used in KRS Chapter 218A and for criminal prosecution only,
5 means an accounting of a patient's medical background, including but not limited to
6 prior medical conditions, prescriptions, and family background;

7 (30) "Medical order," as used in KRS Chapter 218A and for criminal prosecution only,
8 means a lawful order of a specifically identified practitioner for a specifically
9 identified patient for the patient's health-care needs. "Medical order" may or may
10 not include a prescription drug order;

11 (31) "Medical record," as used in KRS Chapter 218A and for criminal prosecution only,
12 means a record, other than for financial or billing purposes, relating to a patient,
13 kept by a practitioner as a result of the practitioner-patient relationship;

14 (32) "Methamphetamine" means any substance that contains any quantity of
15 methamphetamine, or any of its salts, isomers, or salts of isomers;

16 (33) "Narcotic drug" means any of the following, whether produced directly or indirectly
17 by extraction from substances of vegetable origin, or independently by means of
18 chemical synthesis, or by a combination of extraction and chemical synthesis:

19 (a) Opium and opiate, and any salt, compound, derivative, or preparation of
20 opium or opiate;

21 (b) Any salt, compound, isomer, derivative, or preparation thereof which is
22 chemically equivalent or identical with any of the substances referred to in
23 paragraph (a) of this subsection, but not including the isoquinoline alkaloids
24 of opium;

25 (c) Opium poppy and poppy straw;

26 (d) Coca leaves, except coca leaves and extracts of coca leaves from which
27 cocaine, ecgonine, and derivatives of ecgonine or their salts have been

1 removed;

2 (e) Cocaine, its salts, optical and geometric isomers, and salts of isomers;

3 (f) Ecgonine, its derivatives, their salts, isomers, and salts of isomers; and

4 (g) Any compound, mixture, or preparation which contains any quantity of any of
5 the substances referred to in paragraphs (a) to (f) of this subsection;

6 (34) "Opiate" means any substance having an addiction-forming or addiction-sustaining
7 liability similar to morphine or being capable of conversion into a drug having
8 addiction-forming or addiction-sustaining liability. It does not include, unless
9 specifically designated as controlled under KRS 218A.020, the dextrorotatory
10 isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). It does
11 include its racemic and levorotatory forms;

12 (35) "Opium poppy" means the plant of the species *papaver somniferum* L., except its
13 seeds;

14 (36) "Person" means individual, corporation, government or governmental subdivision
15 or agency, business trust, estate, trust, partnership or association, or any other legal
16 entity;

17 (37) "Physical injury" has the same meaning it has in KRS 500.080;

18 (38) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing;

19 (39) "Pharmacist" means a natural person licensed by this state to engage in the practice
20 of the profession of pharmacy;

21 (40) "Practitioner" means a physician, dentist, podiatrist, veterinarian, scientific
22 investigator, optometrist as authorized in KRS 320.240, advanced practice
23 registered nurse as authorized under KRS 314.011, physician assistant as authorized
24 under KRS 311.858, or other person licensed, registered, or otherwise permitted by
25 state or federal law to acquire, distribute, dispense, conduct research with respect to,
26 or to administer a controlled substance in the course of professional practice or
27 research in this state. "Practitioner" also includes a physician, dentist, podiatrist,

1 veterinarian, or advanced practice registered nurse authorized under KRS 314.011
2 who is a resident of and actively practicing in a state other than Kentucky and who
3 is licensed and has prescriptive authority for controlled substances under the
4 professional licensing laws of another state, unless the person's Kentucky license
5 has been revoked, suspended, restricted, or probated, in which case the terms of the
6 Kentucky license shall prevail;

7 (41) "Practitioner-patient relationship," as used in KRS Chapter 218A and for criminal
8 prosecution only, means a medical relationship that exists between a patient and a
9 practitioner or the practitioner's designee, after the practitioner or his or her
10 designee has conducted at least one (1) good faith prior examination;

11 (42) "Prescription" means a written, electronic, or oral order for a drug or medicine, or
12 combination or mixture of drugs or medicines, or proprietary preparation, signed or
13 given or authorized by a medical, dental, chiropody, veterinarian, optometric
14 practitioner, or advanced practice registered nurse, and intended for use in the
15 diagnosis, cure, mitigation, treatment, or prevention of disease in man or other
16 animals;

17 (43) "Prescription blank," with reference to a controlled substance, means a document
18 that meets the requirements of KRS 218A.204 and 217.216;

19 (44) "Presumptive probation" means a sentence of probation not to exceed the maximum
20 term specified for the offense, subject to conditions otherwise authorized by law,
21 that is presumed to be the appropriate sentence for certain offenses designated in
22 this chapter, notwithstanding contrary provisions of KRS Chapter 533. That
23 presumption shall only be overcome by a finding on the record by the sentencing
24 court of substantial and compelling reasons why the defendant cannot be safely and
25 effectively supervised in the community, is not amenable to community-based
26 treatment, or poses a significant risk to public safety;

27 (45) "Production" includes the manufacture, planting, cultivation, growing, or harvesting

- 1 of a controlled substance;
- 2 (46) "Recovery program" means an evidence-based, nonclinical service that assists
3 individuals and families working toward sustained recovery from substance use and
4 other criminal risk factors. This can be done through an array of support programs
5 and services that are delivered through residential and nonresidential means;
- 6 (47) "Salvia" means *Salvia divinorum* or Salvinorin A and includes all parts of the plant
7 presently classified botanically as *Salvia divinorum*, whether growing or not, the
8 seeds thereof, any extract from any part of that plant, and every compound,
9 manufacture, derivative, mixture, or preparation of that plant, its seeds, or its
10 extracts, including salts, isomers, and salts of isomers whenever the existence of
11 such salts, isomers, and salts of isomers is possible within the specific chemical
12 designation of that plant, its seeds, or extracts. The term shall not include any other
13 species in the genus *salvia*;
- 14 (48) "Second or subsequent offense" means that for the purposes of this chapter an
15 offense is considered as a second or subsequent offense, if, prior to his or her
16 conviction of the offense, the offender has at any time been convicted under this
17 chapter, or under any statute of the United States, or of any state relating to
18 substances classified as controlled substances or counterfeit substances, except that
19 a prior conviction for a nontrafficking offense shall be treated as a prior offense
20 only when the subsequent offense is a nontrafficking offense. For the purposes of
21 this section, a conviction voided under KRS 218A.275 or 218A.276 shall not
22 constitute a conviction under this chapter;
- 23 (49) "Sell" means to dispose of a controlled substance to another person for
24 consideration or in furtherance of commercial distribution;
- 25 (50) "Serious physical injury" has the same meaning it has in KRS 500.080;
- 26 (51) "Synthetic cannabinoids or piperazines" means any chemical compound which is
27 not approved by the United States Food and Drug Administration or, if approved,

1 which is not dispensed or possessed in accordance with state and federal law, that
2 contains Benzylpiperazine (BZP); Trifluoromethylphenylpiperazine (TFMPP); 1,1-
3 Dimethylheptyl-11-hydroxytetrahydrocannabinol (HU-210); 1-Butyl-3-(1-
4 naphthoyl)indole; 1-Pentyl-3-(1-naphthoyl)indole; dexanabinol (HU-211); or any
5 compound in the following structural classes:

6 (a) Naphthoylindoles: Any compound containing a 3-(1-naphthoyl)indole
7 structure with substitution at the nitrogen atom of the indole ring by an alkyl,
8 haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-
9 piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group, whether or not further
10 substituted in the indole ring to any extent and whether or not substituted in
11 the naphthyl ring to any extent. Examples of this structural class include but
12 are not limited to JWH-015, JWH-018, JWH-019, JWH-073, JWH-081, JWH-
13 122, JWH-200, and AM-2201;

14 (b) Phenylacetylindoles: Any compound containing a 3-phenylacetylindole
15 structure with substitution at the nitrogen atom of the indole ring by an alkyl,
16 haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-
17 piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group whether or not further
18 substituted in the indole ring to any extent and whether or not substituted in
19 the phenyl ring to any extent. Examples of this structural class include but are
20 not limited to JWH-167, JWH-250, JWH-251, and RCS-8;

21 (c) Benzoylindoles: Any compound containing a 3-(benzoyl)indole structure with
22 substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl,
23 alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-
24 piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group whether or not further
25 substituted in the indole ring to any extent and whether or not substituted in
26 the phenyl ring to any extent. Examples of this structural class include but are
27 not limited to AM-630, AM-2233, AM-694, Pravadoline (WIN 48,098), and

1 RCS-4;

2 (d) Cyclohexylphenols: Any compound containing a 2-(3-
3 hydroxycyclohexyl)phenol structure with substitution at the 5-position of the
4 phenolic ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl,
5 cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl
6 group whether or not substituted in the cyclohexyl ring to any extent.
7 Examples of this structural class include but are not limited to CP 47,497 and
8 its C8 homologue (cannabicyclohexanol);

9 (e) Naphthylmethylinroles: Any compound containing a 1H-indol-3-yl-(1-
10 naphthyl)methane structure with substitution at the nitrogen atom of the
11 indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl,
12 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group whether
13 or not further substituted in the indole ring to any extent and whether or not
14 substituted in the naphthyl ring to any extent. Examples of this structural class
15 include but are not limited to JWH-175, JWH-184, and JWH-185;

16 (f) Naphthoylpyrroles: Any compound containing a 3-(1-naphthoyl)pyrrole
17 structure with substitution at the nitrogen atom of the pyrrole ring by an alkyl,
18 haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-
19 piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group whether or not further
20 substituted in the pyrrole ring to any extent and whether or not substituted in
21 the naphthyl ring to any extent. Examples of this structural class include but
22 are not limited to JWH-030, JWH-145, JWH-146, JWH-307, and JWH-368;

23 (g) Naphthylmethylindenes: Any compound containing a 1-(1-
24 naphthylmethyl)indene structure with substitution at the 3-position of the
25 indene ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl,
26 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group whether
27 or not further substituted in the indene ring to any extent and whether or not

- 1 substituted in the naphthyl ring to any extent. Examples of this structural class
2 include but are not limited to JWH-176;
- 3 (h) Tetramethylcyclopropanoylindoles: Any compound containing a 3-(1-
4 tetramethylcyclopropoyl)indole structure with substitution at the nitrogen
5 atom of the indole ring by an alkyl, haloalkyl, cycloalkylmethyl,
6 cycloalkylethyl, 1-(N-methyl-2-piperidiny)methyl, or 2-(4-morpholinyl)ethyl
7 group, whether or not further substituted in the indole ring to any extent and
8 whether or not further substituted in the tetramethylcyclopropyl ring to any
9 extent. Examples of this structural class include but are not limited to UR-144
10 and XLR-11;
- 11 (i) Adamantoylindoles: Any compound containing a 3-(1-adamantoyl)indole
12 structure with substitution at the nitrogen atom of the indole ring by an alkyl,
13 haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-
14 piperidiny)methyl, or 2-(4-morpholinyl)ethyl group, whether or not further
15 substituted in the indole ring to any extent and whether or not substituted in
16 the adamantyl ring system to any extent. Examples of this structural class
17 include but are not limited to AB-001 and AM-1248; or
- 18 (j) Any other synthetic cannabinoid or piperazine which is not approved by the
19 United States Food and Drug Administration or, if approved, which is not
20 dispensed or possessed in accordance with state and federal law;
- 21 (52) "Synthetic cathinones" means any chemical compound which is not approved by
22 the United States Food and Drug Administration or, if approved, which is not
23 dispensed or possessed in accordance with state and federal law (not including
24 bupropion or compounds listed under a different schedule) structurally derived from
25 2-aminopropan-1-one by substitution at the 1-position with either phenyl, naphthyl,
26 or thiophene ring systems, whether or not the compound is further modified in one
27 (1) or more of the following ways:

- 1 (a) By substitution in the ring system to any extent with alkyl, alkylendioxy,
2 alkoxy, haloalkyl, hydroxyl, or halide substituents, whether or not further
3 substituted in the ring system by one (1) or more other univalent substituents.
4 Examples of this class include but are not limited to 3,4-
5 Methylenedioxcathinone (bk-MDA);
- 6 (b) By substitution at the 3-position with an acyclic alkyl substituent. Examples
7 of this class include but are not limited to 2-methylamino-1-phenylbutan-1-
8 one (buphedrone);
- 9 (c) By substitution at the 2-amino nitrogen atom with alkyl, dialkyl, benzyl, or
10 methoxybenzyl groups, or by inclusion of the 2-amino nitrogen atom in a
11 cyclic structure. Examples of this class include but are not limited to
12 Dimethylcathinone, Ethcathinone, and α -Pyrrolidinopropiophenone (α -PPP);
13 or
- 14 (d) Any other synthetic cathinone which is not approved by the United States
15 Food and Drug Administration or, if approved, is not dispensed or possessed
16 in accordance with state or federal law;
- 17 (53) "Synthetic drugs" means any synthetic cannabinoids or piperazines or any synthetic
18 cathinones;
- 19 (54) "Telehealth" has the same meaning it has in KRS 211.332~~[311.550]~~;
- 20 (55) "Tetrahydrocannabinols" means synthetic equivalents of the substances contained
21 in the plant, or in the resinous extractives of the plant Cannabis, sp. or synthetic
22 substances, derivatives, and their isomers with similar chemical structure and
23 pharmacological activity such as the following:
- 24 (a) Delta 1 cis or trans tetrahydrocannabinol, and their optical isomers;
- 25 (b) Delta 6 cis or trans tetrahydrocannabinol, and their optical isomers; and
- 26 (c) Delta 3, 4 cis or trans tetrahydrocannabinol, and its optical isomers;
- 27 (56) "Traffic," except as provided in KRS 218A.1431, means to manufacture, distribute,

1 dispense, sell, transfer, or possess with intent to manufacture, distribute, dispense,
2 or sell a controlled substance;

3 (57) "Transfer" means to dispose of a controlled substance to another person without
4 consideration and not in furtherance of commercial distribution; and

5 (58) "Ultimate user" means a person who lawfully possesses a controlled substance for
6 his or her own use or for the use of a member of his or her household or for
7 administering to an animal owned by him or her or by a member of his or her
8 household.

9 ➔Section 35. KRS 218A.1421 is amended to read as follows:

10 (1) A person is guilty of trafficking in marijuana when he or she knowingly and
11 unlawfully traffics in marijuana, and the trafficking is not in compliance with, or
12 otherwise authorized by, Sections 1 to 30 of this Act.

13 (2) Unless authorized by Sections 1 to 30 of this Act, trafficking in less than eight (8)
14 ounces of marijuana is:

15 (a) For a first offense a Class A misdemeanor.

16 (b) For a second or subsequent offense a Class D felony.

17 (3) Unless authorized by Sections 1 to 30 of this Act, trafficking in eight (8) or more
18 ounces but less than five (5) pounds of marijuana is:

19 (a) For a first offense a Class D felony.

20 (b) For a second or subsequent offense a Class C felony.

21 (4) Unless authorized by Sections 1 to 30 of this Act, trafficking in five (5) or more
22 pounds of marijuana is:

23 (a) For a first offense a Class C felony.

24 (b) For a second or subsequent offense a Class B felony.

25 (5) Unless authorized by Sections 1 to 30 of this Act, the unlawful possession by any
26 person of eight (8) or more ounces of marijuana shall be prima facie evidence that
27 the person possessed the marijuana with the intent to sell or transfer it.

1 **(6) This section does not apply to:**

2 **(a) A cannabis business or a cannabis business agent, as defined in Section 1**
3 **of this Act, when acting in compliance with Sections 1 to 30 of this Act; or**

4 **(b) A cardholder, as defined in Section 1 of this Act, whose use of medicinal**
5 **cannabis is in compliance with Sections 1 to 30 of this Act.**

6 ➔Section 36. KRS 218A.1422 is amended to read as follows:

7 (1) A person is guilty of possession of marijuana when he or she knowingly and
8 unlawfully possesses marijuana, **and the possession is not in compliance with, or**
9 **otherwise authorized by, Sections 1 to 30 of this Act.**

10 (2) Possession of marijuana is a Class B misdemeanor, except that, KRS Chapter 532
11 to the contrary notwithstanding, the maximum term of incarceration shall be no
12 greater than forty-five (45) days.

13 **(3) This section does not apply to:**

14 **(a) A cannabis business or a cannabis business agent, as defined in Section 1**
15 **of this Act, when acting in compliance with Sections 1 to 30 of this Act; or**

16 **(b) A cardholder, as defined in Section 1 of this Act, whose use of medicinal**
17 **cannabis is in compliance with Sections 1 to 30 of this Act.**

18 ➔Section 37. KRS 218A.1423 is amended to read as follows:

19 (1) A person is guilty of marijuana cultivation when he **or she** knowingly and
20 unlawfully plants, cultivates, or harvests marijuana with the intent to sell or transfer
21 it, **and the cultivation is not in compliance with, or otherwise authorized by,**
22 **Sections 1 to 30 of this Act.**

23 (2) **Unless authorized by Sections 1 to 30 of this Act,** marijuana cultivation of five (5)
24 or more plants of marijuana is:

25 (a) For a first offense a Class D felony.

26 (b) For a second or subsequent offense a Class C felony.

27 (3) **Unless authorized by Sections 1 to 30 of this Act,** marijuana cultivation of fewer

1 than five (5) plants is:

2 (a) For a first offense a Class A misdemeanor.

3 (b) For a second or subsequent offense a Class D felony.

4 (4) Unless authorized by Sections 1 to 30 of this Act, the planting, cultivating, or
5 harvesting of five (5) or more marijuana plants shall be prima facie evidence that
6 the marijuana plants were planted, cultivated, or harvested for the purpose of sale or
7 transfer.

8 (5) This section does not apply to a cannabis business or a cannabis business agent,
9 as defined in Section 1 of this Act, when acting in compliance with Sections 1 to
10 30 of this Act.

11 ➔Section 38. KRS 218A.202 is amended to read as follows:

12 (1) As used in this section:

13 (a) "Cabinet" means the cabinet for Health and Family Services;

14 (b) "Cannabis business" has the same meaning as in Section 1 of this Act;

15 (c) "Controlled substance" means any Schedule II, III, IV, or V controlled
16 substance and does not include medicinal cannabis;

17 (d) "Dispensary" has the same meaning as in Section 1 of this Act;

18 (e) "Dispensary agent" has the same meaning as in Section 1 of this Act;

19 (f) "Disqualifying felony offense" has the same meaning as in Section 1 of this
20 Act;

21 (g) "Medicinal cannabis" has the same meaning as in Section 1 of this Act;

22 (h) "Medical cannabis practitioner" has the same meaning as in Section 1 of
23 this Act;

24 (i) "Registry identification card" has the same meaning as in Section 1 of this
25 Act;

26 (j) "State licensing board" has the same meaning as in Section 1 of this Act;

27 (k) "Use of medicinal cannabis" has the same meaning as in Section 1 of this

1 Act; and

2 (l) "Written certification" has the same meaning as in Section 1 of this Act.

3 (2) The cabinet~~[for Health and Family Services]~~ shall establish and maintain an
4 electronic system for monitoring Schedules II, III, IV, and V controlled substances
5 and medicinal cannabis. The cabinet may contract for the design, upgrade, or
6 operation of this system if the contract preserves all of the rights, privileges, and
7 protections guaranteed to Kentucky citizens under this chapter and the contract
8 requires that all other aspects of the system be operated in conformity with the
9 requirements of this or any other applicable state or federal law.

10 (3)(2) For the purpose of monitoring the prescribing and dispensing of Schedule
11 II, III, IV, or V controlled substances:

12 (a) A practitioner or a pharmacist authorized to prescribe or dispense controlled
13 substances to humans shall register with the cabinet to use the system
14 provided for in this section and shall maintain such registration continuously
15 during the practitioner's or pharmacist's term of licensure and shall not have to
16 pay a fee or tax specifically dedicated to the operation of the system;~~[-]~~

17 (b)(3) Every practitioner or pharmacy which dispenses a controlled substance
18 to a person in Kentucky, or to a person at an address in Kentucky, shall report
19 to the cabinet ~~[for Health and Family Services]~~ the data required by this
20 section, which includes the reporting of any Schedule II controlled substance
21 dispensed at a facility licensed by the cabinet and a Schedule II through
22 Schedule V controlled substance regardless of dosage when dispensed by the
23 emergency department of a hospital to an emergency department patient.
24 Reporting shall not be required for:

25 1.(a) A drug administered directly to a patient in a hospital, a resident of
26 a health care facility licensed under KRS Chapter 216B, a resident of a
27 child-caring facility as defined by KRS 199.011, or an individual in a

1 jail, correctional facility, or juvenile detention facility;

2 ~~2.1(b)}~~ A Schedule III through Schedule V controlled substance dispensed
3 by a facility licensed by the cabinet provided that the quantity dispensed
4 is limited to an amount adequate to treat the patient for a maximum of
5 forty-eight (48) hours and is not dispensed by the emergency department
6 of a hospital; or

7 ~~3.1(c)}~~ A drug administered or dispensed to a research subject enrolled in
8 a research protocol approved by an institutional review board that has an
9 active federalwide assurance number from the United States Department
10 of Health and Human Services, Office for Human Research Protections,
11 where the research involves single, double, or triple blind drug
12 administration or is additionally covered by a certificate of
13 confidentiality from the National Institutes of Health; ~~1.1~~

14 ~~(c)1(4)}~~ In addition to the data required by *paragraph (d) of this* subsection ~~1(5)~~
15 ~~of this section~~, a Kentucky-licensed acute care hospital or critical access
16 hospital shall report to the cabinet all positive toxicology screens that were
17 performed by the hospital's emergency department to evaluate the patient's
18 suspected drug overdose; ~~1.1~~

19 ~~(d)1(5)}~~ Data for each controlled substance that is reported shall include but not
20 be limited to the following:

21 ~~1.1(a)}~~ Patient identifier;

22 ~~2.1(b)}~~ National drug code of the drug dispensed;

23 ~~3.1(c)}~~ Date of dispensing;

24 ~~4.1(d)}~~ Quantity dispensed;

25 ~~5.1(e)}~~ Prescriber; and

26 ~~6.1(f)}~~ Dispenser; ~~1.1~~

27 ~~(e)1(6)}~~ The data shall be provided in the electronic format specified by the

1 cabinet~~[for Health and Family Services]~~ unless a waiver has been granted by
2 the cabinet to an individual dispenser. The cabinet shall establish acceptable
3 error tolerance rates for data. Dispensers shall ensure that reports fall within
4 these tolerances. Incomplete or inaccurate data shall be corrected upon
5 notification by the cabinet if the dispenser exceeds these error tolerance
6 rates.~~[.]~~

7 ~~(f)(7)~~ The cabinet~~[for Health and Family Services]~~ shall only disclose data to
8 persons and entities authorized to receive that data under this
9 subsection~~[section]~~. Disclosure to any other person or entity, including
10 disclosure in the context of a civil action where the disclosure is sought either
11 for the purpose of discovery or for evidence, is prohibited unless specifically
12 authorized by this section. The cabinet~~[for Health and Family Services]~~ shall
13 be authorized to provide data to:

14 1.~~(a)~~ A designated representative of a board responsible for the
15 licensure, regulation, or discipline of practitioners, pharmacists, or other
16 person who is authorized to prescribe, administer, or dispense controlled
17 substances and who is involved in a bona fide specific investigation
18 involving a designated person;

19 2.~~(b)~~ Employees of the Office of the Inspector General of the cabinet~~[~~
20 ~~for Health and Family Services]~~ who have successfully completed
21 training for the electronic system and who have been approved to use
22 the system, federal prosecutors, Kentucky Commonwealth's attorneys
23 and assistant Commonwealth's attorneys, county attorneys and assistant
24 county attorneys, a peace officer certified pursuant to KRS 15.380 to
25 15.404, a certified or full-time peace officer of another state, or a federal
26 agent whose duty is to enforce the laws of this Commonwealth, of
27 another state, or of the United States relating to drugs and who is

1 engaged in a bona fide specific investigation involving a designated
2 person;

3 ~~3.1(c)}~~ A state-operated Medicaid program in conformity with paragraph
4 (g) of this subsection ~~[(8) of this section]~~;

5 ~~4.1(d)}~~ A properly convened grand jury pursuant to a subpoena properly
6 issued for the records;

7 ~~5.1(e)}~~ A practitioner or pharmacist, or employee of the practitioner's or
8 pharmacist's practice acting under the specific direction of the
9 practitioner or pharmacist, who certifies that the requested information
10 is for the purpose of:

11 a[1]. Providing medical or pharmaceutical treatment to a bona fide
12 current or prospective patient;

13 b[2]. Reviewing data on controlled substances that have been reported
14 for the birth mother of an infant who is currently being treated by
15 the practitioner for neonatal abstinence syndrome, or has
16 symptoms that suggest prenatal drug exposure; or

17 c[3]. Reviewing and assessing the individual prescribing or dispensing
18 patterns of the practitioner or pharmacist or to determine the
19 accuracy and completeness of information contained in the
20 monitoring system;

21 ~~6.1(f)}~~ The chief medical officer of a hospital or long-term-care facility,
22 an employee of the hospital or long-term-care facility as designated by
23 the chief medical officer and who is working under his or her specific
24 direction, or a physician designee if the hospital or facility has no chief
25 medical officer, if the officer, employee, or designee certifies that the
26 requested information is for the purpose of providing medical or
27 pharmaceutical treatment to a bona fide current or prospective patient or

1 resident in the hospital or facility;

2 ~~7.1(g)~~ In addition to the purposes authorized under **subparagraph 1. of**
3 **this** paragraph~~[(a) of this subsection]~~, the Kentucky Board of Medical
4 Licensure, for any physician who is:

5 **a[1]**. Associated in a partnership or other business entity with a
6 physician who is already under investigation by the Board of
7 Medical Licensure for improper prescribing or dispensing
8 practices;

9 **b[2]**. In a designated geographic area for which a trend report indicates
10 a substantial likelihood that inappropriate prescribing or
11 dispensing may be occurring; or

12 **c[3]**. In a designated geographic area for which a report on another
13 physician in that area indicates a substantial likelihood that
14 inappropriate prescribing or dispensing may be occurring in that
15 area;

16 ~~8.1(h)~~ In addition to the purposes authorized under **subparagraph 1. of**
17 **this** paragraph~~[(a) of this subsection]~~, the Kentucky Board of Nursing,
18 for any advanced practice registered nurse who is:

19 **a[1]**. Associated in a partnership or other business entity with a
20 physician who is already under investigation by the Kentucky
21 Board of Medical Licensure for improper prescribing or
22 dispensing practices;

23 **b[2]**. Associated in a partnership or other business entity with an
24 advanced practice registered nurse who is already under
25 investigation by the Board of Nursing for improper prescribing
26 practices;

27 **c[3]**. In a designated geographic area for which a trend report indicates

1 a substantial likelihood that inappropriate prescribing or
2 dispensing may be occurring; or

3 ~~d[4]~~. In a designated geographic area for which a report on a physician
4 or another advanced practice registered nurse in that area indicates
5 a substantial likelihood that inappropriate prescribing or
6 dispensing may be occurring in that area;

7 ~~2.[(i)]~~ A judge or a probation or parole officer administering a diversion
8 or probation program of a criminal defendant arising out of a violation
9 of this chapter or of a criminal defendant who is documented by the
10 court as a substance abuser who is eligible to participate in a court-
11 ordered drug diversion or probation program; or

12 ~~10.[(i)]~~ A medical examiner engaged in a death investigation pursuant to
13 KRS 72.026; ~~[-]~~

14 ~~(g)[(8)]~~ The Department for Medicaid Services shall use any data or reports
15 from the system for the purpose of identifying Medicaid providers or
16 recipients whose prescribing, dispensing, or usage of controlled substances
17 may be:

18 ~~1.[(a)]~~ Appropriately managed by a single outpatient pharmacy or
19 primary care physician; or

20 ~~2.[(b)]~~ Indicative of improper, inappropriate, or illegal prescribing or
21 dispensing practices by a practitioner or drug seeking by a Medicaid
22 recipient; ~~[-]~~

23 ~~(h)[(9)]~~ A person who receives data or any report of the system from the cabinet
24 shall not provide it to any other person or entity except as provided in this
25 ~~subsection~~ ~~[section]~~, in another statute, or by order of a court of competent
26 jurisdiction and only to a person or entity authorized to receive the data or the
27 report under this section, except that:

1 ~~1. (a)~~ A person specified in paragraph (f)2. of this subsection ~~[(7)(b) of~~
2 ~~this section]~~ who is authorized to receive data or a report may share that
3 information with any other persons specified in paragraph (f)2. of this
4 subsection ~~[(7)(b) of this section]~~ authorized to receive data or a report if
5 the persons specified in paragraph (f)2. of this subsection ~~[(7)(b) of this~~
6 ~~section]~~ are working on a bona fide specific investigation involving a
7 designated person. Both the person providing and the person receiving
8 the data or report under this subparagraph [paragraph] shall document in
9 writing each person to whom the data or report has been given or
10 received and the day, month, and year that the data or report has been
11 given or received. This document shall be maintained in a file by each
12 agency engaged in the investigation;

13 ~~2. (b)~~ A representative of the Department for Medicaid Services may
14 share data or reports regarding overutilization by Medicaid recipients
15 with a board designated in paragraph (f)1. of this subsection ~~[(7)(a) of~~
16 ~~this section]~~, or with a law enforcement officer designated in paragraph
17 (f)2. of this subsection ~~[(7)(b) of this section]~~;

18 ~~3. (c)~~ The Department for Medicaid Services may submit the data as
19 evidence in an administrative hearing held in accordance with KRS
20 Chapter 13B;

21 ~~4. (d)~~ If a state licensing board as defined in KRS 218A.205 initiates
22 formal disciplinary proceedings against a licensee, and data obtained by
23 the board is relevant to the charges, the board may provide the data to
24 the licensee and his or her counsel, as part of the notice process required
25 by KRS 13B.050, and admit the data as evidence in an administrative
26 hearing conducted pursuant to KRS Chapter 13B, with the board and
27 licensee taking all necessary steps to prevent further disclosure of the

1 data; and

2 ~~5.[(e)]~~ A practitioner, pharmacist, or employee who obtains data under
3 paragraph (f)5. of this subsection ~~[(7)(e) of this section]~~ may share the
4 report with the patient or person authorized to act on the patient's behalf.
5 Any practitioner, pharmacist, or employee who obtains data under
6 paragraph (f)5. of this subsection ~~[(7)(e) of this section]~~ may place the
7 report in the patient's medical record, in which case the individual report
8 shall then be deemed a medical record subject to disclosure on the same
9 terms and conditions as an ordinary medical record in lieu of the
10 disclosure restrictions otherwise imposed by this section; ~~[-]~~

11 ~~(i) [(10)]~~ The cabinet ~~for Health and Family Services~~, all peace officers
12 specified in paragraph (f)2. of this subsection ~~[(7)(b) of this section]~~, all
13 officers of the court, and all regulatory agencies and officers, in using the data
14 for investigative or prosecution purposes, shall consider the nature of the
15 prescriber's and dispenser's practice and the condition for which the patient is
16 being treated; ~~[-]~~

17 ~~(j) [(11)]~~ ~~The data and any report obtained therefrom shall not be a public record,~~
18 ~~except that the Department for Medicaid Services may submit the data as~~
19 ~~evidence in an administrative hearing held in accordance with KRS Chapter~~
20 ~~13B.~~

21 ~~(12)]~~ Intentional failure to comply with the reporting requirements of this
22 subsection ~~[section]~~ shall be a Class B misdemeanor for the first offense and a
23 Class A misdemeanor for each subsequent offense; and ~~[-]~~

24 (k) If the cabinet becomes aware of a prescriber's or dispenser's failure to
25 comply with this section, the cabinet shall notify the licensing board or
26 agency responsible for licensing the prescriber or dispenser. The licensing
27 board shall treat the notification as a complaint against the license.

1 (4) For the purpose of monitoring the cultivation, processing, production,
2 recommending, and dispensing of medical cannabis:

3 (a) Every medicinal cannabis practitioner who is authorized, pursuant to
4 Section 9 of this Act, to provide written certifications for the use of
5 medicinal cannabis and every cannabis business licensed under Sections
6 15, 16, and 17 of this Act shall register with the cabinet to use the system
7 provided for in this section and shall maintain such registration
8 continuously during the medicinal practitioner's authorization to provide
9 written certifications or a cannabis business's term of licensure and shall
10 not have to pay a fee or tax specifically dedicated to the operation of the
11 system;

12 (b) No later than July 1, 2024, the cabinet shall ensure that the system provided
13 for in this section allows:

14 1. Medicinal cannabis practitioners to record the issuance of written
15 certifications to a patient as required by Section 9 of this Act;

16 2. The cabinet, law enforcement personnel, and dispensary agents to
17 verify the validity of registry identification cards issued by the cabinet.
18 When verifying the validity of an identification card, the system shall
19 only disclose whether the identification card is valid and whether the
20 cardholder is a registered qualified patient, visiting qualified patient,
21 or designated caregiver;

22 3. Dispensary agents to record the amount of medicinal cannabis that is
23 dispensed to a cardholder during each transaction, as required by
24 Section 21 of this Act;

25 4. Law enforcement personnel and dispensary agents to access medicinal
26 cannabis sales data recorded by dispensary agents pursuant to Section
27 21 of this Act;

- 1 5. The sharing of dispensing data recorded by dispensary agents,
2 pursuant to Section 21 of this Act, with all licensed dispensaries in
3 real time;
- 4 6. Licensed cannabis businesses to record data required by
5 administrative regulations promulgated pursuant to with Section 27 of
6 this Act to facilitate the tracking of medicinal cannabis from the point
7 of cultivation to the point of sale to cardholders; and
- 8 7. The cabinet to track all medicinal cannabis in the state from the point
9 of cultivation to the point of sale to a cardholder;
- 10 (c) The cabinet shall only disclose data related to the cultivation, production,
11 recommending, and dispensing of medical cannabis to persons and entities
12 authorized to receive that data under this subsection. Disclosure to any
13 other person or entity, including disclosure in the context of a civil action
14 where the disclosure is sought either for the purpose of discovery or for
15 evidence, is prohibited unless specifically authorized by this subsection. The
16 cabinet shall be authorized to provide data to:
 - 17 1. Any person or entity authorized to receive data pursuant to paragraph
18 (b) of this subsection;
 - 19 2. A designated representative of a state licensing board responsible for
20 the licensure, regulation, or discipline of medicinal cannabis
21 practitioners and who is involved in a bona fide specific investigation
22 involving a designated person;
 - 23 3. Employees of the Office of the Inspector General of the cabinet who
24 have successfully completed training for the electronic system and
25 who have been approved to use the system, Kentucky Commonwealth's
26 attorneys and assistant Commonwealth's attorneys, and county
27 attorneys and assistant county attorneys who are engaged in a bona

- 1 fide specific investigation involving a designated person;
- 2 4. A properly convened grand jury pursuant to a subpoena properly
- 3 issued for the records;
- 4 5. A medicinal cannabis practitioner or an employee of a medicinal
- 5 cannabis practitioner's practice acting under the specific direction of
- 6 the medicinal cannabis practitioner, who certifies that the request for
- 7 information is for the purpose of complying with subsection (4)(c) of
- 8 Section 9 of this Act;
- 9 6. The chief medical officer of a hospital or long-term-care facility, an
- 10 employee of the hospital or long-term-care facility as designated by the
- 11 chief medical officer and who is working under his or her specific
- 12 direction, or a physician designee if the hospital or facility has no
- 13 chief medical officer, if the officer, employee, or designee certifies that
- 14 the requested information is for the purpose of providing medical or
- 15 pharmaceutical treatment to a bona fide current or prospective patient
- 16 or resident in the hospital or facility;
- 17 7. In addition to the purposes authorized under subparagraph 2. of this
- 18 paragraph, the Kentucky Board of Medical Licensure, for any
- 19 physician who is:
- 20 a. Associated in a partnership, other business entity, or supervision
- 21 agreement established pursuant to KRS 311.854 with a physician
- 22 who is already under investigation by the Board of Medical
- 23 Licensure for improper issuance of written certifications;
- 24 b. Associated in a partnership or other business entity with an
- 25 advanced practice registered nurse who is already under
- 26 investigation by the Board of Nursing for improper issuance of
- 27 written certifications;

- 1 c. In a designated geographic area for which a trend report
2 indicates a substantial likelihood that inappropriate issuance of
3 written certifications may be occurring; or
- 4 d. In a designated geographic area for which a report on another
5 physician in that area indicates a substantial likelihood that
6 inappropriate issuance of written certifications may be occurring
7 in that area;
- 8 8. In addition to the purposes authorized under subparagraph 2. of this
9 paragraph, the Kentucky Board of Nursing, for any advanced practice
10 registered nurse who is:
- 11 a. Associated in a partnership or other business entity with a
12 physician who is already under investigation by the Kentucky
13 Board of Medical Licensure for improper issuance of written
14 certifications;
- 15 b. Associated in a partnership or other business entity with an
16 advanced practice registered nurse who is already under
17 investigation by the Board of Nursing for improper issuance of
18 written certifications;
- 19 c. In a designated geographic area for which a trend report
20 indicates a substantial likelihood that inappropriate issuance of
21 written certifications may be occurring; or
- 22 d. In a designated geographic area for which a report on another
23 advanced practice registered nurse in that area indicates a
24 substantial likelihood that inappropriate issuance of written
25 certifications may be occurring in that area;
- 26 9. A judge or a probation or parole officer administering a diversion or
27 probation program of a criminal defendant arising out of a violation

1 of this chapter or of a criminal defendant who is documented by the
2 court as a substance abuser who is eligible to participate in a court-
3 ordered drug diversion or probation program;

4 10. A medical examiner engaged in a death investigation pursuant to KRS
5 72.026; or

6 11. The Legislative Research Commission, the University of Kentucky
7 College of Medicine, or the Kentucky Center for Cannabis established
8 in KRS 164.983 if the cabinet determines that disclosing data related
9 to the cultivation, production, recommending, and dispensing of
10 medical cannabis to the Legislative Research Commission, the
11 University of Kentucky College of Medicine, or the Kentucky Center
12 for Cannabis is necessary to comply with the reporting requirements
13 established in subsection (8) of Section 3 of this Act; and

14 (d) A person who receives data or any report of the system from the cabinet
15 shall not provide it to any other person or entity except as provided in this
16 section, in another statute, or by order of a court of competent jurisdiction
17 and only to a person or entity authorized to receive the data or the report
18 under this section, except that:

19 1. A person specified in paragraph (c)3. of this subsection who is
20 authorized to receive data or a report may share that information with
21 any other persons specified in paragraph (c)3. of this subsection
22 authorized to receive data or a report if the persons specified in
23 paragraph (c)3. of this subsection are working on a bona fide specific
24 investigation involving a designated person. Both the person providing
25 and the person receiving the data or report under this subparagraph
26 shall document in writing each person to whom the data or report has
27 been given or received and the day, month, and year that the data or

1 report has been given or received. This document shall be maintained
2 in a file by each agency engaged in the investigation;

3 2. If a state licensing board initiates formal disciplinary proceedings
4 against a licensee, and data obtained by the board is relevant to the
5 charges, the board may provide the data to the licensee and his or her
6 counsel, as part of the notice process required by KRS 13B.050, and
7 admit the data as evidence in an administrative hearing conducted
8 pursuant to KRS Chapter 13B, with the board and licensee taking all
9 necessary steps to prevent further disclosure of the data; and

10 3. A medicinal cannabis practitioner or an employee of a medicinal
11 cannabis practitioner's practice acting under the specific direction of
12 the medicinal cannabis practitioner who obtains data under
13 paragraph (c)5. of this subsection may share the report with the
14 patient or person authorized to act on the patient's behalf. Any
15 medicinal cannabis practitioner or employee who obtains data under
16 paragraph (c)5. of this subsection may place the report in the patient's
17 medical record, in which case the individual report shall then be
18 deemed a medical record subject to disclosure on the same terms and
19 conditions as an ordinary medical record in lieu of the disclosure
20 restrictions otherwise imposed by this section.

21 (5) The data contained in, and any report obtained from, the electronic system for
22 monitoring established pursuant to this section shall not be a public record,
23 except that the Department for Medicaid Services may submit the data as
24 evidence in an administrative hearing held in accordance with KRS Chapter 13B.

25 (6) [(13)] Intentional disclosure of transmitted data to a person not authorized by
26 subsection (3)(f) to (h) or subsection (4)(c) and (d) [subsections (7) to (9)] of this
27 section or authorized by KRS 315.121, or obtaining information under this section

1 not relating to a bona fide current or prospective patient or a bona fide specific
2 investigation, shall be a Class B misdemeanor for the first offense and a Class A
3 misdemeanor for each subsequent offense.

4 ~~(7)(14)~~ The cabinet ~~for Health and Family Services~~ may, by promulgating an
5 administrative regulation, limit the length of time that data remain in the electronic
6 system. Any data removed from the system shall be archived and subject to
7 retrieval within a reasonable time after a request from a person authorized to review
8 data under this section.

9 ~~(8)(15)~~ (a) The Cabinet for Health and Family Services shall work with each board
10 responsible for the licensure, regulation, or discipline of practitioners,
11 pharmacists, or other persons who are authorized to prescribe, administer, or
12 dispense controlled substances for the development of a continuing education
13 program about the purposes and uses of the electronic system for monitoring
14 established in this section.

15 (b) *The cabinet shall work with each board responsible for the licensure,*
16 *regulation, or discipline of medicinal cannabis practitioners for the*
17 *development of a continuing education program about the purposes and*
18 *uses of the electronic system for monitoring established in this section.*

19 ~~(c)~~ The cabinet shall work with the Kentucky Bar Association for the
20 development of a continuing education program for attorneys about the
21 purposes and uses of the electronic system for monitoring established in this
22 section.

23 ~~(d)(e)~~ The cabinet shall work with the Justice and Public Safety Cabinet for the
24 development of a continuing education program for law enforcement officers
25 about the purposes and uses of the electronic system for monitoring
26 established in this section.

27 *(e) The cabinet shall develop a training program for cannabis business agents*

1 *about the purposes and uses of the electronic system for monitoring*
2 *established in this section.*

3 ~~[(16) If the cabinet becomes aware of a prescriber's or dispenser's failure to comply with~~
4 ~~this section, the cabinet shall notify the licensing board or agency responsible for~~
5 ~~licensing the prescriber or dispenser. The licensing board shall treat the notification~~
6 ~~as a complaint against the licensee.]~~

7 (9)~~[(17)]~~ The cabinet ~~[for Health and Family Services]~~, Office of Inspector General,
8 shall conduct quarterly reviews to identify patterns of potential improper,
9 inappropriate, or illegal prescribing or dispensing of a controlled substance,
10 *issuance of written certifications, or cultivation, processing, or dispensing of*
11 *medicinal cannabis.* The Office of Inspector General may independently
12 investigate and submit findings and recommendations to the appropriate boards of
13 licensure or other reporting agencies.

14 (10)~~[(18)]~~ The cabinet shall promulgate administrative regulations to implement the
15 provisions of this section. Included in these administrative regulations shall be:

16 (a) An error resolution process allowing a patient to whom a report had been
17 disclosed under *subsections (3) and (4)*~~[subsection (9)]~~ of this section to
18 request the correction of inaccurate information contained in the system
19 relating to that patient; and

20 (b) A requirement that data be reported to the system under subsection (3)(b) of
21 this section within one (1) day of dispensing.

22 (11)~~[(19)]~~ (a) Before July 1, 2018, the Administrative Office of the Courts shall
23 forward data regarding any felony or Class A misdemeanor conviction that
24 involves the trafficking or possession of a controlled substance or other
25 prohibited acts under KRS Chapter 218A for the previous five (5) calendar
26 years to the cabinet for inclusion in the electronic monitoring system
27 established under this section. On or after July 1, 2018, such data shall be

forwarded by the Administrative Office of the Courts to the cabinet on a continuing basis. The cabinet shall incorporate the data received into the system so that a query by patient name indicates any prior drug conviction.

(b) Before July 1, 2024, the Administrative Office of the Courts shall forward date regarding any disqualifying felony offense for the previous five (5) calendar years to the cabinet for inclusion in the electronic monitoring system established under this section. On or after July 1, 2024, such data shall be forwarded by the Administrative Office of the Courts to the cabinet on a continuing basis. The cabinet shall incorporate the data received in to the system so that a query by patient name indicates any prior disqualifying felony conviction.

➔Section 39. KRS 218A.500 is amended to read as follows:

As used in this section and KRS 218A.510:

(1) "Drug paraphernalia" means all equipment, products and materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance in violation of this chapter.

The term "drug paraphernalia" does not include medicinal cannabis accessories as defined in Section 1 of this Act. It includes but is not limited to:

(a) Kits used, intended for use, or designed for use in planting, propagating, cultivating, growing, or harvesting of any species of plant which is a controlled substance or from which a controlled substance can be derived;

(b) Kits used, intended for use, or designed for use in manufacturing, compounding, converting, producing, processing, or preparing controlled substances;

- 1 (c) Isomerization devices used, intended for use, or designed for use in increasing
2 the potency of any species of plant which is a controlled substance;
- 3 (d) Testing equipment used, intended for use, or designed for use in identifying,
4 or in analyzing the strength, effectiveness or purity of controlled substances;
- 5 (e) Scales and balances used, intended for use, or designed for use in weighing or
6 measuring controlled substances;
- 7 (f) Diluents and adulterants, such as quinine hydrochloride, mannitol, mannite,
8 dextrose and lactose, used, intended for use, or designed for use in cutting
9 controlled substances;
- 10 (g) Separation gins and sifters used, intended for use, or designed for use in
11 removing twigs and seeds from, or in otherwise cleaning or refining
12 marijuana;
- 13 (h) Blenders, bowls, containers, spoons, and mixing devices used, intended for
14 use, or designed for use in compounding controlled substances;
- 15 (i) Capsules, balloons, envelopes, and other containers used, intended for use, or
16 designed for use in packaging small quantities of controlled substances;
- 17 (j) Containers and other objects used, intended for use, or designed for use in
18 storing or concealing controlled substances;
- 19 (k) Hypodermic syringes, needles, and other objects used, intended for use, or
20 designed for use in parenterally injecting controlled substances into the human
21 body; and
- 22 (l) Objects used, intended for use, or designed for use in ingesting, inhaling, or
23 otherwise introducing marijuana, cocaine, hashish, or hashish oil into the
24 human body, such as: metal, wooden, acrylic, glass, stone, plastic, or ceramic
25 pipes with or without screens, permanent screens, hashish heads, or punctured
26 metal bowls; water pipes; carburetion tubes and devices; smoking and
27 carburetion masks; roach clips which mean objects used to hold burning

1 material, such as marijuana cigarettes, that have become too small or too short
2 to be held in the hand; miniature cocaine spoons, and cocaine vials; chamber
3 pipes; carburetor pipes; electric pipes; air-driven pipes; chillums; bongs; ice
4 pipes or chillers.

5 (2) It is unlawful for any person to use, or to possess with intent to use, drug
6 paraphernalia for the purpose of planting, propagating, cultivating, growing,
7 harvesting, manufacturing, compounding, converting, producing, processing,
8 preparing, testing, analyzing, packing, repacking, storing, containing, concealing,
9 injecting, ingesting, inhaling, or otherwise introducing into the human body a
10 controlled substance in violation of this chapter.

11 (3) It is unlawful for any person to deliver, possess with intent to deliver, or
12 manufacture with intent to deliver, drug paraphernalia, knowing, or under
13 circumstances where one reasonably should know, that it will be used to plant,
14 propagate, cultivate, grow, harvest, manufacture, compound, convert, produce,
15 process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest,
16 inhale, or otherwise introduce into the human body a controlled substance in
17 violation of this chapter.

18 (4) It is unlawful for any person to place in any newspaper, magazine, handbill, or
19 other publication any advertisement, knowing, or under circumstances where one
20 reasonably should know, that the purpose of the advertisement, in whole or in part,
21 is to promote the sale of objects designed or intended for use as drug paraphernalia.

22 (5) (a) This section shall not prohibit a local health department from operating a
23 substance abuse treatment outreach program which allows participants to
24 exchange hypodermic needles and syringes.

25 (b) To operate a substance abuse treatment outreach program under this
26 subsection, the local health department shall have the consent, which may be
27 revoked at any time, of the local board of health and:

- 1 1. The legislative body of the first or home rule class city in which the
2 program would operate if located in such a city; and
- 3 2. The legislative body of the county, urban-county government, or
4 consolidated local government in which the program would operate.
- 5 (c) Items exchanged at the program shall not be deemed drug paraphernalia under
6 this section while located at the program.
- 7 (6) (a) Prior to searching a person, a person's premises, or a person's vehicle, a peace
8 officer may inquire as to the presence of needles or other sharp objects in the
9 areas to be searched that may cut or puncture the officer and offer to not
10 charge a person with possession of drug paraphernalia if the person declares
11 to the officer the presence of the needle or other sharp object. If, in response
12 to the offer, the person admits to the presence of the needle or other sharp
13 object prior to the search, the person shall not be charged with or prosecuted
14 for possession of drug paraphernalia for the needle or sharp object or for
15 possession of a controlled substance for residual or trace drug amounts
16 present on the needle or sharp object.
- 17 (b) The exemption under this subsection shall not apply to any other drug
18 paraphernalia that may be present and found during the search or to controlled
19 substances present in other than residual or trace amounts.
- 20 (7) (a) This section shall not prohibit the retail sale of hypodermic syringes and
21 needles without a prescription in pharmacies.
- 22 (b) Hypodermic syringe and needle inventory of a pharmacy shall not be deemed
23 drug paraphernalia under this section.
- 24 (8) Any person who violates any provision of this section shall be guilty of a Class A
25 misdemeanor.
- 26 ➔Section 40. KRS 260.850 is amended to read as follows:
- 27 As used in KRS 260.850 to 260.869:

- 1 (1) "Commissioner" means the Commissioner of the Kentucky Department of
2 Agriculture;
- 3 (2) "Cultivating" means planting, growing, and harvesting a plant or crop;
- 4 (3) "Department" means the Kentucky Department of Agriculture;
- 5 (4) "Handling" means possessing or storing hemp for any period of time on premises
6 owned, operated, or controlled by a person licensed to cultivate or process hemp.
7 "Handling" also includes possessing or storing hemp in a vehicle for any period of
8 time other than during its actual transport from the premises of a licensed person to
9 cultivate or process hemp to the premises of another licensed person;
- 10 (5) "Hemp" or "industrial hemp":
11 (a) Means the plant *Cannabis sativa* L. and any part of that plant, including the
12 seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts,
13 and salts of isomers, whether growing or not, with a delta-9
14 tetrahydrocannabinol concentration of not more than three-tenths of one
15 percent (0.3%) on a dry weight basis; and
16 (b) Does not include medicinal cannabis as defined in Section 1 of this Act;
- 17 (6) "Hemp products" or "industrial hemp products":
18 (a) Means products derived from, or made by, processing hemp plants or plant
19 parts; and
20 (b) Does not include medicinal cannabis products as defined in Section 1 of
21 this Act;
- 22 (7) "Licensee" means an individual or business entity possessing a license issued by the
23 department under the authority of this chapter to grow, handle, cultivate, process, or
24 market hemp or hemp products;
- 25 (8) "Marketing" means promoting or selling a product within the Commonwealth, in
26 another state, or outside of the United States. "Marketing" includes efforts to
27 advertise and gather information about the needs or preferences of potential

1 consumers or suppliers;

2 (9) "Processing" means converting an agricultural commodity into a marketable form;
3 and

4 (10) "University" means an accredited institution of higher education located in the
5 Commonwealth.

6 ➔Section 41. KRS 342.815 is amended to read as follows:

7 (1) The authority may provide coverage for insurance, authorized in KRS 342.803, to
8 any employer in the Commonwealth, and who tenders the required premium for
9 coverage and comply with other conditions and qualifications for obtaining and
10 maintaining coverage adopted by the authority to protect and ensure its actuarial
11 soundness and solvency.

12 (2) The authority shall provide coverage to any employer who is unable to secure
13 coverage in the voluntary market unless:

14 (a) The employer owes undisputed premiums to a previous workers'
15 compensation carrier or to a workers' compensation residual market
16 mechanism; or

17 (b) Providing coverage to the employer would subject the authority or its
18 employees to a violation of federal or state law.

19 ➔Section 42. Section 2, Sections 4 to 8, Section 10, Sections 12 to 14, Sections
20 17 to 24, Section 30, Section 32, and Sections 35 to 37 of this Act take effect January 1,
21 2025.