

1 AN ACT relating to medical 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 *The General Assembly finds that:*

- 6 *(1) Cannabis's recorded use as a medicine goes back nearly five thousand (5,000)*
7 *years. Modern medical research has confirmed the beneficial uses for cannabis*
8 *in treating or alleviating the pain, nausea, and other symptoms associated with a*
9 *variety of debilitating medical conditions, including cancer, multiple sclerosis,*
10 *and HIV/AIDS, as found by the National Academies' Institute of Medicine in*
11 *March 1999;*
- 12 *(2) Studies published since the 1999 Institute of Medicine report have continued to*
13 *show the therapeutic value of cannabis in treating a wide array of debilitating*
14 *medical conditions. These include relief of the neuropathic pain caused by*
15 *multiple sclerosis, HIV/AIDS, and other illnesses and injuries that often fail to*
16 *respond to conventional treatments, and relief of nausea, vomiting, and other side*
17 *effects of drugs used to treat HIV/AIDS and hepatitis C, increasing the chances*
18 *of patients continuing on life-saving treatment regimens;*
- 19 *(3) Cannabis has many currently accepted medical uses in the United States, having*
20 *been recommended by thousands of licensed physicians to more than five*
21 *hundred thousand (500,000) patients in states with medical cannabis laws.*
22 *Cannabis's medical utility has been recognized by a wide range of medical and*
23 *public health organizations, including the American Academy of HIV Medicine,*
24 *the American College of Physicians, the American Nurses Association, the*
25 *American Public Health Association, the Leukemia & Lymphoma Society, and*
26 *many others;*
- 27 *(4) Data from the Federal Bureau of Investigation's Uniform Crime Reports and the*

1 Compendium of Federal Justice Statistics show that approximately ninety-nine
 2 (99) out of every one hundred (100) cannabis arrests in the United States are
 3 made under state law, rather than under federal law. Consequently, changing
 4 state law will have the practical effect of protecting from arrest the vast majority
 5 of seriously ill patients who have a medical need to use cannabis;

6 (5) The states of Alaska, Arizona, California, Colorado, Connecticut, Delaware,
 7 Hawaii, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota,
 8 Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York,
 9 Oregon, Rhode Island, Vermont, and Washington, as well as the District of
 10 Columbia, have removed state-level criminal penalties from the medical use and
 11 cultivation of cannabis. Kentucky joins in this effort for the health and welfare of
 12 its citizens;

13 (6) States are not required to enforce federal law or prosecute people for engaging in
 14 activities prohibited by federal law. Therefore, compliance with Sections 1 to 29
 15 of this Act does not put the state of Kentucky in violation of federal law; and

16 (7) State law should make a distinction between the medical and nonmedical uses of
 17 cannabis. Therefore, the purpose of Sections 1 to 29 of this Act is to protect
 18 patients with debilitating medical conditions, as well as their practitioners and
 19 providers, from arrest and prosecution, criminal and other penalties, and
 20 property forfeiture, if such patients engage in the medical use of cannabis.

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

23 For the purposes of Sections 1 to 29 of this Act, unless the context otherwise requires:

24 (1) "Bona fide practitioner-patient relationship" means that:

25 (a) A practitioner and patient have a treatment or consulting relationship,
 26 during the course of which the physician has completed an assessment of
 27 the patient's medical history and current medical condition, including an

- 1 appropriate personal physical examination;
- 2 (b) The practitioner has consulted with the patient with respect to the patient's
- 3 debilitating medical condition; and
- 4 (c) The practitioner is available to or offers to provide follow-up care and
- 5 treatment to the patient, including but not limited to patient examinations;
- 6 (2) "Cannabis" means all parts of the plant Cannabis sp., whether growing or not;
- 7 the seeds thereof; the resin extracted from any part of the plant; and every
- 8 compound, manufacture, salt, derivative, mixture, or preparation of the plant, its
- 9 seeds or resin or any compound, mixture, or preparation which contains any
- 10 quantity of these substances. The term "cannabis" does not include industrial
- 11 hemp as defined in KRS 260.850;
- 12 (3) "Cardholder" means a qualifying patient, visiting qualifying patient, or a
- 13 designated caregiver who has been issued and possesses a valid registry
- 14 identification card;
- 15 (4) "Compassion center" means an entity registered pursuant to Section 18 of this
- 16 Act that acquires, possesses, manufactures, delivers, transfers, transports, sells,
- 17 supplies, or dispenses cannabis, usable cannabis, paraphernalia, or related
- 18 supplies and educational materials to registered qualifying patients;
- 19 (5) "Compassion center agent" means a principal officer, board member, employee,
- 20 volunteer, or agent of a compassion center who is twenty-one (21) years of age or
- 21 older and has not been convicted of a disqualifying felony offense and has been
- 22 registered through the department;
- 23 (6) "Cultivator" means a business entity registered pursuant to Section 19 of this Act
- 24 that grows, processes, and delivers cannabis to a compassion center in
- 25 accordance with Section 19 of this Act;
- 26 (7) "Cultivator agent" means a principal officer, board member, employee,
- 27 volunteer, or agent of a cultivator who is twenty-one (21) years of age or older

1 and has not been convicted of a disqualifying felony offense and has been
2 registered through the department;

3 (8) "Debilitating medical condition" means:

4 (a) A terminal illness, peripheral neuropathy, anorexia, cancer, glaucoma,
5 positive status for human immunodeficiency virus, acquired immune
6 deficiency syndrome, hepatitis C, amyotrophic lateral sclerosis, Crohn's
7 disease, substance use disorder, mood disorder, Alzheimer's disease, lupus,
8 muscular dystrophy, post-traumatic stress disorder, diabetes, sleep disorder,
9 fibromyalgia, autism, ulcerative colitis, arthritis, Parkinson's disease,
10 traumatic brain injury, Tourette syndrome, anxiety disorder, attention
11 deficit disorder, attention deficit hyperactivity disorder, or the treatment of
12 these conditions;

13 (b) A chronic or debilitating disease or medical condition or its treatment that
14 produces one (1) or more of the following: cachexia or wasting syndrome;
15 severe, debilitating pain; severe nausea; seizures; or severe and persistent
16 muscle spasms, including but not limited to those characteristic of multiple
17 sclerosis; or

18 (c) Any other medical condition or its treatment added by the department, as
19 provided for in Section 6 of this Act;

20 (9) "Department" means the Department of Alcoholic Beverage and Cannabis
21 Control or its successor agency;

22 (10) "Designated caregiver" means a person who:

23 (a) Is at least twenty-one (21) years of age;

24 (b) Has agreed to assist with a patient's medical use of cannabis;

25 (c) Has not been convicted of a disqualifying felony offense;

26 (d) Assists no more than five (5) qualifying patients with their medical use of
27 cannabis; and

1 (e) Has been registered through the department;

2 (11) "Disqualifying felony offense" means:

3 (a) A felony offense that would qualify the person as a violent offender under
4 KRS 439.3401; or

5 (b) A violation of a state or federal controlled substance law that was classified
6 as a felony in the jurisdiction where the person was convicted, not
7 including:

8 1. An offense for which the sentence, including any term of probation,
9 incarceration, or supervised release, was completed five (5) or more
10 years earlier; or

11 2. An offense that consisted of conduct for which Sections 1 to 29 of this
12 Act would likely have prevented a conviction, but the conduct either
13 occurred prior to the enactment of Sections 1 to 29 of this Act or was
14 prosecuted by an authority other than the Commonwealth of
15 Kentucky;

16 (12) "Enclosed, locked facility" means a closet, room, greenhouse, building, or other
17 enclosed area that is equipped with locks or other security devices that permit
18 access only by the cardholder allowed to cultivate the plants or, in the case of a
19 cultivator, the cultivator agents working for the cultivator. Two (2) or more
20 qualifying patients or designated caregivers who reside in the same dwelling and
21 have a registry identification card that removes state penalties for cannabis
22 cultivation may share one (1) enclosed, locked facility for cultivation;

23 (13) "Mature cannabis plant" means a cannabis plant that has flowers;

24 (14) "Medical use" includes the acquisition, administration, cultivation, or
25 manufacture in an enclosed, locked facility or the delivery, possession, transfer,
26 transportation, or use of cannabis or paraphernalia relating to the administration
27 of cannabis to treat or alleviate a qualifying patient's debilitating medical

1 condition or symptoms associated with the patient's debilitating medical
2 condition. It does not include cultivation by a visiting qualifying patient or
3 cultivation by a designated caregiver or registered patient who is not designated
4 as being allowed to cultivate;

5 (15) "Practitioner" has the same meaning as in KRS 218A.010, except that if the
6 qualifying patient's debilitating medical condition is post-traumatic stress
7 disorder, the practitioner shall only be a licensed psychiatrist. In relation to a
8 visiting qualifying patient, "practitioner" means a person who is licensed with
9 authority to prescribe controlled substances to humans in the state of the
10 patient's residence;

11 (16) "Qualifying patient" means a person who has been diagnosed by a practitioner
12 as having a debilitating medical condition;

13 (17) "Registry identification card" means a document issued by the department that
14 identifies a person as a qualifying patient, visiting qualifying patient, or a
15 registered designated caregiver, compassion center agent, cultivator agent, or
16 safety compliance facility agent;

17 (18) "Safety compliance facility" means an entity registered under Section 20 of this
18 Act by the department to provide one (1) or more of the following services:

19 (a) Testing cannabis produced for medical use, including for potency and
20 contaminants; and

21 (b) Training cardholders, cultivator agents, and compassion center agents. The
22 training may include but need not be limited to information related to one
23 (1) or more of the following:

24 1. The safe and efficient cultivation, harvesting, packaging, labeling, and
25 distribution of cannabis;

26 2. Security and inventory accountability procedures; and

27 3. Up-to-date scientific and medical research findings related to medical

1 cannabis;

2 (19) "Safety compliance facility agent" means a principal officer, board member,
3 employee, or agent of a safety compliance facility who is twenty-one (21) years of
4 age or older and has not been convicted of a disqualifying felony offense;

5 (20) "Seedling" means a cannabis plant that has no flowers and is larger than eight
6 (8) inches tall;

7 (21) "Usable cannabis" means the flowers of the cannabis plant and any mixture,
8 concentrate, resin, or preparation thereof, but does not include the seeds, stalks,
9 and roots of the plant. It does not include the weight of any non-cannabis
10 ingredients combined with cannabis, including ingredients added to prepare a
11 topical administration, food, or drink;

12 (22) "Verification system" means a telephone-based or Web-based system established
13 and maintained by the department that is available to law enforcement personnel
14 and compassion center agents on a twenty-four (24) hour basis for verification of
15 registry identification cards;

16 (23) "Visiting qualifying patient" means a person who:

17 (a) Has been diagnosed with a debilitating medical condition;

18 (b) Possesses a valid registry identification card, or its equivalent, that was
19 issued pursuant to the laws of another state, district, territory,
20 commonwealth, insular possession of the United States, or country
21 recognized by the United States that allows the person to use cannabis for
22 medical purposes in the jurisdiction of issuance; and

23 (c) Is not a resident of Kentucky or who has been a resident of Kentucky for
24 less than thirty (30) days; and

25 (24) "Written certification" means a document dated and signed by a practitioner,
26 stating that in the practitioner's professional opinion the patient is likely to
27 receive therapeutic or palliative benefit from the medical use of cannabis to treat

1 or alleviate the patient's debilitating medical condition or symptoms associated
2 with the debilitating medical condition. A written certification shall affirm that it
3 is made in the course of a bona fide practitioner-patient relationship and shall
4 specify the qualifying patient's debilitating medical condition.

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

7 (1) A qualifying patient shall not be subject to arrest, prosecution, or denial of any
8 right or privilege, including but not limited to civil penalty or disciplinary action
9 by a court or occupational or professional licensing board, for the medical use of
10 cannabis pursuant to Sections 1 to 29 of this Act, if the registered qualifying
11 patient does not possess more than:

12 (a) Twelve (12) ounces of usable cannabis at the site where it is cultivated or
13 three (3) ounces elsewhere; and

14 (b) Twelve (12) mature cannabis plants and twelve (12) seedlings at the site
15 where the cannabis is cultivated, if the qualifying patient has not specified
16 that a designated caregiver will be allowed under state law to cultivate
17 cannabis for the qualifying patient.

18 (2) A designated caregiver shall not be subject to arrest, prosecution, or denial of any
19 right or privilege, including but not limited to civil penalty or disciplinary action
20 by a court or occupational or professional licensing board, for:

21 (a) Assisting a qualifying patient to whom he or she is connected through the
22 department's registration process with the medical use of cannabis if the
23 designated caregiver does not possess more than:

24 1. Twelve (12) ounces of usable cannabis at the site where it is cultivated
25 or three (3) ounces elsewhere for each qualifying patient to whom the
26 registered caregiver is connected through the department's
27 registration process; and

- 1 2. Twelve (12) mature cannabis plants and twelve (12) seedlings at the
2 site where the cannabis is cultivated for each qualifying patient who
3 has specified that the designated caregiver will be allowed under state
4 law to cultivate cannabis for the qualifying patient; or
- 5 (b) Receiving compensation for costs associated with assisting a qualifying
6 patient's medical use of cannabis if the designated caregiver is connected to
7 the qualifying patient through the department's registration process.
- 8 (3) All mature cannabis plants and seedlings possessed pursuant to this section shall
9 be kept in an enclosed, locked facility, unless they are being transported to a
10 permissible location, including because the cardholder is moving, the qualifying
11 patient has changed his or her designation of who can cultivate, or the plants are
12 being given to someone allowed to possess them pursuant to Sections 1 to 29 of
13 this Act. The three (3) ounce limits established in subsections (1) and (2) of this
14 section may be exceeded during transportation under this subsection.
- 15 (4) A visiting qualifying patient shall not be subject to arrest, prosecution, or denial
16 of any right or privilege, including but not limited to civil penalty or disciplinary
17 action by a court or occupational or professional licensing board, for the medical
18 use of cannabis pursuant to Sections 1 to 29 of this Act, if the visiting qualifying
19 patient does not possess more than twelve (12) ounces of usable cannabis.
- 20 (5) A qualifying patient, visiting qualifying patient, or designated caregiver shall not
21 be subject to arrest, prosecution, or denial of any right or privilege, including but
22 not limited to civil penalty or disciplinary action by a court or occupational or
23 professional licensing board, for:
- 24 (a) Possession of cannabis that is incidental to medical use, but is not mature
25 cannabis plants, seedlings, or usable cannabis;
- 26 (b) Selling, transferring, or delivering cannabis seeds produced by the
27 qualifying patient, visiting qualifying patient, or designated caregiver to a

1 compassion center;

2 (c) Transferring cannabis to a safety compliance facility for testing; or

3 (d) Giving cannabis to a qualifying patient, a compassion center, or a
4 designated caregiver for a qualifying patient's medical use where nothing of
5 value is transferred in return, or for offering to do the same, if the person
6 giving the cannabis does not knowingly cause the recipient to possess more
7 cannabis than is permitted by this section.

8 (6) (a) There shall be a presumption that a qualifying patient is engaged in, or a
9 designated caregiver is assisting with, the medical use of cannabis in
10 accordance with Sections 1 to 29 of this Act if the qualifying patient or
11 designated caregiver:

12 1. Is in possession of a valid registry identification card, or, in the case of
13 a visiting qualifying patient, its equivalent; and

14 2. Is in possession of an amount of cannabis that does not exceed the
15 amount allowed under this section.

16 (b) The presumption may be rebutted by evidence that conduct related to
17 cannabis was not for the purpose of treating or alleviating the qualifying
18 patient's debilitating medical condition or symptoms associated with the
19 debilitating medical condition in compliance with Sections 1 to 29 of this
20 Act.

21 (7) A practitioner shall not be subject to arrest, prosecution, or penalty in any
22 manner, or denied any right or privilege, including but not limited to civil penalty
23 or disciplinary action by the Kentucky Board of Medical Licensure or by any
24 other occupational or professional licensing board, solely for providing written
25 certifications or for otherwise stating that, in the practitioner's professional
26 opinion, a patient is likely to receive therapeutic or palliative benefit from the
27 medical use of cannabis to treat or alleviate the patient's debilitating medical

1 condition or symptoms associated with the debilitating medical condition, except
2 that nothing in Sections 1 to 29 of this Act shall prevent a practitioner from being
3 sanctioned for:

4 (a) Issuing a written certification to a patient with whom the practitioner does
5 not have a bona fide practitioner-patient relationship; or

6 (b) Failing to properly evaluate a patient's medical condition.

7 (8) No person may be subject to arrest, prosecution, or denial of any right or
8 privilege, including but not limited to civil penalty or disciplinary action by a
9 court or occupational or professional licensing board, for:

10 (a) Selling cannabis paraphernalia to a cardholder upon presentation of a
11 registry identification card in the recipient's name that has not expired or to
12 a compassion center agent or safety compliance facility agent upon
13 presentation of an unexpired copy of the entity's registration certificate;

14 (b) Being in the presence or vicinity of the medical use of cannabis as allowed
15 under Sections 1 to 29 of this Act; or

16 (c) Assisting a qualifying patient with using or administering cannabis. For
17 purposes of illustration and not limitation, this includes preparing a
18 vaporizer for a registered qualifying patient's use or brewing tea for a
19 qualifying patient. It does not include providing cannabis to a patient that
20 the patient did not already possess.

21 (9) A compassion center shall not be subject to prosecution under state or local law,
22 to search or inspection except by the department pursuant to Section 25 of this
23 Act, to seizure or penalty in any manner, or be denied any right or privilege,
24 including but not limited to civil penalty or disciplinary action by a court or
25 business licensing board, for acting pursuant to Sections 1 to 29 of this Act and
26 the department's administrative regulations for:

27 (a) Selling cannabis seeds to similar entities that are registered to dispense

1 cannabis for medical use in other jurisdictions; or

2 (b) Acquiring, possessing, manufacturing, delivering, transferring,
3 transporting, supplying, selling, or dispensing cannabis, usable cannabis,
4 related supplies, and educational materials to qualifying patients, visiting
5 qualifying patients who have designated the compassion center to provide
6 for them, designated caregivers on behalf of the qualifying patients who
7 have designated the compassion center, or to other compassion centers.

8 (10) A compassion center agent shall not be subject to prosecution, search, or penalty
9 in any manner, or be denied any right or privilege, including but not limited to
10 civil penalty or disciplinary action by a court or business licensing board, for
11 working for a compassion center pursuant to Sections 1 to 29 of this Act and the
12 department's administrative regulations to acquire, possess, manufacture, deliver,
13 transfer, transport, supply, sell, or dispense cannabis or related supplies and
14 educational materials to qualifying patients who have designated the compassion
15 center to provide for them, to designated caregivers on behalf of the qualifying
16 patients who have designated the compassion center, or to other compassion
17 centers.

18 (11) A cultivator or cultivator agent acting on behalf of a cultivator shall not be
19 subject to prosecution under state or local law, to search or inspection except by
20 the department pursuant to Section 24 of this Act, or to seizure or penalty in any
21 manner, or be denied any right or privilege, including but not limited to civil
22 penalty or disciplinary action by court or business licensing board, for acting
23 pursuant to Sections 1 to 29 of this Act and the department's administrative
24 regulations for:

25 (a) Selling cannabis seeds to similar entities that are registered to cultivate
26 cannabis for medical use in other jurisdictions; or

27 (b) Acquiring, possessing, cultivating, manufacturing, delivering, transferring,

1 transporting, supplying, or selling usable cannabis and related supplies to
2 other registered cultivators or registered compassion centers.

3 (12) A safety compliance facility and safety compliance facility agents acting on
4 behalf of a safety compliance facility shall not be subject to prosecution, search
5 except by the department pursuant to Section 24 of this Act, seizure, or penalty in
6 any manner, or be denied any right or privilege, including but not limited to civil
7 penalty or disciplinary action by a court or business licensing board, solely for
8 acting in accordance with Sections 1 to 29 of this Act and the department's
9 administrative regulations to provide the following services:

10 (a) Acquiring or possessing cannabis obtained from cardholders, cultivators, or
11 compassion centers;

12 (b) Returning the cannabis to cardholders, cultivators, or compassion centers;

13 (c) Transporting cannabis that was produced by cardholders, cultivators, and
14 compassion centers to or from those cardholders, cultivators, and
15 compassion centers;

16 (d) The production or sale of educational materials related to medical
17 cannabis;

18 (e) The production, sale, or transportation of equipment or materials other
19 than cannabis to compassion centers, cultivators, caregivers, or cardholders
20 including lab equipment and packaging materials, that are used by
21 compassion centers, cultivators, and cardholders;

22 (f) Testing of medical cannabis samples, including for potency, pesticides,
23 mold, and contamination;

24 (g) Providing training to cardholders, prospective cultivator agents, and
25 prospective compassion center agents, provided that only cardholders may
26 be allowed to possess or cultivate cannabis and any possession or
27 cultivation of cannabis must occur on the location registered with the

1 department; and

2 (h) Receiving compensation for actions allowed under this section.

3 (13) Any cannabis, cannabis paraphernalia, lawful property, or interest in lawful
4 property that is possessed, owned, or used in connection with the medical use of
5 cannabis as allowed under Sections 1 to 29 of this Act, or acts incidental to such
6 use, shall not be seized or forfeited. Sections 1 to 29 of this Act shall not prevent
7 the seizure or forfeiture of cannabis exceeding the amounts allowed under
8 Sections 1 to 29 of this Act, nor shall it prevent seizure or forfeiture if the basis
9 for the action is unrelated to the cannabis that is possessed, manufactured,
10 transferred, or used pursuant to Sections 1 to 29 of this Act.

11 (14) Mere possession of, or application for, a registry identification card or
12 registration certificate shall not constitute probable cause or reasonable
13 suspicion, nor shall it be used to support the search of the person, property, or
14 home of the person possessing or applying for the registry identification card.
15 The possession of, or application for, a registry identification card shall not
16 preclude the existence of probable cause if probable cause exists on other
17 grounds.

18 (15) For the purposes of Kentucky law and any provisions to the contrary of Sections
19 1 to 29 of this Act, the medical use of cannabis by a cardholder or compassion
20 center shall be considered lawful as long as it is in accordance with Sections 1 to
21 29 of this Act.

22 (16) No law enforcement officer employed by an agency which receives state or local
23 government funds shall expend any state or local resources, including the
24 officer's time, to effect any arrest or seizure of cannabis, or conduct any
25 investigation, on the sole basis of activity the officer believes to constitute a
26 violation of the federal Controlled Substances Act, 21 U.S.C. secs. 801 et seq., if
27 the officer has reason to believe that such activity is in compliance with state

1 medical cannabis laws, nor shall any such officer expend any state or local
2 resources, including the officer's time, to provide any information or logistical
3 support related to such activity to any federal law enforcement authority or
4 prosecuting entity.

5 (17) An attorney shall not be subject to disciplinary action by the Kentucky Bar
6 Association or other professional licensing association for providing legal
7 assistance to prospective or registered cultivators, compassion centers, or safety
8 compliance facilities or others related to activity that is no longer subject to
9 criminal penalties under state law pursuant to Sections 1 to 29 of this Act.

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

12 This chapter does not authorize any person to engage in, and does not prevent the
13 imposition of any civil, criminal, or other penalties for engaging in, the following
14 conduct:

15 (1) Undertaking any task under the influence of cannabis, when doing so would
16 constitute negligence or professional malpractice;

17 (2) Possessing cannabis, or otherwise engaging in the medical use of cannabis:

18 (a) In a school bus;

19 (b) On the grounds of any preschool or primary or secondary school; or

20 (c) In any correctional facility;

21 (3) Smoking cannabis:

22 (a) On any form of public transportation; or

23 (b) In any public place;

24 (4) Operating, navigating, or being in actual physical control of any motor vehicle,
25 aircraft, or motorboat or personal watercraft while under the influence of
26 cannabis, except that a qualifying patient or visiting qualifying patient shall not
27 be considered to be under the influence of cannabis solely because of the

1 presence of metabolites or components of cannabis that appear in insufficient
2 concentration to cause impairment; or

3 (5) Using cannabis, if that person does not have a debilitating medical condition.

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

6 (1) Except as provided in Sections 1 to 29 of this Act, a qualifying patient who uses
7 cannabis for medical purposes shall be afforded all the same rights under state
8 and local law, including those guaranteed under KRS Chapter 344, as the
9 individual would have been afforded if he or she were solely prescribed
10 pharmaceutical medications, as it pertains to:

11 (a) Any interaction with a person's employer;

12 (b) Drug testing by one's employer; or

13 (c) Drug testing required by any state or local law, agency, or government
14 official.

15 (2) (a) The rights provided by this section do not apply to the extent that they
16 conflict with an employer's obligations under federal law or regulations or
17 to the extent that they would disqualify an employer from a monetary or
18 licensing-related benefit under federal law or regulations.

19 (b) No employer is required to allow the ingestion of cannabis in any workplace
20 or to allow any employee to work while under the influence of cannabis. A
21 qualifying patient shall not be considered to be under the influence of
22 cannabis solely because of the presence of metabolites or components of
23 cannabis that appear in insufficient concentration to cause impairment.

24 (3) No school or landlord may refuse to enroll or lease to, or otherwise penalize, a
25 person solely for his or her status as a qualifying patient or a designated
26 caregiver, unless failing to do so would violate federal law or regulations or cause
27 the school or landlord to lose a monetary or licensing-related benefit under

1 federal law or regulations.

2 (4) For the purposes of medical care, including organ transplants, a qualifying
 3 patient's authorized use of cannabis in accordance with Sections 1 to 29 of this
 4 Act is the equivalent of the authorized use of any other medication used at the
 5 direction of a physician, and shall not constitute the use of an illicit substance or
 6 otherwise disqualify a qualifying patient from needed medical care.

7 (5) A person otherwise entitled to custody of or visitation or parenting time with a
 8 minor shall not be denied such a right, and there shall be no presumption of
 9 neglect or child endangerment, for conduct allowed under Sections 1 to 29 of this
 10 Act, unless the person's actions in relation to cannabis were such that they
 11 created an unreasonable danger to the safety of the minor as established by clear
 12 and convincing evidence.

13 (6) No school, landlord, or employer may be penalized or denied any benefit under
 14 state law for enrolling, leasing to, or employing a cardholder.

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

17 Any citizen may petition the department to add conditions to the list of debilitating
 18 medical conditions listed in Section 2 of this Act. The department shall consider
 19 petitions in the manner required by administrative regulations promulgated by the
 20 department, including public notice and hearing. The department shall approve or
 21 deny a petition within one hundred (100) days of its submission. The approval or
 22 denial of any petition is a final decision of the department subject to judicial review.
 23 Jurisdiction and venue are vested in the Franklin Circuit Court.

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

26 (1) Nothing in Sections 1 to 29 of this Act requires:

27 (a) A government medical assistance program or private insurer to reimburse a

1 person for costs associated with the medical use of cannabis; or
2 (b) Any person or establishment in lawful possession of property to allow a
3 guest, client, customer, or other visitor to smoke cannabis on or in that
4 property.

5 (2) Nothing in this chapter prohibits an employer from disciplining an employee for
6 ingesting cannabis in the workplace or working while under the influence of
7 cannabis.

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

10 (1) The Department of Alcoholic Beverage and Cannabis Control shall promulgate
11 administrative regulations necessary for implementation of this chapter which
12 shall include:

13 (a) Procedures for the issuance, renewal, suspension, and revocation of
14 licenses issued pursuant to this chapter, with such procedures subject to all
15 requirements of KRS Chapters 13A and 13B;

16 (b) Security requirements including lighting, physical security, video
17 surveillance, and alarm requirements;

18 (c) Requirements for the secure transportation and storage of cannabis and
19 cannabis products by licensees and their employees or agents;

20 (d) Employment and training requirements for licensees, their agents, or their
21 employees, including requiring each licensee to create an identification
22 badge for each of the licensee's agents or employees;

23 (e) Standards for cannabis product processors to determine the amount of
24 cannabis that cannabis products are considered the equivalent to;

25 (f) Requirements for the packaging and labeling of cannabis and cannabis
26 products sold or distributed by licensees including:

27 1. Warnings for the length of time it typically takes for the product to

- 1 take effect and how long the effects will typically last;
- 2 2. The amount of cannabis the product is considered the equivalent to;
- 3 3. Disclosing ingredients and possible allergens;
- 4 4. A nutritional fact panel;
- 5 5. Opaque, child-resistant packaging; and
- 6 6. A requirement that edible cannabis products be clearly marked with
- 7 an identifiable and standardized symbol indicating that the product
- 8 contains cannabis;
- 9 (g) Health and safety requirements for the processing of cannabis and
- 10 cannabis products and both the indoor and outdoor cultivation of cannabis
- 11 by licensees;
- 12 (h) Restrictions on advertising, marketing, and signage in regard to operations
- 13 or establishments owned by licensees necessary to prevent the targeting of
- 14 minors;
- 15 (i) Restrictions on additives to cannabis and cannabis products that are toxic
- 16 or increase the likelihood of addiction;
- 17 (j) Restrictions on pesticides used during cannabis cultivation which pose a
- 18 threat to human health and safety;
- 19 (k) Restrictions on visits to cannabis cultivation and processing facilities,
- 20 including requiring the use of visitor logs;
- 21 (l) A definition of the amount of delta-9 tetrahydrocannabinol that constitutes
- 22 a single serving in a cannabis product;
- 23 (m) Standards for the safe processing of cannabis products created by
- 24 extracting or concentrating compounds from plant materials;
- 25 (n) Requirements that evidence-based educational materials regarding dosage
- 26 and impairment be disseminated to consumers who purchase cannabis
- 27 products;

1 (o) Requirements for random sample testing of cannabis and cannabis
2 products to ensure quality control, including testing for residual solvents,
3 pesticides, poisons, toxins, mold, mildew, insects, bacteria, and any other
4 dangerous adulterant; and

5 (p) Standards for the operation of cannabis testing facilities, including
6 requirements for equipment and personnel qualifications.

7 (2) The department shall promulgate the required administrative regulations within
8 one hundred eighty (180) days after the effective date of this Act.

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

11 (1) No person shall cultivate, possess, test, transfer, or sell cannabis in this state
12 without first obtaining a license under this section except as provided in Section 3
13 of this Act.

14 (2) The department shall create separate licenses allowing persons to operate either:

15 (a) A cannabis cultivator;

16 (b) A cannabis safety compliance facility; or

17 (c) A cannabis compassion center.

18 (3) No person may hold more than one (1) type of license issued pursuant to this
19 section.

20 (4) Licenses issued pursuant to this chapter shall permit the licensee to operate only
21 one (1) type of cannabis-related entity.

22 (5) A license issued pursuant to this chapter shall be valid for one (1) year from the
23 date of issuance. The department shall notify each licensee ninety (90) days prior
24 to the date the license expires to allow the licensee to begin the renewal procedure
25 promulgated by the department pursuant to Section 8 of this Act.

26 (6) The licensing and renewal fees for each license created under subsection (2) of
27 this section shall be five thousand dollars (\$5,000).

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

3 (1) The department shall create a uniform application form for licenses issued
4 pursuant to this section.

5 (2) A person applying for a license to operate a cannabis-related entity shall
6 complete the application form prescribed by the department in subsection (1) of
7 this section and return the application form to the department with the required
8 nonrefundable application fee of one hundred dollars (\$100).

9 (3) The department shall issue a license to a person who applies for one unless:

10 (a) The person has been convicted of a criminal offense which would qualify
11 him or her as a violent offender as defined in KRS 439.3401;

12 (b) The person falsifies information on the application for a license; or

13 (c) The person has had a previous license issued pursuant to this section
14 revoked by the department within the previous twelve (12) months prior to
15 his or her reapplication.

16 (4) The application fee required under subsection (2) of this section shall be applied
17 to the licensing fee if the license is issued; otherwise it shall be retained by the
18 department.

19 (5) Licenses issued pursuant to this section shall not be transferrable.

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

22 (1) The Medical Cannabis Administration fund is hereby created as a trust and
23 agency fund in the State Treasury. The fund shall consist of amounts received
24 from appropriations and any other proceeds from gifts, grants, federal funds,
25 donations from private sources, and application fees, license fees, registration
26 fees and renewal fees imposed under Sections 10, 16, 18, 19, and 20 of this Act.

27 (2) The Medical Cannabis Administration fund shall be administered by the

- 1 Department of Alcoholic Beverage and Cannabis Control or its successor agency.
- 2 (3) Amounts deposited in the fund shall be used to offset the expenses of
- 3 implementing and administering Sections 1 to 29 of this Act.
- 4 (4) Notwithstanding KRS 45.229, the Medical Cannabis Administration fund
- 5 amounts not expended at the close of a fiscal year shall not lapse but shall be
- 6 carried forward into the next fiscal year.
- 7 (5) Any interest earnings of the Medical Cannabis Administration fund shall become
- 8 a part of the fund and shall not lapse.
- 9 (6) Moneys deposited in the fund are hereby appropriated for the purposes set forth
- 10 in this section and shall not be appropriated or transferred by the General
- 11 Assembly for any other purposes.

12 ➔SECTION 12. A NEW SECTION OF KRS CHAPTER 218A IS CREATED

13 TO READ AS FOLLOWS:

- 14 (1) The department shall issue registry identification cards to qualifying patients who
- 15 submit the following, in accordance with the department's administrative
- 16 regulations:
- 17 (a) A written certification issued by a practitioner within ninety (90) days
- 18 immediately preceding the date of an application;
- 19 (b) If the patient is not a visiting qualifying patient, documentation required to
- 20 reasonably establish proof of residency in Kentucky;
- 21 (c) If the patient is a visiting qualifying patient, a copy of his or her registry
- 22 identification card or its equivalent that was issued pursuant to the laws of
- 23 the jurisdiction of the person's residence;
- 24 (d) The application or renewal fee;
- 25 (e) The name, address, and date of birth of the qualifying patient, except that if
- 26 the applicant is homeless no address is required;
- 27 (f) The name, address, and telephone number of the qualifying patient's

1 practitioner;

2 (g) The name, address, and date of birth of the designated caregiver, if any,
 3 chosen by the qualifying patient, except that a visiting qualifying patient
 4 may not have a designated caregiver;

5 (h) The name of the compassion center the qualifying patient designates, if
 6 any;

7 (i) If the qualifying patient designates a designated caregiver, a designation as
 8 to whether the qualifying patient or designated caregiver will be allowed
 9 under state law to possess and cultivate cannabis plants for the qualifying
 10 patient's medical use;

11 (j) A statement, signed by the qualifying patient, pledging not to divert
 12 cannabis to anyone who is not allowed to possess cannabis pursuant to
 13 Sections 1 to 29 of this Act; and

14 (k) A signed statement from the designated caregiver, if any, agreeing to be
 15 designated as the patient's designated caregiver and pledging not to divert
 16 cannabis to anyone who is not allowed to possess cannabis pursuant to
 17 Sections 1 to 29 of this Act.

18 (2) The application for qualifying patients' registry identification cards shall ask
 19 whether the patient would like the department to notify him or her of any clinical
 20 studies needing human subjects for research on the medical use of cannabis. The
 21 department shall notify interested patients if it is notified of studies that will be
 22 conducted in the United States.

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

25 (1) Except as provided in subsection (2) of this section, the department shall:

26 (a) Verify the information contained in an application or renewal submitted
 27 pursuant to Section 12 of this Act, and approve or deny an application or

1 renewal, within fifteen (15) days of receiving a completed application or
 2 renewal application;

3 (b) Issue registry identification cards to a qualifying patient and his or her
 4 designated caregiver, if any, within five (5) days of approving the
 5 application or renewal. A designated caregiver shall have a registry
 6 identification card for each of his or her qualifying patients; and

7 (c) Enter the registry identification number of the compassion center the
 8 patient designates into the verification system.

9 (2) The department shall not issue a registry identification card to a qualifying
 10 patient who is younger than eighteen (18) years of age unless:

11 (a) The qualifying patient's practitioner has explained the potential risks and
 12 benefits of the medical use of cannabis to the custodial parent or legal
 13 guardian with responsibility for health care decisions for the qualifying
 14 patient; and

15 (b) The custodial parent or legal guardian with responsibility for health care
 16 decisions for the qualifying patient consents in writing to:

17 1. Allow the qualifying patient's medical use of cannabis;

18 2. Serve as the qualifying patient's designated caregiver; and

19 3. Control the acquisition of the cannabis, the dosage, and the frequency
 20 of the medical use of cannabis by the qualifying patient.

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

23 (1) The department may deny an application or renewal of a qualifying patient's
 24 registry identification card only if the applicant:

25 (a) Did not provide the required information or materials;

26 (b) Previously had a registry identification card revoked; or

27 (c) Provided false or falsified information.

- 1 (2) The department may deny an application or renewal for a designated caregiver
 2 chosen by a qualifying patient whose registry identification card was granted only
 3 if:
 4 (a) The designated caregiver does not meet the requirements of Section 2 of this
 5 Act;
 6 (b) The applicant did not provide the information required;
 7 (c) The designated caregiver previously had a registry identification card
 8 revoked; or
 9 (d) The applicant or the designated caregiver provides false or falsified
 10 information.
- 11 (3) The department may conduct a background check of the prospective designated
 12 caregiver in order to implement this section.
- 13 (4) The department shall notify the qualifying patient who has designated someone
 14 to serve as his or her designated caregiver if a registry identification card will not
 15 be issued to the designated caregiver.
- 16 (5) Denial of an application or renewal is considered a final department action,
 17 subject to judicial review. Jurisdiction and venue for judicial review are vested in
 18 the Franklin Circuit Court.

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

- 21 (1) Registry identification cards shall contain all of the following:
 22 (a) The name of the cardholder;
 23 (b) A designation of whether the cardholder is a designated caregiver or
 24 qualifying patient;
 25 (c) The date of issuance and expiration date of the registry identification card;
 26 (d) A random ten (10) character alphanumeric identification number,
 27 containing at least four (4) numbers and at least four (4) letters, that is

- 1 unique to the cardholder;
- 2 (e) If the cardholder is a designated caregiver, the random ten (10) character
- 3 alphanumeric identification number of the qualifying patient the designated
- 4 caregiver is receiving the registry identification card to assist;
- 5 (f) A clear designation as to whether the cardholder will be allowed under state
- 6 law to possess the cannabis plants for the qualifying patient's medical use,
- 7 which shall be determined based solely on the qualifying patient's
- 8 preference;
- 9 (g) A photograph of the cardholder, if the department's administrative
- 10 regulations require one; and
- 11 (h) The telephone number or Web address for the verification system.
- 12 (2) (a) Except as provided in this subsection, the expiration date shall be one (1)
- 13 year after the date of issuance.
- 14 (b) If the practitioner stated in the written certification that the qualifying
- 15 patient would benefit from cannabis until a specified earlier date, then the
- 16 registry identification card shall expire on that date.
- 17 (3) The department may, at its discretion, electronically store in the card all of the
- 18 information listed in subsection (1) of this section, along with the address and
- 19 date of birth of the cardholder, to allow it to be read by law enforcement agents.

20 ➔SECTION 16. A NEW SECTION OF KRS CHAPTER 218A IS CREATED

21 TO READ AS FOLLOWS:

- 22 (1) The following notifications and department responses are required:
- 23 (a) A qualifying patient shall notify the department of any change in his or her
- 24 name or address, or if the qualifying patient ceases to have his or her
- 25 debilitating medical condition, within ten (10) days of the change;
- 26 (b) A designated caregiver shall notify the department of any change in his or
- 27 her name or address, or if the designated caregiver becomes aware that the

- 1 qualifying patient has died, within ten (10) days of the change or of
2 becoming aware of the qualifying patient's death;
- 3 (c) Before a qualifying patient changes his or her designated caregiver, the
4 qualifying patient shall notify the department of the change;
- 5 (d) When a qualifying patient changes his or her preference as to who may
6 cultivate cannabis for the qualifying patient, the qualifying patient shall
7 notify the department of the change; and
- 8 (e) If a cardholder loses his or her registry identification card, he or she shall
9 notify the department within ten (10) days of becoming aware the card has
10 been lost.
- 11 (2) When a cardholder notifies the department of items listed in subsection (1) of this
12 section, but remains eligible under Sections 1 to 29 of this Act, the department
13 shall issue the cardholder a new registry identification card with a new random
14 ten (10) character alphanumeric identification number within ten (10) days of
15 receiving the updated information and a twenty dollar (\$20) fee. The department
16 shall use this fee for the purposes expressed in subsection (5)(a) of Section 28 of
17 this Act. If the person notifying the department is a qualifying patient, the
18 department shall also issue his or her designated caregiver, if any, a new registry
19 identification card within ten (10) days of receiving the updated information.
- 20 (3) If a qualifying patient ceases to be a qualifying patient or changes his or her
21 designated caregiver, the department shall promptly notify the designated
22 caregiver. The designated caregiver's protections under Sections 1 to 29 of this
23 Act as to that qualifying patient shall expire fifteen (15) days after notification by
24 the department.
- 25 (4) A cardholder who fails to make a notification to the department that is required
26 by this section is subject to a violation, punishable by a penalty of no more than
27 one hundred fifty dollars (\$150).

1 (5) A qualifying patient shall notify the department before changing his or her
2 registered compassion center and pay a twenty dollar (\$20) fee. The department
3 shall use this fee for the purposes expressed in subsection (5)(a) of Section 28 of
4 this Act. The department shall, within five (5) business days of receiving the
5 notification, update the qualifying patient's entry in the identification registry
6 system to reflect the change in designation and notify the patient that the change
7 has been processed.

8 (6) If the qualifying patient's certifying practitioner notifies the department in
9 writing that either the qualifying patient has ceased to suffer from a debilitating
10 medical condition or that the practitioner no longer believes the patient would
11 receive therapeutic or palliative benefit from the medical use of cannabis, the
12 card shall become void. However, the qualifying patient shall have fifteen (15)
13 days to dispose of or give away his or her cannabis.

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

16 (1) Except as provided in Section 4 of this Act and this section, an individual may
17 assert a medical purpose for using cannabis as a defense to any prosecution of an
18 offense involving cannabis intended for the patient's medical use, and this
19 defense shall be presumed valid and the prosecution shall be dismissed if the
20 evidence shows that:

21 (a) A practitioner states that, in the practitioner's professional opinion, after
22 having completed a full assessment of the individual's medical history and
23 current medical condition made in the course of a bona fide practitioner-
24 patient relationship, the patient is likely to receive therapeutic or palliative
25 benefit from cannabis to treat or alleviate the individual's debilitating
26 medical condition or symptoms associated with the individual's debilitating
27 medical condition;

- 1 (b) The individual and the individual's designated caregiver, if any, were
2 collectively in possession of a quantity of cannabis that was not more than
3 was reasonably necessary to ensure the uninterrupted availability of
4 cannabis for the purpose of treating or alleviating the individual's
5 debilitating medical condition or symptoms associated with the individual's
6 debilitating medical condition;
- 7 (c) The individual was engaged in the acquisition, possession, cultivation,
8 manufacture, use, or transportation of cannabis, paraphernalia, or both
9 cannabis and paraphernalia, relating to the administration of cannabis to
10 treat or alleviate the individual's debilitating medical condition or symptoms
11 associated with the individual's debilitating medical condition; and
- 12 (d) Any cultivation of cannabis occurred in an enclosed, locked area that only
13 the person asserting the defense could access.
- 14 (2) The defense and motion to dismiss shall not prevail if either of the following are
15 proven:
- 16 (a) The individual had a registry identification card revoked for misconduct; or
17 (b) The purposes for the possession or cultivation of cannabis were not solely
18 for palliative or therapeutic use by the individual with a debilitating medical
19 condition who raised the defense.
- 20 (3) An individual is not required to possess a registry identification card to raise the
21 affirmative defense set forth in this section.
- 22 (4) If an individual demonstrates the individual's medical purpose for using
23 cannabis pursuant to this section, except as provided in Section 4 of this Act, the
24 individual shall not be subject to the following for the individual's use of
25 cannabis for medical purposes:
- 26 (a) Disciplinary action by an occupational or professional licensing board; or
27 (b) Forfeiture of any interest in or right to non-cannabis, lawful property.

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

3 *(1) Compassion centers may operate only if they have been issued a valid registration*
4 *certificate from the department. When applying for a compassion center*
5 *registration certificate, the applicant shall submit the following in accordance*
6 *with the department's administrative regulations:*

7 *(a) A nonrefundable application fee in an amount not to exceed four thousand*
8 *dollars (\$4,000), to be used by the department for the purposes expressed in*
9 *subsection (5)(a) of Section 28 of this Act;*

10 *(b) The proposed legal name of the compassion center;*

11 *(c) The proposed physical address of the compassion center and the proposed*
12 *physical address of any additional locations, if any, where cannabis will be*
13 *packaged, labeled, or otherwise prepared for distribution by the compassion*
14 *center;*

15 *(d) The name, address, and date of birth of each principal officer and board*
16 *member of the compassion center, except that all such individuals shall be*
17 *at least twenty-one (21) years of age;*

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

22 *(f) Any information required by the department to evaluate the applicant*
23 *pursuant to the competitive bidding process described in subsection (2) of*
24 *this section.*

25 *(2) The department shall evaluate applications for compassion center registration*
26 *certificates using an impartial and numerically scored competitive bidding*
27 *process developed by the department in accordance with Sections 1 to 29 of this*

- 1 Act. The registration considerations shall consist of the following criteria:
- 2 (a) The suitability of the proposed location or locations, including compliance
- 3 with any local zoning laws and the geographic convenience to patients from
- 4 throughout the Commonwealth to compassion centers should the applicant
- 5 be approved;
- 6 (b) The principal officers' and board members' relevant experience, including
- 7 any training or professional licensing related to medicine, pharmaceuticals,
- 8 natural treatments, botany, or cannabis cultivation and preparation and
- 9 their experience running businesses or not-for-profit entities;
- 10 (c) The proposed compassion center's plan for operations and services,
- 11 including its staffing and training plans, whether it has sufficient capital to
- 12 operate, and its ability to provide an adequate supply of medical cannabis to
- 13 the registered patients in the state;
- 14 (d) The sufficiency of the applicant's plans for recordkeeping;
- 15 (e) The sufficiency of the applicant's plans for safety, security, and the
- 16 prevention of diversion, including proposed locations and security devices
- 17 employed;
- 18 (f) The applicant's plan for making medical cannabis available on an
- 19 affordable basis to qualifying patients enrolled in Medicaid or receiving
- 20 Supplemental Security Income or Social Security Disability Insurance; and
- 21 (g) The applicant's plan for safe and accurate packaging and labeling of
- 22 medical cannabis, including the applicant's plan for ensuring that all
- 23 medical cannabis is free of contaminants.
- 24 (3) No later than one (1) year after the effective date of this Act, if at least five (5)
- 25 applications have been submitted, the department shall issue compassion center
- 26 registration certificates to the five (5) highest-scoring applicants, except that the
- 27 department may divide the state into geographical areas and grant a registration

1 to the highest-scoring applicant in each geographical area.

2 (4) No later than two (2) years after the effective date of this Act, the department
3 shall issue registration certifications to at least one (1) compassion center for
4 each one hundred thousand (100,000) residents of Kentucky of the highest-
5 scoring applicants not already awarded a registration certificate, if a sufficient
6 number of additional applications have been submitted. The need to ensure an
7 adequate geographic distribution may supersede the requirement that the
8 approved applicants be granted registration certificates based solely on which
9 applicants receive the highest scores. If the department determines, after
10 reviewing the report issued pursuant to Section 27 of this Act, that additional
11 compassion centers are needed to meet the needs of qualifying patients
12 throughout the state, the department shall issue registration certificates to the
13 corresponding number of applicants who score the highest.

14 (5) (a) At any time after two (2) years after the effective date of this Act that the
15 number of outstanding and valid compassion center certificates is lower
16 than the number of registration certificates the department is required to
17 issue pursuant to subsections (3) and (4) of this section, the department
18 shall accept applications for compassion centers and issue registration
19 certificates to the corresponding number of additional applicants that score
20 the highest, or that score the highest in given geographic areas.

21 (b) Notwithstanding this subsection, an application for a compassion center
22 registration certificate shall be denied if any of the following conditions are
23 met:

24 1. The applicant failed to submit the materials required by this section,
25 including if the applicant's plans do not satisfy the security, oversight,
26 or recordkeeping administrative regulations promulgated by the
27 department;

- 1 2. The applicant would not be in compliance with local zoning
2 regulations issued in accordance with Section 22 of this Act;
- 3 3. The applicant does not meet the requirements of Section 24 of this
4 Act;
- 5 4. One (1) or more of the prospective principal officers or board
6 members has been convicted of a disqualifying felony offense;
- 7 5. One (1) or more of the prospective principal officers or board
8 members has served as a principal officer or board member for a
9 compassion center, cultivator, or safety compliance facility that has
10 had its registration certificate revoked; or
- 11 6. One (1) or more of the principal officers or board members is younger
12 than twenty-one (21) years of age.
- 13 (6) After a compassion center is approved, but before it begins operations, it shall
14 submit a registration fee to the department in the amount determined by the
15 department's administrative regulations and, if a physical address had not been
16 finalized when it applied, it shall submit a complete listing of all its physical
17 addresses.
- 18 (7) The department may issue a registration certificate to a compassion center
19 without regard to its score and the population formula specified in this section if
20 the center's activities are limited solely to manufacture and distribution of usable
21 cannabis to other compassion centers.
- 22 (8) The department shall issue each compassion center one (1) copy of its
23 registration certificate for each compassion center location. Registration
24 certificates shall include the compassion center's identification number. The
25 department shall also provide each compassion center with the contact
26 information for the verification system.

27 ➔SECTION 19. A NEW SECTION OF KRS CHAPTER 218A IS CREATED

1 TO READ AS FOLLOWS:

2 (1) Cultivators shall:

3 (a) Only grow, process, and deliver cannabis to a compassion center for fair
4 market value and subject to applicable taxes for the transfer of agricultural
5 products;

6 (b) Be subject to the same rights, responsibilities, and protections as a
7 compassion center;

8 (c) Supply the amount of cannabis required by the compassion centers; and

9 (d) Only deliver usable cannabis after it has been checked by a safety
10 compliance facility for cannabinoid contents and contaminants.

11 (2) Cultivators may operate only if they have been issued a valid registration
12 certificate from the department. When applying for a registered cultivator
13 certificate, the applicant shall submit the following in accordance with the
14 department's administrative regulations:

15 (a) A nonrefundable application fee in an amount not to exceed four thousand
16 dollars (\$4,000), to be used by the department for the purposes expressed in
17 subsection (5)(a) of Section 28 of this Act;

18 (b) The proposed legal name of the cultivator;

19 (c) The proposed physical address of the cultivator and the proposed physical
20 address of any additional locations, if any, where cannabis will be
21 cultivated, harvested, packaged, labeled, or otherwise prepared for
22 distribution to a compassion center or a safety compliance facility;

23 (d) The name, address, and date of birth of each principal officer and board
24 member of the cultivator, except that all such individuals shall be at least
25 twenty-one (21) years of age; and

26 (e) Any instances in which a business or not-for-profit entity that any of the
27 prospective board members managed or served on the board of was

1 convicted, fined, censured, or had a registration or license suspended or
2 revoked in any administrative or judicial proceeding.

3 (3) The department shall evaluate applications for cultivator certificates using an
4 impartial process developed by the department in accordance with Sections 1 to
5 29 of this Act. The registration considerations shall consist of the following
6 criteria:

7 (a) The suitability of the proposed location or locations, including compliance
8 with any local zoning laws;

9 (b) The principal officers' and board members' relevant experience, including
10 any training or professional licensing related to medicine, pharmaceuticals,
11 natural treatments, botany, or cannabis cultivation and preparation and
12 their experience running businesses or not-for-profit entities;

13 (c) The applicant's plan for operations and services, including its staffing and
14 training plans, whether it has sufficient capital to operate, and its ability to
15 provide an adequate supply of medical cannabis to compassion centers in
16 the state;

17 (d) The sufficiency of the applicant's plans for recordkeeping;

18 (e) The sufficiency of the applicant's plans for safety, security, and the
19 prevention of diversion, including proposed locations and security devices
20 employed; and

21 (f) The applicant's plan for safe and accurate packaging and labeling of
22 medical cannabis, including the applicant's plan for ensuring that all
23 medical cannabis is free of contaminants.

24 (4) An application for a cultivator certificate shall be denied if any of the following
25 conditions are met:

26 (a) The applicant failed to submit the materials required by this section,
27 including if the applicant's plans do not satisfy the security, oversight, or

- 1 recordkeeping administrative regulations promulgated by the department;
2 (b) The applicant would not be in compliance with local zoning regulations
3 issued in accordance with Section 22 of this Act;
4 (c) The applicant does not meet the requirements of Section 24 of this Act;
5 (d) One (1) or more of the prospective principal officers or board members has
6 been convicted of a disqualifying felony offense;
7 (e) One (1) or more of the prospective principal officers or board members has
8 served as a principal officer or board member for a cultivator, compassion
9 center, or safety compliance facility that has had its registration certificate
10 revoked; or
11 (f) One (1) or more of the principal officers or board members is younger than
12 twenty-one (21) years of age.
13 (5) After a cultivator is approved, but before it begins operations, it shall submit a
14 registration fee to the department in the amount determined by the department's
15 administrative regulations and, if a physical address had not been finalized when
16 it applied, it shall submit a complete listing of all its physical addresses.
17 (6) The department shall issue each cultivator one (1) copy of its registration
18 certificate for each cultivator location. Registration certificates shall include the
19 cultivator's identification number. The department shall also provide each
20 cultivator with the contact information for the verification system.
21 ➔SECTION 20. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
22 TO READ AS FOLLOWS:
23 (1) Safety compliance facilities may operate only if they have been issued a valid
24 registration certificate from the department. When applying for a safety
25 compliance facility registration certificate, the applicant shall submit the
26 following in accordance with the department's administrative regulations:
27 (a) A nonrefundable application fee in an amount not to exceed four thousand

- 1 dollars (\$4,000);
- 2 (b) The proposed legal name of the safety compliance facility;
- 3 (c) The proposed physical address of the safety compliance facility;
- 4 (d) The name, address, and date of birth of each principal officer and board
5 member of the safety compliance facility, except that all such individuals
6 shall be at least twenty-one (21) years of age;
- 7 (e) Any instances in which a business or not-for-profit entity that any of the
8 prospective board members managed or served on the board of was
9 convicted, fined, censured, or had a registration or license suspended or
10 revoked in any administrative or judicial proceeding; and
- 11 (f) Any information required by the department to evaluate the applicant
12 pursuant to the competitive bidding process described in subsection (2) of
13 this section.
- 14 (2) The department shall evaluate applications for safety compliance facility
15 registration certificates using an impartial and numerically scored competitive
16 bidding process developed by the department in accordance with Sections 1 to 29
17 of this Act. The registration considerations shall consist of the following criteria:
- 18 (a) The proposed principal officers' and board members' relevant experience,
19 including any training or professional licensing related to analytical testing,
20 medicine, pharmaceuticals, natural treatments, botany, or cannabis
21 cultivation, preparation, and testing and their experience running
22 businesses or not-for-profit entities;
- 23 (b) The suitability of the proposed location, including compliance with any
24 local zoning laws and the geographic convenience to cardholders and
25 compassion centers from throughout the Commonwealth to safety
26 compliance facilities should the applicant be approved;
- 27 (c) The sufficiency of the applicant's plans for safety, security, and the

1 prevention of diversion, including proposed locations and security devices
2 employed; and

3 (d) The proposed safety compliance facility's plan for operations and services,
4 including its staffing and training plans, and whether it has sufficient
5 capital to operate.

6 (3) The department shall issue at least one (1) safety compliance facility registration
7 certificate to the highest-scoring applicant within one (1) year of the effective date
8 of this Act.

9 (4) (a) The department may issue additional safety compliance facility registration
10 certificates to the highest-scoring applicant or applicants, or to the highest-
11 scoring applicant or applicants in a given geographic area. If the
12 department determines, after reviewing the report issued pursuant to
13 Section 27 of this Act, that additional safety compliance facilities are needed
14 to meet the needs of cardholders, cultivators, and compassion centers
15 throughout the state, the department shall issue registration certificates to
16 the corresponding number of applicants who score the highest overall or in
17 a geographic area.

18 (b) Notwithstanding this subsection and subsection (3) of this section, an
19 application for a safety compliance facility registration certificate shall be
20 denied if any of the following conditions are met:

21 1. The applicant failed to submit the materials required by this section,
22 including if the plans do not satisfy the security, oversight, or
23 recordkeeping administrative regulations issued by the department;

24 2. The applicant would not be in compliance with local zoning
25 regulations issued in accordance with Section 22 of this Act;

26 3. The applicant does not meet the requirements of Section 24 of this
27 Act;

- 1 4. One (1) or more of the prospective principal officers or board
2 members has been convicted of a disqualifying felony offense;
3 5. One (1) or more of the prospective principal officers or board
4 members has served as a principal officer or board member for a
5 cultivator, safety compliance facility, or compassion center that has
6 had its registration certificate revoked; or
7 6. One (1) or more of the principal officers or board members is younger
8 than twenty-one (21) years of age.

9 (5) After a safety compliance facility is approved, but before it begins operations, it
10 shall submit a registration fee paid to the department in the amount determined
11 by the department's administrative regulations and, if a physical address had not
12 been finalized when it applied, its physical address.

13 (6) The department shall issue each safety compliance facility a registration
14 certificate, which shall include an identification number for the safety
15 compliance facility. The department shall also provide the safety compliance
16 facility with the contact information for the verification system.

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

19 (1) The department may, on its own motion or on complaint, after investigation and
20 opportunity for a public hearing at which the compassion center, cultivator, or
21 safety compliance facility has been afforded an opportunity to be heard pursuant
22 to KRS Chapter 13B, suspend or revoke a registration certificate for multiple or
23 serious violations by the registrant or any of its agents of Sections 1 to 29 of this
24 Act or any administrative regulations promulgated pursuant to those sections.

25 (2) The department shall provide notice of suspension, revocation, fine, or other
26 sanction, as well as the required notice of the hearing, by mailing the same in
27 writing to the compassion center, cultivator, or safety compliance facility at the

1 address on the registration certificate. A suspension shall not be for a longer
 2 period than six (6) months.

3 (3) A cultivator may continue to cultivate and possess cannabis plants during a
 4 suspension, but it may not transfer or sell cannabis.

5 (4) A compassion center may possess cannabis during a suspension, but it may not
 6 dispense, transfer, or sell cannabis.

7 (5) A safety compliance facility may possess cannabis during a suspension, but it
 8 may not transfer or receive any new cannabis.

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

11 Nothing shall prohibit local governments from enacting ordinances not in conflict with
 12 Sections 1 to 29 of this Act or with the department's administrative regulations
 13 regulating the time, place, and manner of compassion center or cultivator operations
 14 and safety compliance facilities, except that no local government may prohibit
 15 compassion center operation altogether, either expressly or through the enactment of
 16 ordinances which make compassion center and safety compliance facility operation
 17 unreasonably impracticable in the jurisdiction.

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

20 (1) Each compassion center, cultivator, and safety compliance facility shall conduct
 21 a background check into the criminal history of each person seeking to become a
 22 principal officer, board member, agent, volunteer, or employee before the person
 23 begins working at the compassion center, cultivator, or safety compliance facility.

24 A compassion center, cultivator, or safety compliance facility may not employ any
 25 person who:

26 (a) Was convicted of a disqualifying felony offense; or

27 (b) Is under twenty-one (21) years of age.

1 (2) A compassion center, cultivator, or safety compliance facility agent shall have
2 documentation when transporting cannabis on behalf of the safety compliance
3 facility, cultivator, or compassion center that specifies the amount of cannabis
4 being transported, the date the cannabis is being transported, the registry
5 identification certificate number of the compassion center, cultivator, or safety
6 compliance facility, and a contact number to verify that the cannabis is being
7 transported on behalf of the compassion center, cultivator, or safety compliance
8 facility.

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

11 (1) The operating documents of a compassion center, cultivator, or safety compliance
12 facility shall include procedures for its oversight and procedures to ensure
13 accurate recordkeeping.

14 (2) A compassion center, cultivator, or safety compliance facility shall implement
15 appropriate security measures to deter and prevent the theft of cannabis and
16 unauthorized entrance into areas containing cannabis.

17 (3) A compassion center, cultivator, or safety compliance facility shall not be located
18 within one thousand (1,000) feet of the property line of a pre-existing public or
19 private school.

20 (4) A compassion center is prohibited from acquiring, possessing, cultivating,
21 manufacturing, delivering, transferring, transporting, supplying, or dispensing
22 cannabis for the purposes of distributing cannabis to any person except
23 qualifying patients directly or through their designated caregivers.

24 (5) All cultivation of cannabis for compassion centers shall be grown by cultivators
25 and take place in an enclosed, locked location at the physical address or
26 addresses provided to the department during the registration process, which can
27 only be accessed by cultivator agents working on behalf of the cultivator.

- 1 (6) A compassion center shall not acquire usable cannabis or mature cannabis
2 plants from any person other than another cultivator, a qualifying patient, or a
3 designated caregiver.
- 4 (7) Before cannabis may be dispensed to a designated caregiver or a registered
5 qualifying patient, a compassion center agent shall make a diligent effort to
6 verify each of the following:
- 7 (a) That the registry identification card presented to the compassion center is
8 valid, including by checking the verification system if it is operational;
- 9 (b) That the person presenting the card is the person identified on the registry
10 identification card presented to the compassion center agent, by examining
11 government-issued photo identification; and
- 12 (c) That the compassion center is the designated compassion center for the
13 designated caregiver or qualifying patient.
- 14 (8) A compassion center shall not dispense more than three (3) ounces of cannabis to
15 a qualifying patient, directly or through a designated caregiver, in any fourteen
16 (14) day period. Compassion centers shall ensure compliance with this limitation
17 by maintaining internal, confidential records that include specific notations of
18 how much cannabis is being dispensed to the qualifying patient and whether it
19 was dispensed directly to the registered qualifying patient or to the caregiver.
20 Each entry shall include the date and time the cannabis was dispensed.
- 21 (9) A compassion center or compassion center agent may only dispense cannabis to a
22 visiting qualifying patient if he or she possesses a valid registry identification
23 card and if the procedures in this section are otherwise followed.
- 24 (10) No person may advertise medical cannabis sales in printed materials, on radio or
25 television, or by paid in-person solicitation of customers. This shall not prevent
26 appropriate signs on the property of the registered compassion center, listings in
27 business directories including telephone books, listings in cannabis-related or

- 1 medical publications, or the sponsorship of health or not-for-profit charity or
2 advocacy events.
- 3 (11) A compassion center shall not share office space with or refer patients to a
4 practitioner.
- 5 (12) A practitioner shall not refer patients to a compassion center or designated
6 caregiver, advertise in a compassion center, or, if the practitioner issues written
7 certifications, hold any financial interest in a compassion center.
- 8 (13) No person who has been convicted of a disqualifying felony offense may be a
9 compassion center agent, safety compliance facility agent, or cultivator agent.
- 10 (14) Compassion centers, cultivators, and safety compliance facilities shall display
11 their registration certificates on the premises at all times.
- 12 (15) The department may issue a civil fine of up to three thousand dollars (\$3,000) for
13 violations of this section.
- 14 (16) The suspension or revocation of a certificate is a final department action, subject
15 to judicial review. Jurisdiction and venue for judicial review are vested in the
16 Franklin Circuit Court.
- 17 (17) Any cardholder who sells cannabis to a person who is not allowed to possess
18 cannabis for medical purposes under Sections 1 to 29 of this Act shall have his or
19 her registry identification card revoked and shall be subject to other penalties for
20 the unauthorized sale of cannabis.
- 21 (18) The department may revoke the registry identification card of any cardholder
22 who knowingly commits multiple or serious violations of Sections 1 to 29 of this
23 Act.
- 24 (19) Compassion centers, safety compliance facilities, and cultivators are subject to
25 reasonable inspection pursuant to the department's administrative regulations.
26 The department shall give reasonable notice of an inspection under this
27 subsection.

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

3 (1) The following information received and records kept pursuant to the
4 department's administrative regulations for purposes of administering Sections 1
5 to 29 of this Act are confidential and exempt from the Open Records Act, and not
6 subject to disclosure to any individual or public or private entity, except as
7 necessary for authorized employees of the department to perform official duties
8 pursuant to Sections 1 to 29 of this Act:

9 (a) Applications and renewals, their contents, and supporting information
10 submitted by qualifying patients and designated caregivers, including
11 information regarding their designated caregivers and practitioners;

12 (b) Applications and renewals, their contents, and supporting information
13 submitted by or on behalf of compassion centers, cultivators, and safety
14 compliance facilities in compliance with Sections 1 to 29 of this Act,
15 including their physical addresses;

16 (c) The individual names and other information identifying persons to whom
17 the department has issued registry identification cards;

18 (d) Any dispensing information required to be kept under Section 24 of this Act
19 or the department's administrative regulation which shall only identify
20 cardholders, cultivators, and compassion centers by their registry
21 identification numbers and shall not contain names or other personal
22 identifying information; and

23 (e) Any department hard drives or other data-recording media that are no
24 longer in use and that contain cardholder information. These hard drives
25 and other media shall be destroyed.

26 Data subject to this section shall not be combined or linked in any manner with
27 any other list or database and shall not be used for any purpose not provided for

1 in Sections 1 to 29 of this Act.

2 (2) Nothing in this section precludes the following:

3 (a) Notification by the department's employees to state or local law enforcement
4 about falsified or fraudulent information submitted to the department or of
5 other apparently criminal violations of Sections 1 to 29 of this Act if the
6 employee who suspects that falsified or fraudulent information has been
7 submitted conferred with his or her supervisor, and both agree that
8 circumstances exist that warrant reporting;

9 (b) Notification by the department's employees to the Kentucky Board of
10 Medical Licensure or other appropriate licensure board if the department
11 has reasonable suspicion to believe a practitioner did not have a bona fide
12 practitioner-patient relationship with a patient for whom he or she signed a
13 written certification, if the department has reasonable suspicion to believe
14 the practitioner violated the standard of care, or for other suspected
15 violations of Sections 1 to 29 of this Act by a practitioner;

16 (c) Notification by compassion center agents to the department of a suspected
17 violation or attempted violation of Sections 1 to 29 of this Act or the
18 administrative regulations issued thereunder;

19 (d) Verification by the department of registry identification cards pursuant to
20 Section 26 of this Act; and

21 (e) The submission of the report required by Section 27 of this Act to the
22 Legislative Research Commission.

23 (3) It shall be a misdemeanor punishable by up to one hundred eighty (180) days in
24 jail and a one thousand dollar (\$1,000) fine for any person, including an
25 employee or official of the department or another state agency or local
26 government, to breach the confidentiality of information obtained pursuant to
27 Sections 1 to 29 of this Act.

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

3 (1) The department shall maintain a confidential list of the persons to whom the
4 department has issued registry identification cards and their addresses, telephone
5 numbers, and registry identification numbers. This confidential list shall not be
6 combined or linked in any manner with any other list or database, nor shall it be
7 used for any purpose not provided for in Sections 1 to 29 of this Act.

8 (2) Within one hundred twenty (120) days of the effective date of this Act, the
9 department shall establish a verification system. The verification system shall
10 allow law enforcement personnel, compassion center agents, cultivator agents,
11 and safety compliance facility agents to enter a registry identification number to
12 determine whether or not the number corresponds with a current, valid registry
13 identification card. The system shall only disclose whether the identification card
14 is valid, whether the cardholder is a qualifying patient or designated caregiver,
15 whether the cardholder is permitted to cultivate cannabis under Sections 1 to 29
16 of this Act, and the registry identification number of the compassion center
17 designated to serve the qualifying patient who holds the card or the registry
18 identification number of the patient who is assisted by the designated caregiver
19 who holds the card.

20 (3) The department shall, at a cardholder's request, confirm his or her status as a
21 qualifying patient or designated caregiver to a third party, such as a landlord,
22 employer, school, medical professional, or court.

23 (4) The department shall disclose the fact that a registry identification card was
24 revoked to a prosecutor or court personnel in any case where the prosecutor or
25 court personnel inquires about a specific person who is seeking to assert the
26 protections of Section 17 of this Act. The prosecutor or court personnel shall
27 provide the department with the person's name and date of birth.

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

3 (1) (a) The department shall appoint a thirteen (13) member oversight committee
4 composed of: one (1) member of the House of Representatives; one (1)
5 member of the Senate; one (1) representative of the department; one (1)
6 practitioner with experience in medical cannabis issues; one (1) nurse; one
7 (1) board member or principal officer of a compassion center; one (1) board
8 member or principal officer of a cultivator; one (1) board member or
9 principal officer of a safety compliance facility; one (1) individual with
10 experience in policy development or implementation in the field of medical
11 cannabis; one (1) peace officer; and three (3) registered patients.

12 (b) The oversight committee shall meet at least two (2) times per year for the
13 purpose of evaluating and making recommendations to the General
14 Assembly and the department regarding:

15 1. The ability of qualifying patients in all areas of the state to obtain
16 timely access to high-quality medical cannabis;

17 2. The effectiveness of the compassion centers, individually and together,
18 in serving the needs of qualifying patients, including the provision of
19 educational and support services, the reasonableness of their fees,
20 whether they are generating any complaints or security problems, and
21 the sufficiency of the number operating to serve the qualifying
22 patients of the Commonwealth;

23 3. The effectiveness of the safety compliance facility or facilities,
24 including whether a sufficient number is operating;

25 4. The sufficiency of the regulatory and security safeguards contained in
26 Sections 1 to 29 of this Act and adopted by the department to ensure
27 that access to and use of cannabis cultivated is provided only to

1 cardholders;

2 5. Any recommended additions or revisions to the department's
3 administrative regulations or Sections 1 to 29 of this Act, including
4 those relating to security, safe handling, labeling, and nomenclature;

5 6. Any research studies regarding health effects of medical cannabis for
6 patients; and

7 7. The effectiveness of the cultivators, individually and together, in
8 servicing the needs of the compassion centers, the reasonableness of
9 their fees, whether they are generating any complaints or security
10 problems, and the sufficiency of the number operating to serve the
11 compassion centers of the Commonwealth.

12 (2) The department shall submit to the Legislative Research Commission an annual
13 report that does not disclose any identifying information about cardholders,
14 compassion centers, cultivators, caregivers, or practitioners, but does contain, at
15 a minimum, all of the following information:

16 (a) The number of applications and renewals filed for registry identification
17 cards;

18 (b) The number of qualifying patients who are residents of Kentucky at the time
19 of the report;

20 (c) The number of registry identification cards that were issued to visiting
21 qualifying patients at the time of the report;

22 (d) The nature of the debilitating medical conditions of the qualifying patients;

23 (e) The number of registry identification cards revoked for misconduct;

24 (f) The number of practitioners providing written certifications for qualifying
25 patients;

26 (g) The number of compassion centers and their agents;

27 (h) The number of cultivators and their agents at the time of the report;

- 1 (i) The number of caregivers and their agents at the time of the report;
 2 (j) The number of safety compliance facilities and their agents at the time of
 3 the report;
 4 (k) The amount of revenue generated from compassion centers, cultivators,
 5 safety compliance facilities, and qualifying patient fees, permits, and
 6 licenses; and
 7 (l) The total cost of cannabis program enforcement at the time of the report.

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

10 The department shall promulgate administrative regulations:

- 11 (1) Governing the manner in which the department shall consider petitions from the
 12 public to add debilitating medical conditions or treatments to the list of
 13 debilitating medical conditions set forth in Section 2 of this Act, including public
 14 notice of and an opportunity to comment in public hearings on the petitions;
 15 (2) Establishing the form and content of registration and renewal applications
 16 submitted under Sections 1 to 29 of this Act;
 17 (3) Governing the manner in which it shall consider applications for and renewals of
 18 registry identification cards, which may include creating a standardized written
 19 certification form;
 20 (4) Governing the following matters related to safety compliance facilities,
 21 compassion centers, and cultivators, with the goal of protecting against diversion
 22 and theft, without imposing an undue burden on the safety compliance facilities,
 23 compassion centers, or cultivators or compromising the confidentiality of
 24 cardholders:
 25 (a) Oversight requirements for compassion centers;
 26 (b) Recordkeeping requirements for safety compliance facilities, compassion
 27 centers, and cultivators;

- 1 (c) Security requirements for safety compliance facilities, compassion centers,
2 and cultivators, which shall include, at a minimum, lighting, video security,
3 alarm requirements, on-site parking, and measures to prevent loitering;
4 (d) Electrical safety requirements;
5 (e) The scored competitive bidding process addressed in Sections 18 and 20 of
6 this Act;
7 (f) Procedures for suspending or terminating the registration certificates or
8 registry identification cards of cardholders, compassion centers, cultivators,
9 and safety compliance facilities that commit multiple or serious violations
10 of Sections 1 to 29 of this Act or the administrative regulations promulgated
11 thereunder; and
12 (g) Labeling requirements for cannabis and cannabis products sold by
13 compassion centers; and
14 (5) Establishing application and renewal fees for registry identification cards,
15 caregiver registration, and application and registration fees for compassion
16 center, cultivator, and safety compliance facility certificates, according to the
17 following:
18 (a) The total fees collected shall generate revenues sufficient to offset all
19 expenses of implementing and administering Sections 1 to 29 of this Act,
20 except that fee revenues may be offset or supplemented by private
21 donations;
22 (b) The department may establish a sliding scale of patient application and
23 renewal fees based upon a qualifying patient's household income; and
24 (c) The department may accept donations from private sources to reduce
25 application and renewal fees.

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

1 (1) If the department fails to promulgate administrative regulations to implement
 2 Sections 1 to 29 of this Act within the times provided for in Sections 1 to 29 of
 3 this Act, any citizen may commence an action in the Franklin Circuit Court to
 4 compel the department to perform the actions mandated pursuant to Sections 1 to
 5 29 of this Act.

6 (2) If the department fails to issue a valid registry identification card in response to a
 7 valid application or renewal submitted pursuant to Sections 1 to 29 of this Act
 8 within twenty (20) days of its submission, the registry identification card shall be
 9 deemed granted, and a copy of the registry identification application or renewal
 10 and proof of receipt of the mailing shall be deemed a valid registry identification
 11 card.

12 (3) If, at any time after one hundred forty (140) days following the effective date of
 13 this Act, the department has not established a process for accepting and
 14 approving or denying applications, a notarized statement by a qualifying patient
 15 containing the information required in an application pursuant to Section 12 of
 16 this Act, together with a written certification issued by a practitioner within
 17 ninety (90) days immediately preceding the notarized statement, shall be deemed
 18 a valid registry identification card for all purposes under Sections 1 to 29 of this
 19 Act.

20 ➔Section 30. KRS 218A.010 is amended to read as follows:

21 As used in this chapter:

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

25 (a) A practitioner or by his or her authorized agent under his or her immediate
 26 supervision and pursuant to his or her order; or

27 (b) The patient or research subject at the direction and in the presence of the

1 practitioner;

2 (2) "Anabolic steroid" means any drug or hormonal substance chemically and
3 pharmacologically related to testosterone that promotes muscle growth and includes
4 those substances listed in KRS 218A.090(5) but does not include estrogens,
5 progestins, and anticosteroids;

6 (3) "Cabinet" means the Cabinet for Health and Family Services;

7 (4) "Child" means any person under the age of majority as specified in KRS 2.015;

8 (5) "Cocaine" means a substance containing any quantity of cocaine, its salts, optical
9 and geometric isomers, and salts of isomers;

10 (6) "Controlled substance" means methamphetamine, or a drug, substance, or
11 immediate precursor in Schedules I through V and includes a controlled substance
12 analogue;

13 (7) (a) "Controlled substance analogue," except as provided in paragraph (b) of this
14 subsection, means a substance:

15 1. The chemical structure of which is substantially similar to the structure
16 of a controlled substance in Schedule I or II; and

17 2. Which has a stimulant, depressant, or hallucinogenic effect on the
18 central nervous system that is substantially similar to or greater than the
19 stimulant, depressant, or hallucinogenic effect on the central nervous
20 system of a controlled substance in Schedule I or II; or

21 3. With respect to a particular person, which such person represents or
22 intends to have a stimulant, depressant, or hallucinogenic effect on the
23 central nervous system that is substantially similar to or greater than the
24 stimulant, depressant, or hallucinogenic effect on the central nervous
25 system of a controlled substance in Schedule I or II.

26 (b) Such term does not include:

27 1. Any substance for which there is an approved new drug application;

- 1 2. With respect to a particular person, any substance if an exemption is in
2 effect for investigational use for that person pursuant to federal law to
3 the extent conduct with respect to such substance is pursuant to such
4 exemption; or
- 5 3. Any substance to the extent not intended for human consumption before
6 the exemption described in subparagraph 2. of this paragraph takes
7 effect with respect to that substance;
- 8 (8) "Counterfeit substance" means a controlled substance which, or the container or
9 labeling of which, without authorization, bears the trademark, trade name, or other
10 identifying mark, imprint, number, or device, or any likeness thereof, of a
11 manufacturer, distributor, or dispenser other than the person who in fact
12 manufactured, distributed, or dispensed the substance;
- 13 (9) "Dispense" means to deliver a controlled substance to an ultimate user or research
14 subject by or pursuant to the lawful order of a practitioner, including the packaging,
15 labeling, or compounding necessary to prepare the substance for that delivery;
- 16 (10) "Dispenser" means a person who lawfully dispenses a Schedule II, III, IV, or V
17 controlled substance to or for the use of an ultimate user;
- 18 (11) "Distribute" means to deliver other than by administering or dispensing a controlled
19 substance;
- 20 (12) "Dosage unit" means a single pill, capsule, ampule, liquid, or other form of
21 administration available as a single unit;
- 22 (13) "Drug" means:
- 23 (a) Substances recognized as drugs in the official United States Pharmacopoeia,
24 official Homeopathic Pharmacopoeia of the United States, or official National
25 Formulary, or any supplement to any of them;
- 26 (b) Substances intended for use in the diagnosis, care, mitigation, treatment, or
27 prevention of disease in man or animals;

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

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

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

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

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

17 (a) Poses an explosion hazard;

18 (b) Poses a fire hazard; or

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

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

22 (17) "Hydrocodone combination product" means a drug with:

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

27 (b) Not more than three hundred (300) milligrams of dihydrocodeinone, or any of

1 its salts, per one hundred (100) milliliters or not more than fifteen (15)
2 milligrams per dosage unit, with one (1) or more active, nonnarcotic
3 ingredients in recognized therapeutic amounts;

4 (18) "Immediate precursor" means a substance which is the principal compound
5 commonly used or produced primarily for use, and which is an immediate chemical
6 intermediary used or likely to be used in the manufacture of a controlled substance
7 or methamphetamine, the control of which is necessary to prevent, curtail, or limit
8 manufacture;

9 (19) "Intent to manufacture" means any evidence which demonstrates a person's
10 conscious objective to manufacture a controlled substance or methamphetamine.
11 Such evidence includes but is not limited to statements and a chemical substance's
12 usage, quantity, manner of storage, or proximity to other chemical substances or
13 equipment used to manufacture a controlled substance or methamphetamine;

14 (20) "Isomer" means the optical isomer, except as used in KRS 218A.050(3) and
15 218A.070(1)(d). As used in KRS 218A.050(3), the term "isomer" means the optical,
16 positional, or geometric isomer. As used in KRS 218A.070(1)(d), the term "isomer"
17 means the optical or geometric isomer;

18 (21) "Manufacture," except as provided in KRS 218A.1431, means the production,
19 preparation, propagation, compounding, conversion, or processing of a controlled
20 substance, either directly or indirectly by extraction from substances of natural
21 origin or independently by means of chemical synthesis, or by a combination of
22 extraction and chemical synthesis, and includes any packaging or repackaging of the
23 substance or labeling or relabeling of its container except that this term does not
24 include activities:

25 (a) By a practitioner as an incident to his or her administering or dispensing of a
26 controlled substance in the course of his or her professional practice;

27 (b) By a practitioner, or by his or her authorized agent under his supervision, for

1 the purpose of, or as an incident to, research, teaching, or chemical analysis
2 and not for sale;~~or~~

3 (c) By a pharmacist as an incident to his or her dispensing of a controlled
4 substance in the course of his or her professional practice;

5 (22) "Marijuana" means all parts of the plant *Cannabis* sp., whether growing or not; the
6 seeds thereof; the resin extracted from any part of the plant; and every compound,
7 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin
8 or any compound, mixture, or preparation which contains any quantity of these
9 substances. The term "marijuana" does not include:

10 (a) Industrial hemp as defined in KRS 260.850;

11 (b) The substance cannabidiol, when transferred, dispensed, or administered
12 pursuant to the written order of a physician practicing at a hospital or
13 associated clinic affiliated with a Kentucky public university having a college
14 or school of medicine;~~or~~

15 (c) For persons participating in a clinical trial or in an expanded access program,
16 a drug or substance approved for the use of those participants by the United
17 States Food and Drug Administration; **or**

18 **(d) The medical use of cannabis pursuant to this chapter;**

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

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

26 (25) "Medical record," as used in KRS Chapter 218A and for criminal prosecution only,
27 means a record, other than for financial or billing purposes, relating to a patient,

- 1 kept by a practitioner as a result of the practitioner-patient relationship;
- 2 (26) "Methamphetamine" means any substance that contains any quantity of
3 methamphetamine, or any of its salts, isomers, or salts of isomers;
- 4 (27) "Narcotic drug" means any of the following, whether produced directly or indirectly
5 by extraction from substances of vegetable origin, or independently by means of
6 chemical synthesis, or by a combination of extraction and chemical synthesis:
- 7 (a) Opium and opiate, and any salt, compound, derivative, or preparation of
8 opium or opiate;
- 9 (b) Any salt, compound, isomer, derivative, or preparation thereof which is
10 chemically equivalent or identical with any of the substances referred to in
11 paragraph (a) of this subsection, but not including the isoquinoline alkaloids
12 of opium;
- 13 (c) Opium poppy and poppy straw;
- 14 (d) Coca leaves, except coca leaves and extracts of coca leaves from which
15 cocaine, ecgonine, and derivatives of ecgonine or their salts have been
16 removed;
- 17 (e) Cocaine, its salts, optical and geometric isomers, and salts of isomers;
- 18 (f) Ecgonine, its derivatives, their salts, isomers, and salts of isomers; and
- 19 (g) Any compound, mixture, or preparation which contains any quantity of any of
20 the substances referred to in paragraphs (a) to (f) of this subsection;
- 21 (28) "Opiate" means any substance having an addiction-forming or addiction-sustaining
22 liability similar to morphine or being capable of conversion into a drug having
23 addiction-forming or addiction-sustaining liability. It does not include, unless
24 specifically designated as controlled under KRS 218A.030, the dextrorotatory
25 isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). It does
26 include its racemic and levorotatory forms;
- 27 (29) "Opium poppy" means the plant of the species *papaver somniferum* L., except its

1 seeds;

2 (30) "Person" means individual, corporation, government or governmental subdivision
3 or agency, business trust, estate, trust, partnership or association, or any other legal
4 entity;

5 (31) "Physical injury" has the same meaning it has in KRS 500.080;

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

7 (33) "Pharmacist" means a natural person licensed by this state to engage in the practice
8 of the profession of pharmacy;

9 (34) "Practitioner" means a physician, dentist, podiatrist, veterinarian, scientific
10 investigator, optometrist as authorized in KRS 320.240, advanced practice
11 registered nurse as authorized under KRS 314.011, or other person licensed,
12 registered, or otherwise permitted by state or federal law to acquire, distribute,
13 dispense, conduct research with respect to, or to administer a controlled substance
14 in the course of professional practice or research in this state. "Practitioner" also
15 includes a physician, dentist, podiatrist, veterinarian, or advanced practice registered
16 nurse authorized under KRS 314.011 who is a resident of and actively practicing in
17 a state other than Kentucky and who is licensed and has prescriptive authority for
18 controlled substances under the professional licensing laws of another state, unless
19 the person's Kentucky license has been revoked, suspended, restricted, or probated,
20 in which case the terms of the Kentucky license shall prevail;

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

25 (36) "Prescription" means a written, electronic, or oral order for a drug or medicine, or
26 combination or mixture of drugs or medicines, or proprietary preparation, signed or
27 given or authorized by a medical, dental, chiropody, veterinarian, optometric

- 1 practitioner, or advanced practice registered nurse, and intended for use in the
2 diagnosis, cure, mitigation, treatment, or prevention of disease in man or other
3 animals;
- 4 (37) "Prescription blank," with reference to a controlled substance, means a document
5 that meets the requirements of KRS 218A.204 and 217.216;
- 6 (38) "Presumptive probation" means a sentence of probation not to exceed the maximum
7 term specified for the offense, subject to conditions otherwise authorized by law,
8 that is presumed to be the appropriate sentence for certain offenses designated in
9 this chapter, notwithstanding contrary provisions of KRS Chapter 533. That
10 presumption shall only be overcome by a finding on the record by the sentencing
11 court of substantial and compelling reasons why the defendant cannot be safely and
12 effectively supervised in the community, is not amenable to community-based
13 treatment, or poses a significant risk to public safety;
- 14 (39) "Production" includes the manufacture, planting, cultivation, growing, or harvesting
15 of a controlled substance;
- 16 (40) "Recovery program" means an evidence-based, nonclinical service that assists
17 individuals and families working toward sustained recovery from substance use and
18 other criminal risk factors. This can be done through an array of support programs
19 and services that are delivered through residential and nonresidential means;
- 20 (41) "Salvia" means *Salvia divinorum* or Salvinorin A and includes all parts of the plant
21 presently classified botanically as *Salvia divinorum*, whether growing or not, the
22 seeds thereof, any extract from any part of that plant, and every compound,
23 manufacture, derivative, mixture, or preparation of that plant, its seeds, or its
24 extracts, including salts, isomers, and salts of isomers whenever the existence of
25 such salts, isomers, and salts of isomers is possible within the specific chemical
26 designation of that plant, its seeds, or extracts. The term shall not include any other
27 species in the genus *salvia*;

- 1 (42) "Second or subsequent offense" means that for the purposes of this chapter an
2 offense is considered as a second or subsequent offense, if, prior to his or her
3 conviction of the offense, the offender has at any time been convicted under this
4 chapter, or under any statute of the United States, or of any state relating to
5 substances classified as controlled substances or counterfeit substances, except that
6 a prior conviction for a nontrafficking offense shall be treated as a prior offense
7 only when the subsequent offense is a nontrafficking offense. For the purposes of
8 this section, a conviction voided under KRS 218A.275 or 218A.276 shall not
9 constitute a conviction under this chapter;
- 10 (43) "Sell" means to dispose of a controlled substance to another person for
11 consideration or in furtherance of commercial distribution;
- 12 (44) "Serious physical injury" has the same meaning it has in KRS 500.080;
- 13 (45) "Synthetic cannabinoids or piperazines" means any chemical compound which is
14 not approved by the United States Food and Drug Administration or, if approved,
15 which is not dispensed or possessed in accordance with state and federal law, that
16 contains Benzylpiperazine (BZP); Trifluoromethylphenylpiperazine (TFMPP); 1,1-
17 Dimethylheptyl-11-hydroxytetrahydrocannabinol (HU-210); 1-Butyl-3-(1-
18 naphthoyl)indole; 1-Pentyl-3-(1-naphthoyl)indole; dexanabinol (HU-211); or any
19 compound in the following structural classes:
- 20 (a) Naphthoylindoles: Any compound containing a 3-(1-naphthoyl)indole
21 structure with substitution at the nitrogen atom of the indole ring by an alkyl,
22 haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-
23 piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group, whether or not further
24 substituted in the indole ring to any extent and whether or not substituted in
25 the naphthyl ring to any extent. Examples of this structural class include but
26 are not limited to JWH-015, JWH-018, JWH-019, JWH-073, JWH-081,
27 JWH-122, JWH-200, and AM-2201;

- 1 (b) Phenylacetylindoles: Any compound containing a 3-phenylacetylindole
2 structure with substitution at the nitrogen atom of the indole ring by an alkyl,
3 haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-
4 piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group whether or not further
5 substituted in the indole ring to any extent and whether or not substituted in
6 the phenyl ring to any extent. Examples of this structural class include but are
7 not limited to JWH-167, JWH-250, JWH-251, and RCS-8;
- 8 (c) Benzoylindoles: Any compound containing a 3-(benzoyl)indole structure with
9 substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl,
10 alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl,
11 or 2-(4-morpholinyl)ethyl group whether or not further substituted in the
12 indole ring to any extent and whether or not substituted in the phenyl ring to
13 any extent. Examples of this structural class include but are not limited to
14 AM-630, AM-2233, AM-694, Pravadoline (WIN 48,098), and RCS-4;
- 15 (d) Cyclohexylphenols: Any compound containing a 2-(3-
16 hydroxycyclohexyl)phenol structure with substitution at the 5-position of the
17 phenolic ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl,
18 cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl
19 group whether or not substituted in the cyclohexyl ring to any extent.
20 Examples of this structural class include but are not limited to CP 47,497 and
21 its C8 homologue (cannabicyclohexanol);
- 22 (e) Naphthylmethylindoles: Any compound containing a 1H-indol-3-yl-(1-
23 naphthyl)methane structure with substitution at the nitrogen atom of the indole
24 ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-
25 methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group whether or not
26 further substituted in the indole ring to any extent and whether or not
27 substituted in the naphthyl ring to any extent. Examples of this structural class

1 include but are not limited to JWH-175, JWH-184, and JWH-185;

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

9 (g) Naphthylmethylindenes: Any compound containing a 1-(1-
10 naphthylmethyl)indene structure with substitution at the 3-position of the
11 indene 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 indene 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-176;

16 (h) Tetramethylcyclopropanoylindoles: Any compound containing a 3-(1-
17 tetramethylcyclopropoyl)indole structure with substitution at the nitrogen
18 atom of the indole ring by an alkyl, haloalkyl, cycloalkylmethyl,
19 cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl
20 group, whether or not further substituted in the indole ring to any extent and
21 whether or not further substituted in the tetramethylcyclopropyl ring to any
22 extent. Examples of this structural class include but are not limited to UR-144
23 and XLR-11;

24 (i) Adamantoylindoles: Any compound containing a 3-(1-adamantoyl)indole
25 structure with substitution at the nitrogen atom of the indole ring by an alkyl,
26 haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-
27 piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group, whether or not further

1 substituted in the indole ring to any extent and whether or not substituted in
2 the adamantyl ring system to any extent. Examples of this structural class
3 include but are not limited to AB-001 and AM-1248; or

4 (j) Any other synthetic cannabinoid or piperazine which is not approved by the
5 United States Food and Drug Administration or, if approved, which is not
6 dispensed or possessed in accordance with state and federal law;

7 (46) "Synthetic cathinones" means any chemical compound which is not approved by the
8 United States Food and Drug Administration or, if approved, which is not dispensed
9 or possessed in accordance with state and federal law (not including bupropion or
10 compounds listed under a different schedule) structurally derived from 2-
11 aminopropan-1-one by substitution at the 1-position with either phenyl, naphthyl, or
12 thiophene ring systems, whether or not the compound is further modified in one (1)
13 or more of the following ways:

14 (a) By substitution in the ring system to any extent with alkyl, alkylendioxy,
15 alkoxy, haloalkyl, hydroxyl, or halide substituents, whether or not further
16 substituted in the ring system by one (1) or more other univalent substituents.
17 Examples of this class include but are not limited to 3,4-
18 Methylenedioxcathinone (bk-MDA);

19 (b) By substitution at the 3-position with an acyclic alkyl substituent. Examples of
20 this class include but are not limited to 2-methylamino-1-phenylbutan-1-one
21 (buphedrone);

22 (c) By substitution at the 2-amino nitrogen atom with alkyl, dialkyl, benzyl, or
23 methoxybenzyl groups, or by inclusion of the 2-amino nitrogen atom in a
24 cyclic structure. Examples of this class include but are not limited to
25 Dimethylcathinone, Ethcathinone, and α -Pyrrolidinopropiophenone (α -PPP);
26 or

27 (d) Any other synthetic cathinone which is not approved by the United States

1 Food and Drug Administration or, if approved, is not dispensed or possessed
2 in accordance with state or federal law;

3 (47) "Synthetic drugs" means any synthetic cannabinoids or piperazines or any synthetic
4 cathinones;

5 (48) "Telehealth" has the same meaning it has in KRS 311.550;

6 (49) "Tetrahydrocannabinols" means synthetic equivalents of the substances contained in
7 the plant, or in the resinous extractives of the plant Cannabis, sp. or synthetic
8 substances, derivatives, and their isomers with similar chemical structure and
9 pharmacological activity such as the following:

10 (a) Delta 1 cis or trans tetrahydrocannabinol, and their optical isomers;

11 (b) Delta 6 cis or trans tetrahydrocannabinol, and their optical isomers; and

12 (c) Delta 3, 4 cis or trans tetrahydrocannabinol, and its optical isomers;

13 (50) "Traffic," except as provided in KRS 218A.1431, means to manufacture, distribute,
14 dispense, sell, transfer, or possess with intent to manufacture, distribute, dispense,
15 or sell a controlled substance;

16 (51) "Transfer" means to dispose of a controlled substance to another person without
17 consideration and not in furtherance of commercial distribution; and

18 (52) "Ultimate user" means a person who lawfully possesses a controlled substance for
19 his or her own use or for the use of a member of his or her household or for
20 administering to an animal owned by him or her or by a member of his or her
21 household.

22 ➔Section 31. KRS 12.020 is amended to read as follows:

23 Departments, program cabinets and their departments, and the respective major
24 administrative bodies that they include are enumerated in this section. It is not intended
25 that this enumeration of administrative bodies be all-inclusive. Every authority, board,
26 bureau, interstate compact, commission, committee, conference, council, office, or any
27 other form of organization shall be included in or attached to the department or program

1 cabinet in which they are included or to which they are attached by statute or statutorily
2 authorized executive order; except in the case of the Personnel Board and where the
3 attached department or administrative body is headed by a constitutionally elected officer,
4 the attachment shall be solely for the purpose of dissemination of information and
5 coordination of activities and shall not include any authority over the functions,
6 personnel, funds, equipment, facilities, or records of the department or administrative
7 body.

8 I. Cabinet for General Government - Departments headed by elected officers:

- 9 (1) The Governor.
- 10 (2) Lieutenant Governor.
- 11 (3) Department of State.
- 12 (a) Secretary of State.
- 13 (b) Board of Elections.
- 14 (c) Registry of Election Finance.
- 15 (4) Department of Law.
- 16 (a) Attorney General.
- 17 (5) Department of the Treasury.
- 18 (a) Treasurer.
- 19 (6) Department of Agriculture.
- 20 (a) Commissioner of Agriculture.
- 21 (b) Kentucky Council on Agriculture.
- 22 (7) Auditor of Public Accounts.

23 II. Program cabinets headed by appointed officers:

- 24 (1) Justice and Public Safety Cabinet:
- 25 (a) Department of Kentucky State Police.
- 26 (b) Department of Criminal Justice Training.
- 27 (c) Department of Corrections.

- 1 (d) Department of Juvenile Justice.
- 2 (e) Office of the Secretary.
- 3 (f) Office of Drug Control Policy.
- 4 (g) Office of Legal Services.
- 5 (h) Office of the Kentucky State Medical Examiner.
- 6 (i) Parole Board.
- 7 (j) Kentucky State Corrections Commission.
- 8 (k) Office of Legislative and Intergovernmental Services.
- 9 (l) Office of Management and Administrative Services.
- 10 (m) Department for Public Advocacy.
- 11 (2) Education and Workforce Development Cabinet:
- 12 (a) Office of the Secretary.
- 13 1. Governor's Scholars Program.
- 14 2. Governor's School for Entrepreneurs Program.
- 15 (b) Office of Legal and Legislative Services.
- 16 1. Client Assistance Program.
- 17 (c) Office of Communication.
- 18 (d) Office of Budget and Administration.
- 19 1. Division of Human Resources.
- 20 2. Division of Administrative Services.
- 21 (e) Office of Technology Services.
- 22 (f) Office of Educational Programs.
- 23 (g) Office for Education and Workforce Statistics.
- 24 (h) Board of the Kentucky Center for Education and Workforce Statistics.
- 25 (i) Board of Directors for the Center for School Safety.
- 26 (j) Department of Education.
- 27 1. Kentucky Board of Education.

- 1 2. Kentucky Technical Education Personnel Board.
- 2 (k) Department for Libraries and Archives.
- 3 (l) Department of Workforce Investment.
- 4 1. Office for the Blind.
- 5 2. Office of Vocational Rehabilitation.
- 6 3. Office of Employment and Training.
- 7 a. Division of Grant Management and Support.
- 8 b. Division of Workforce and Employment Services.
- 9 c. Division of Unemployment Insurance.
- 10 (m) Foundation for Workforce Development.
- 11 (n) Kentucky Office for the Blind State Rehabilitation Council.
- 12 (o) Kentucky Workforce Investment Board.
- 13 (p) Statewide Council for Vocational Rehabilitation.
- 14 (q) Unemployment Insurance Commission.
- 15 (r) Education Professional Standards Board.
- 16 1. Division of Educator Preparation.
- 17 2. Division of Certification.
- 18 3. Division of Professional Learning and Assessment.
- 19 4. Division of Legal Services.
- 20 (s) Kentucky Commission on the Deaf and Hard of Hearing.
- 21 (t) Kentucky Educational Television.
- 22 (u) Kentucky Environmental Education Council.
- 23 (3) Energy and Environment Cabinet:
- 24 (a) Office of the Secretary.
- 25 1. Office of Legislative and Intergovernmental Affairs.
- 26 2. Office of General Counsel.
- 27 3. Office of Administrative Hearings.

- 1 4. Mine Safety Review Commission.
- 2 5. Kentucky State Nature Preserves Commission.
- 3 6. Kentucky Environmental Quality Commission.
- 4 7. Kentucky Public Service Commission.
- 5 (b) Department for Environmental Protection.
- 6 1. Office of the Commissioner.
- 7 2. Division for Air Quality.
- 8 3. Division of Water.
- 9 4. Division of Environmental Program Support.
- 10 5. Division of Waste Management.
- 11 6. Division of Enforcement.
- 12 7. Division of Compliance Assistance.
- 13 (c) Department for Natural Resources.
- 14 1. Office of the Commissioner.
- 15 2. Division of Technical and Administrative Support.
- 16 3. Division of Mine Permits.
- 17 4. Division of Mine Reclamation and Enforcement.
- 18 5. Division of Abandoned Mine Lands.
- 19 6. Division of Oil and Gas.
- 20 7. Division of Mine Safety.
- 21 8. Division of Forestry.
- 22 9. Division of Conservation.
- 23 10. Office of the Reclamation Guaranty Fund.
- 24 11. Kentucky Mining Board.
- 25 (d) Department for Energy Development and Independence.
- 26 1. Division of Efficiency and Conservation.
- 27 2. Division of Renewable Energy.

- 1 3. Division of Biofuels.
- 2 4. Division of Energy Generation Transmission and Distribution.
- 3 5. Division of Carbon Management.
- 4 6. Division of Fossil Energy Development.
- 5 (4) Public Protection Cabinet.
- 6 (a) Office of the Secretary.
- 7 1. Office of Communications and Public Outreach.
- 8 2. Office of Legal Services.
- 9 a. Insurance Legal Division.
- 10 b. Charitable Gaming Legal Division.
- 11 c. Alcoholic Beverage Control Legal Division.
- 12 d. Housing, Buildings and Construction Legal Division.
- 13 e. Financial Institutions Legal Division.
- 14 (b) Crime Victims Compensation Board.
- 15 (c) Board of Claims.
- 16 (d) Kentucky Board of Tax Appeals.
- 17 (e) Kentucky Boxing and Wrestling Authority.
- 18 (f) Kentucky Horse Racing Commission.
- 19 1. Division of Licensing.
- 20 2. Division of Incentives and Development.
- 21 3. Division of Veterinary Services.
- 22 4. Division of Security and Enforcement.
- 23 (g) Department of Alcoholic Beverage and Cannabis Control.
- 24 1. Division of Distilled Spirits.
- 25 2. Division of Malt Beverages.
- 26 3. Division of Enforcement.
- 27 4. Division of Cannabis.

- 1 (h) Department of Charitable Gaming.
 - 2 1. Division of Licensing and Compliance.
 - 3 2. Division of Enforcement.
- 4 (i) Department of Financial Institutions.
 - 5 1. Division of Depository Institutions.
 - 6 2. Division of Non-Depository Institutions.
 - 7 3. Division of Securities.
- 8 (j) Department of Housing, Buildings and Construction.
 - 9 1. Division of Fire Prevention.
 - 10 2. Division of Plumbing.
 - 11 3. Division of Heating, Ventilation, and Air Conditioning.
 - 12 4. Division of Building Code Enforcement.
- 13 (k) Department of Insurance.
 - 14 1. Property and Casualty Division.
 - 15 2. Health and Life Division.
 - 16 3. Division of Financial Standards and Examination.
 - 17 4. Division of Agent Licensing.
 - 18 5. Division of Insurance Fraud Investigation.
 - 19 6. Consumer Protection Division.
 - 20 7. Division of Kentucky Access.
- 21 (l) Office of Occupations and Professions.
- 22 (5) Labor Cabinet.
 - 23 (a) Office of the Secretary.
 - 24 1. Division of Management Services.
 - 25 2. Office of General Counsel.
 - 26 (b) Office of General Administration and Program Support for Shared
27 Services.

- 1 1. Division of Human Resource Management.
- 2 2. Division of Fiscal Management.
- 3 3. Division of Budgets.
- 4 4. Division of Information Services.
- 5 (c) Office of Inspector General for Shared Services.
- 6 (d) Department of Workplace Standards.
 - 7 1. Division of Employment Standards, Apprenticeship, and
 - 8 Mediation.
 - 9 2. Division of Occupational Safety and Health Compliance.
 - 10 3. Division of Occupational Safety and Health Education and
 - 11 Training.
 - 12 4. Division of Workers' Compensation Funds.
- 13 (e) Department of Workers' Claims.
 - 14 1. Office of General Counsel for Workers' Claims.
 - 15 2. Office of Administrative Law Judges.
 - 16 3. Division of Claims Processing.
 - 17 4. Division of Security and Compliance.
 - 18 5. Division of Information and Research.
 - 19 6. Division of Ombudsman and Workers' Compensation Specialist
 - 20 Services.
 - 21 7. Workers' Compensation Board.
 - 22 8. Workers' Compensation Advisory Council.
 - 23 9. Workers' Compensation Nominating Commission.
- 24 (f) Workers' Compensation Funding Commission.
- 25 (g) Kentucky Labor-Management Advisory Council.
- 26 (h) Occupational Safety and Health Standards Board.
- 27 (i) Prevailing Wage Review Board.

- 1 (j) Apprenticeship and Training Council.
- 2 (k) State Labor Relations Board.
- 3 (l) Employers' Mutual Insurance Authority.
- 4 (m) Kentucky Occupational Safety and Health Review Commission.
- 5 (6) Transportation Cabinet:
 - 6 (a) Department of Highways.
 - 7 1. Office of Project Development.
 - 8 2. Office of Project Delivery and Preservation.
 - 9 3. Office of Highway Safety.
 - 10 4. Highway District Offices One through Twelve.
 - 11 (b) Department of Vehicle Regulation.
 - 12 (c) Department of Aviation.
 - 13 (d) Department of Rural and Municipal Aid.
 - 14 1. Office of Local Programs.
 - 15 2. Office of Rural and Secondary Roads.
 - 16 (e) Office of the Secretary.
 - 17 1. Office of Public Affairs.
 - 18 2. Office for Civil Rights and Small Business Development.
 - 19 3. Office of Budget and Fiscal Management.
 - 20 4. Office of Inspector General.
 - 21 (f) Office of Support Services.
 - 22 (g) Office of Transportation Delivery.
 - 23 (h) Office of Audits.
 - 24 (i) Office of Human Resource Management.
 - 25 (j) Office of Information Technology.
 - 26 (k) Office of Legal Services.
- 27 (7) Cabinet for Economic Development:

- 1 (a) Office of the Secretary.
- 2 1. Office of Legal Services.
- 3 2. Department for Business Development.
- 4 a. Office of Entrepreneurship.
- 5 i. Commission on Small Business Advocacy.
- 6 b. Office of Research and Public Affairs.
- 7 c. Bluegrass State Skills Corporation.
- 8 3. Office of Financial Services.
- 9 a. Kentucky Economic Development Finance Authority.
- 10 b. Division of Finance and Personnel.
- 11 c. Division of Network Administration.
- 12 d. Compliance Division.
- 13 e. Incentive Assistance Division.
- 14 (8) Cabinet for Health and Family Services:
- 15 (a) Office of the Secretary.
- 16 (b) Office of Health Policy.
- 17 (c) Office of Legal Services.
- 18 (d) Office of Inspector General.
- 19 (e) Office of Communications and Administrative Review.
- 20 (f) Office of the Ombudsman.
- 21 (g) Office of Policy and Budget.
- 22 (h) Office of Human Resource Management.
- 23 (i) Office of Administrative and Technology Services.
- 24 (j) Department for Public Health.
- 25 (k) Department for Medicaid Services.
- 26 (l) Department for Behavioral Health, Developmental and Intellectual
- 27 Disabilities.

- 1 (m) Department for Aging and Independent Living.
- 2 (n) Department for Community Based Services.
- 3 (o) Department for Income Support.
- 4 (p) Department for Family Resource Centers and Volunteer Services.
- 5 (q) Kentucky Commission on Community Volunteerism and Service.
- 6 (r) Kentucky Commission for Children with Special Health Care Needs.
- 7 (s) Governor's Office of Electronic Health Information.
- 8 (9) Finance and Administration Cabinet:
- 9 (a) Office of General Counsel.
- 10 (b) Office of the Controller.
- 11 (c) Office of Administrative Services.
- 12 (d) Office of Public Information.
- 13 (e) Office of Policy and Audit.
- 14 (f) Department for Facilities and Support Services.
- 15 (g) Department of Revenue.
- 16 (h) Commonwealth Office of Technology.
- 17 (i) State Property and Buildings Commission.
- 18 (j) Office of Equal Employment Opportunity and Contract Compliance.
- 19 (k) Kentucky Employees Retirement Systems.
- 20 (l) Commonwealth Credit Union.
- 21 (m) State Investment Commission.
- 22 (n) Kentucky Housing Corporation.
- 23 (o) Kentucky Local Correctional Facilities Construction Authority.
- 24 (p) Kentucky Turnpike Authority.
- 25 (q) Historic Properties Advisory Commission.
- 26 (r) Kentucky Tobacco Settlement Trust Corporation.
- 27 (s) Kentucky Higher Education Assistance Authority.

- 1 (t) Kentucky River Authority.
- 2 (u) Kentucky Teachers' Retirement System Board of Trustees.
- 3 (v) Executive Branch Ethics Commission.
- 4 (10) Tourism, Arts and Heritage Cabinet:
- 5 (a) Kentucky Department of Travel and Tourism.
- 6 1. Division of Tourism Services.
- 7 2. Division of Marketing and Administration.
- 8 3. Division of Communications and Promotions.
- 9 (b) Kentucky Department of Parks.
- 10 1. Division of Information Technology.
- 11 2. Division of Human Resources.
- 12 3. Division of Financial Operations.
- 13 4. Division of Facilities Management.
- 14 5. Division of Facilities Maintenance.
- 15 6. Division of Customer Services.
- 16 7. Division of Recreation.
- 17 8. Division of Golf Courses.
- 18 9. Division of Food Services.
- 19 10. Division of Rangers.
- 20 11. Division of Resort Parks.
- 21 12. Division of Recreational Parks and Historic Sites.
- 22 (c) Department of Fish and Wildlife Resources.
- 23 1. Division of Law Enforcement.
- 24 2. Division of Administrative Services.
- 25 3. Division of Engineering.
- 26 4. Division of Fisheries.
- 27 5. Division of Information and Education.

- 1 6. Division of Wildlife.
- 2 7. Division of Public Affairs.
- 3 (d) Kentucky Horse Park.
- 4 1. Division of Support Services.
- 5 2. Division of Buildings and Grounds.
- 6 3. Division of Operational Services.
- 7 (e) Kentucky State Fair Board.
- 8 1. Office of Administrative and Information Technology Services.
- 9 2. Office of Human Resources and Access Control.
- 10 3. Division of Expositions.
- 11 4. Division of Kentucky Exposition Center Operations.
- 12 5. Division of Kentucky International Convention Center.
- 13 6. Division of Public Relations and Media.
- 14 7. Division of Venue Services.
- 15 8. Division of Personnel Management and Staff Development.
- 16 9. Division of Sales.
- 17 10. Division of Security and Traffic Control.
- 18 11. Division of Information Technology.
- 19 12. Division of the Louisville Arena.
- 20 13. Division of Fiscal and Contract Management.
- 21 14. Division of Access Control.
- 22 (f) Office of the Secretary.
- 23 1. Office of Finance.
- 24 2. Office of Research and Administration.
- 25 3. Office of Governmental Relations and Tourism Development.
- 26 4. Office of the Sports Authority.
- 27 5. Kentucky Sports Authority.

- 1 (g) Office of Legal Affairs.
- 2 (h) Office of Human Resources.
- 3 (i) Office of Public Affairs and Constituent Services.
- 4 (j) Office of Creative Services.
- 5 (k) Office of Capital Plaza Operations.
- 6 (l) Office of Arts and Cultural Heritage.
- 7 (m) Kentucky African-American Heritage Commission.
- 8 (n) Kentucky Foundation for the Arts.
- 9 (o) Kentucky Humanities Council.
- 10 (p) Kentucky Heritage Council.
- 11 (q) Kentucky Arts Council.
- 12 (r) Kentucky Historical Society.
- 13 1. Division of Museums.
- 14 2. Division of Oral History and Educational Outreach.
- 15 3. Division of Research and Publications.
- 16 4. Division of Administration.
- 17 (s) Kentucky Center for the Arts.
- 18 1. Division of Governor's School for the Arts.
- 19 (t) Kentucky Artisans Center at Berea.
- 20 (u) Northern Kentucky Convention Center.
- 21 (v) Eastern Kentucky Exposition Center.
- 22 (11) Personnel Cabinet:
- 23 (a) Office of the Secretary.
- 24 (b) Department of Human Resources Administration.
- 25 (c) Office of Employee Relations.
- 26 (d) Kentucky Public Employees Deferred Compensation Authority.
- 27 (e) Office of Administrative Services.

- 1 (f) Office of Legal Services.
- 2 (g) Governmental Services Center.
- 3 (h) Department of Employee Insurance.
- 4 (i) Office of Diversity and Equality.
- 5 (j) Center of Strategic Innovation.

6 III. Other departments headed by appointed officers:

- 7 (1) Council on Postsecondary Education.
- 8 (2) Department of Military Affairs.
- 9 (3) Department for Local Government.
- 10 (4) Kentucky Commission on Human Rights.
- 11 (5) Kentucky Commission on Women.
- 12 (6) Department of Veterans' Affairs.
- 13 (7) Kentucky Commission on Military Affairs.
- 14 (8) Office of Minority Empowerment.
- 15 (9) Governor's Council on Wellness and Physical Activity.

16 ➔Section 32. KRS 241.010 is amended to read as follows:

17 As used in this chapter and in KRS Chapters 242 and 243, unless the context requires
18 otherwise:

- 19 (1) "Alcohol" means ethyl alcohol, hydrated oxide of ethyl or spirit of wine, from
20 whatever source or by whatever process it is produced;
- 21 (2) "Alcoholic beverage" means every liquid, solid, powder, or crystal, whether
22 patented or not, containing alcohol in an amount in excess of more than one percent
23 (1%) of alcohol by volume, which is fit for beverage purposes. It includes every
24 spurious or imitation liquor sold as, or under any name commonly used for,
25 alcoholic beverages, whether containing any alcohol or not. It does not include the
26 following products:
 - 27 (a) Medicinal preparations manufactured in accordance with formulas prescribed

- 1 by the United States Pharmacopoeia, National Formulary, or the American
2 Institute of Homeopathy;
- 3 (b) Patented, patent, and proprietary medicines;
- 4 (c) Toilet, medicinal, and antiseptic preparations and solutions;
- 5 (d) Flavoring extracts and syrups;
- 6 (e) Denatured alcohol or denatured rum;
- 7 (f) Vinegar and preserved sweet cider;
- 8 (g) Wine for sacramental purposes; and
- 9 (h) Alcohol unfit for beverage purposes that is to be sold for legitimate external
10 use;
- 11 (3) (a) "Alcohol vaporizing device" or "AWOL device" means any device, machine,
12 or process that mixes liquor, spirits, or any other alcohol product with pure
13 oxygen or by any other means produces a vaporized alcoholic product used for
14 human consumption;
- 15 (b) "Alcohol vaporizing device" or "AWOL device" does not include an inhaler,
16 nebulizer, atomizer, or other device that is designed and intended by the
17 manufacturer to dispense a prescribed or over-the-counter medication or a
18 device installed and used by a licensee under this chapter to demonstrate the
19 aroma of an alcoholic beverage;
- 20 (4) "Automobile race track" means a facility primarily used for vehicle racing that has a
21 seating capacity of at least thirty thousand (30,000) people;
- 22 (5) "Bed and breakfast" means a one (1) family dwelling unit that:
- 23 (a) Has guest rooms or suites used, rented, or hired out for occupancy or that are
24 occupied for sleeping purposes by persons not members of the single-family
25 unit;
- 26 (b) Holds a permit under KRS Chapter 219; and
- 27 (c) Has an innkeeper who resides on the premises or property adjacent to the

- 1 premises during periods of occupancy;
- 2 (6) "Board" means the State Alcoholic Beverage and Cannabis Control Board created
3 by KRS 241.030;
- 4 (7) "Bottle" means any container which is used for holding alcoholic beverages for the
5 use and sale of alcoholic beverages at retail;
- 6 (8) "Brewer" means any person who manufactures malt beverages or owns, occupies,
7 carries on, works, or conducts any brewery, either alone or through an agent;
- 8 (9) "Brewery" means any place or premises where malt beverages are manufactured for
9 sale, and includes all offices, granaries, mash rooms, cooling rooms, vaults, yards,
10 and storerooms connected with the premises; or where any part of the process of the
11 manufacture of malt beverages is carried on; or where any apparatus connected with
12 manufacture is kept or used; or where any of the products of brewing or
13 fermentation are stored or kept;
- 14 (10) "Building containing licensed premises" means the licensed premises themselves
15 and includes the land, tract of land, or parking lot in which the premises are
16 contained, and any part of any building connected by direct access or by an entrance
17 which is under the ownership or control of the licensee by lease holdings or
18 ownership;
- 19 (11) "Caterer" means a corporation, partnership, or individual that operates the business
20 of a food service professional by preparing food in a licensed and inspected
21 commissary, transporting the food and alcoholic beverages to the caterer's
22 designated and inspected banquet hall or to a location selected by the customer, and
23 serving the food and alcoholic beverages to the customer's guests;
- 24 (12) "Charitable organization" means a nonprofit entity recognized as exempt from
25 federal taxation under section 501(c) of the Internal Revenue Code (26 U.S.C. sec.
26 501(c)) or any organization having been established and continuously operating
27 within the Commonwealth of Kentucky for charitable purposes for three (3) years

- 1 and which expends at least sixty percent (60%) of its gross revenue exclusively for
2 religious, educational, literary, civic, fraternal, or patriotic purposes;
- 3 (13) "Cider" means any fermented fruit-based beverage containing seven percent (7%) or
4 more alcohol by volume and includes hard cider and perry cider;
- 5 (14) "City administrator" means city alcoholic beverage control administrator;
- 6 (15) "Commercial airport" means an airport through which more than five hundred
7 thousand (500,000) passengers arrive or depart annually;
- 8 (16) "Commercial quadricycle" means a vehicle equipped with a minimum of ten (10)
9 pairs of fully operative pedals for propulsion by means of human muscular power
10 exclusively and which:
- 11 (a) Has four (4) wheels;
- 12 (b) Is operated in a manner similar to that of a bicycle;
- 13 (c) Is equipped with a minimum of thirteen (13) seats for passengers;
- 14 (d) Has a unibody design;
- 15 (e) Is equipped with a minimum of four (4) hydraulically operated brakes;
- 16 (f) Is used for commercial tour purposes; and
- 17 (g) Is operated by the vehicle owner or an employee of the owner;
- 18 (17) "Commissioner" means the commissioner of the Department of Alcoholic Beverage
19 and Cannabis Control;
- 20 (18) "Convention center" means any facility which, in its usual and customary business,
21 provides seating for a minimum of one thousand (1,000) people and offers
22 convention facilities and related services for seminars, training and educational
23 purposes, trade association meetings, conventions, or civic and community events
24 or for plays, theatrical productions, or cultural exhibitions;
- 25 (19) "Convicted" and "conviction" means a finding of guilt resulting from a plea of
26 guilty, the decision of a court, or the finding of a jury, irrespective of a
27 pronouncement of judgment or the suspension of the judgment;

- 1 (20) "County administrator" means county alcoholic beverage control administrator;
- 2 (21) "Department" means the Department of Alcoholic Beverage and Cannabis Control;
- 3 (22) "Dining car" means a railroad passenger car that serves meals to consumers on any
4 railroad or Pullman car company;
- 5 (23) "Discount in the usual course of business" means price reductions, rebates, refunds,
6 and discounts given by wholesalers to distilled spirits and wine retailers pursuant to
7 an agreement made at the time of the sale of the merchandise involved and are
8 considered a part of the sales transaction, constituting reductions in price pursuant
9 to the terms of the sale, irrespective of whether the quantity discount was:
- 10 (a) Prorated and allowed on each delivery;
- 11 (b) Given in a lump sum after the entire quantity of merchandise purchased had
12 been delivered; or
- 13 (c) Based on dollar volume or on the quantity of merchandise purchased;
- 14 (24) "Distilled spirits" or "spirits" means any product capable of being consumed by a
15 human being which contains alcohol in excess of the amount permitted by KRS
16 Chapter 242 obtained by distilling, mixed with water or other substances in
17 solution, except wine, hard cider, and malt beverages;
- 18 (25) "Distiller" means any person who is engaged in the business of manufacturing
19 distilled spirits at any distillery in the state and is registered in the Office of the
20 Collector of Internal Revenue for the United States at Louisville, Kentucky;
- 21 (26) "Distillery" means any place or premises where distilled spirits are manufactured for
22 sale, and which are registered in the office of any collector of internal revenue for
23 the United States. It includes any United States government bonded warehouse;
- 24 (27) "Distributor" means any person who distributes malt beverages for the purpose of
25 being sold at retail;
- 26 (28) "Dry" means a territory in which a majority of the electorate voted to prohibit all
27 forms of retail alcohol sales through a local option election held under KRS Chapter

1 242;

2 (29) "Election" means:

3 (a) An election held for the purpose of taking the sense of the people as to the
4 application or discontinuance of alcoholic beverage sales under KRS Chapter
5 242; or

6 (b) Any other election not pertaining to alcohol;

7 (30) "Field representative" means any employee or agent of the department who is
8 regularly employed and whose primary function is to travel from place to place for
9 the purpose of visiting taxpayers, and any employee or agent of the department who
10 is assigned, temporarily or permanently, by the commissioner to duty outside the
11 main office of the department at Frankfort, in connection with the administration of
12 alcoholic beverage statutes;

13 (31) "Horse racetrack" means a facility licensed to conduct a horse race meeting under
14 KRS Chapter 230;

15 (32) "Hotel" means a hotel, motel, or inn for accommodation of the traveling public,
16 designed primarily to serve transient patrons;

17 (33) "License" means any license issued pursuant to KRS Chapters 241 to 244;

18 (34) "Licensee" means any person to whom a license has been issued, pursuant to KRS
19 Chapters 241 to 244;

20 (35) "Limited restaurant" means:

21 (a) A facility where the usual and customary business is the serving of meals to
22 consumers, which has a bona fide kitchen facility, which receives at least
23 seventy percent (70%) of its gross receipts from the sale of food, which
24 maintains a minimum seating capacity of one hundred (100) persons for
25 dining, and which is located in a wet or moist territory under KRS
26 242.1244(2); or

27 (b) A facility where the usual and customary business is the serving of meals to

1 consumers, which has a bona fide kitchen facility, which receives at least
2 seventy percent (70%) of its gross receipts from the sale of food, which
3 maintains a minimum seating capacity of fifty (50) persons for dining, which
4 has no open bar, which requires that alcoholic beverages be sold in
5 conjunction with the sale of a meal, and which is located in a wet or moist
6 territory under KRS 242.1244;

7 (36) "Malt beverage" means any fermented undistilled alcoholic beverage of any name or
8 description, manufactured from malt wholly or in part, or from any substitute for
9 malt, and includes weak cider;

10 (37) "Manufacture" means distill, rectify, brew, bottle, and operate a winery;

11 (38) "Manufacturer" means a winery, distiller, rectifier, or brewer, and any other person
12 engaged in the production or bottling of alcoholic beverages;

13 (39) "Minor" means any person who is not twenty-one (21) years of age or older;

14 (40) "Moist" means a territory in which a majority of the electorate voted to permit
15 limited alcohol sales by any one (1) or a combination of special limited local option
16 elections authorized by KRS 242.022, 242.123, 242.1238, 242.124, 242.1242,
17 242.1243, 242.1244, or 242.1292;

18 (41) "Premises" means the land and building in and upon which any business regulated
19 by alcoholic beverage statutes is operated or carried on. "Premises" shall not include
20 as a single unit two (2) or more separate businesses of one (1) owner on the same
21 lot or tract of land, in the same or in different buildings if physical and permanent
22 separation of the premises is maintained, excluding employee access by keyed entry
23 and emergency exits equipped with crash bars, and each has a separate public
24 entrance accessible directly from the sidewalk or parking lot. Any licensee holding
25 an alcoholic beverage license on July 15, 1998, shall not, by reason of this
26 subsection, be ineligible to continue to hold his or her license or obtain a renewal,
27 of the license;

- 1 (42) "Private club" means a nonprofit social, fraternal, military, or political organization,
2 club, or entity maintaining or operating a club room, club rooms, or premises from
3 which the general public is excluded;
- 4 (43) "Public nuisance" means a condition that endangers safety or health, is offensive to
5 the senses, or obstructs the free use of property so as to interfere with the
6 comfortable enjoyment of life or property by a community or neighborhood or by
7 any considerable number of persons;
- 8 (44) "Qualified historic site" means a contributing property with dining facilities for at
9 least fifty (50) persons at tables, booths, or bars where food may be served within a
10 commercial district listed in the National Register of Historic Places, or a site that is
11 listed as a National Historic Landmark or in the National Register of Historic Places
12 with dining facilities for at least fifty (50) persons at tables, booths, or bars where
13 food may be served. Notwithstanding the provisions of this subsection:
- 14 (a) A distillery which is listed as a National Historic Landmark and which
15 conducts souvenir retail package sales under KRS 243.0305; and
- 16 (b) A not-for-profit or nonprofit facility listed on the National Register of Historic
17 Places;
- 18 shall be deemed a "qualified historic site" under this section;
- 19 (45) "Rectifier" means any person who rectifies, purifies, or refines distilled spirits or
20 wine by any process other than as provided for on distillery premises, and every
21 person who, without rectifying, purifying, or refining distilled spirits by mixing
22 alcoholic beverages with any materials, manufactures any imitations of or
23 compounds liquors for sale under the name of whiskey, brandy, gin, rum, wine,
24 spirits, cordials, bitters, or any other name;
- 25 (46) "Repackaging" means the placing of alcoholic beverages in any retail container
26 irrespective of the material from which the container is made;
- 27 (47) "Restaurant" means a facility where the usual and customary business is the serving

- 1 of meals to consumers, that has a bona fide kitchen facility, and that receives at least
2 fifty percent (50%) of its food and beverage receipts from the sale of food;
- 3 (48) "Retail container" means any bottle, can, barrel, or other container which, without a
4 separable intermediate container, holds alcoholic beverages and is suitable and
5 destined for sale to a retail outlet, whether it is suitable for delivery to the consumer
6 or not;
- 7 (49) "Retail outlet" means retailer, hotel, motel, restaurant, railroad dining car, club, and
8 any facility where alcoholic beverages are sold directly to the consumers;
- 9 (50) "Retail sale" means any sale where delivery is made in Kentucky to any consumers;
- 10 (51) "Retailer" means any person who sells at retail any alcoholic beverage for the sale
11 of which a license is required;
- 12 (52) "Riverboat" means any boat or vessel with a regular place of mooring in this state
13 that is licensed by the United States Coast Guard to carry one hundred (100) or
14 more passengers for hire on navigable waters in or adjacent to this state;
- 15 (53) "Sale" means any transfer, exchange, or barter for consideration, and includes all
16 sales made by any person, whether principal, proprietor, agent, servant, or
17 employee, of any alcoholic beverage;
- 18 (54) "Service bar" means a bar, counter, shelving, or similar structure used for storing or
19 stocking supplies of alcoholic beverages that is a workstation where employees
20 prepare alcoholic beverage drinks to be delivered to customers away from the
21 service bar. A service bar shall be located in an area where the general public,
22 guests, or patrons are prohibited;
- 23 (55) "Sell" includes solicit or receive an order for, keep or expose for sale, keep with
24 intent to sell, and the delivery of any alcoholic beverage;
- 25 (56) "Small farm winery" means a winery producing wines, in an amount not to exceed
26 one hundred thousand (100,000) gallons in a calendar year;
- 27 (57) "Souvenir package" means a special package of distilled spirits available from a

- 1 licensed retailer that is:
- 2 (a) Available for retail sale at a licensed Kentucky distillery where the distilled
3 spirits were produced or bottled; or
- 4 (b) Available for retail sale at a licensed Kentucky distillery but produced or
5 bottled at another of that distiller's licensed distilleries in Kentucky;
- 6 (58) "State director" means the director of the Division of Distilled Spirits or the director
7 of the Division of Malt Beverages, or both, as the context requires;
- 8 (59) "State park" means a state park that has a:
- 9 (a) Nine (9) or eighteen (18) hole golf course; or
- 10 (b) Full-service lodge and dining room, and may include a nine (9) or eighteen
11 (18) hole golf course;
- 12 (60) "Supplemental bar" means a bar, counter, shelving, or similar structure used for
13 serving and selling distilled spirits or wine by the drink for consumption on the
14 licensed premises to guests and patrons from additional locations other than the
15 main bar. A supplemental bar shall be continuously constructed and accessible to
16 patrons for distilled spirits or wine sales or service without physical separation by
17 walls, doors, or similar structures;
- 18 (61) "Territory" means a county, city, district, or precinct;
- 19 (62) "Vehicle" means any device or animal used to carry, convey, transport, or otherwise
20 move alcoholic beverages or any products, equipment, or appurtenances used to
21 manufacture, bottle, or sell these beverages;
- 22 (63) "Warehouse" means any place in which alcoholic beverages are housed or stored;
- 23 (64) "Weak cider" means any fermented fruit-based beverage containing more than one
24 percent (1%) but less than seven percent (7%) alcohol by volume;
- 25 (65) "Wet" means a territory in which a majority of the electorate voted to permit all
26 forms of retail alcohol sales by a local option election under KRS 242.050, 242.125,
27 or 242.1292 on the following question: "Are you in favor of the sale of alcoholic

1 beverages in (name of territory)?";

2 (66) "Wholesale sale" means a sale to any person for the purpose of resale;

3 (67) "Wholesaler" means any person who distributes alcoholic beverages for the purpose
4 of being sold at retail, but it shall not include a subsidiary of a manufacturer or
5 cooperative of a retail outlet;

6 (68) "Wine" means the product of the normal alcoholic fermentation of the juices of
7 fruits, with the usual processes of manufacture and normal additions, and includes
8 champagne and sparkling and fortified wine of an alcoholic content not to exceed
9 twenty-four percent (24%) by volume. It includes sake, cider, hard cider, and perry
10 cider and also includes preparations or mixtures vended in retail containers if these
11 preparations or mixtures contain not more than fifteen percent (15%) of alcohol by
12 volume. It does not include weak cider; and

13 (69) "Winery" means any place or premises in which wine is manufactured from any
14 fruit, or brandies are distilled as a by-product of wine or other fruit, or cordials are
15 compounded, except a place or premises that manufactures wine for sacramental
16 purposes exclusively.

17 ➔Section 33. KRS 241.015 is amended to read as follows:

18 There is created a Department of Alcoholic Beverage and Cannabis Control, which shall
19 constitute a statutory administrative department of the state government within the
20 meaning of KRS Chapter 12. The department consists of the commissioner of alcoholic
21 beverage and cannabis control and the Alcoholic Beverage and Cannabis Control
22 Board. The commissioner shall head the department, shall be its executive officer, and
23 shall have charge of the administration of the department and perform all functions of the
24 department not specifically assigned to the board. The Governor shall appoint as
25 commissioner a person with administrative experience in the field of alcoholic beverage
26 control. The commissioner shall be appointed for a term of four (4) years.

27 ➔Section 34. KRS 241.020 is amended to read as follows:

1 (1) The department shall administer statutes relating to, and regulate traffic in,
2 alcoholic beverages, **cannabis, and cannabis products,** except that the collection of
3 taxes shall be administered by the Department of Revenue.

4 (2) A Division of Distilled Spirits, under the supervision of the board, shall administer
5 the laws in relation to traffic in distilled spirits and wine.

6 (3) A Division of Malt Beverages, under the supervision of the board, shall administer
7 the laws in relation to traffic in malt beverages.

8 **(4) A Division of Cannabis, under the supervision of the board, shall administer the**
9 **laws in relation to cultivation, processing, testing, and sale of cannabis and**
10 **cannabis products under KRS Chapter 218A.**

11 ➔Section 35. KRS 241.030 is amended to read as follows:

12 The Alcoholic Beverage **and Cannabis** Control Board shall consist of the commissioner
13 of alcoholic beverage **and cannabis** control and **three (3)**~~two (2)~~ persons appointed by
14 the secretary of the Public Protection Cabinet with the approval of the Governor, who
15 shall be persons with administrative experience in the field of alcoholic beverage **and**
16 **Cannabis** control and who shall serve for terms of four (4) years each. One (1) of such
17 persons shall serve as director of the Division of Distilled Spirits, **one (1) of such persons**
18 ~~and the other~~ shall serve as director of the Division of Malt Beverages, **and one (1) of**
19 **such persons shall serve as the director of the Division of Cannabis.** The commissioner
20 shall be chairman of the board.

21 ➔Section 36. KRS 218A.040 is amended to read as follows:

22 The Cabinet for Health and Family Services shall place a substance in Schedule I if it
23 finds that the substance:

24 (1) Has high potential for abuse; and

25 (2) **Except for marijuana,** has no accepted medical use in treatment in the United
26 States or lacks accepted safety for use in treatment under medical supervision.

27 ➔Section 37. KRS 12.252 is amended to read as follows:

- 1 (1) There is established within the Public Protection Cabinet a Department of Financial
2 Institutions, a Department of Insurance, a Department of Housing, Buildings and
3 Construction, a Department of Charitable Gaming, and a Department of Alcoholic
4 Beverage and Cannabis Control. Each department shall be headed by a
5 commissioner appointed by the Governor as required by KRS 12.040 and, where
6 appropriate, by KRS 238.510, 241.015, and 304.2-020. Commissioners shall be
7 directly responsible to the secretary and shall perform the functions, powers, and
8 duties provided by law and prescribed by the secretary.
- 9 (2) There is established within the Public Protection Cabinet an Office of Occupations
10 and Professions, which shall be headed by an executive director appointed by the
11 secretary with the approval of the Governor as required by KRS 12.050. The
12 executive director shall be directly responsible to the secretary and shall perform the
13 functions, powers, and duties provided by law and prescribed by the secretary.
- 14 (3) The secretary of the Public Protection Cabinet shall be appointed by the Governor
15 in accordance with KRS 12.255. The Office of the Secretary shall contain the
16 following entities:
- 17 (a) The Office of Communications and Public Outreach, which shall be headed
18 by an executive director appointed by the secretary with the approval of the
19 Governor in accordance with KRS 12.050; and
- 20 (b) The Office of Legal Services, which shall be headed by an executive director
21 appointed by the secretary with the approval of the Governor in accordance
22 with KRS 12.050 and 12.210.
- 23 (4) The following agencies are attached to the Public Protection Cabinet for
24 administrative purposes only, except as provided in KRS 131.330:
- 25 (a) Crime Victims Compensation Board;
- 26 (b) Board of Claims;
- 27 (c) Kentucky Board of Tax Appeals;

1 (d) Kentucky Boxing and Wrestling Authority; and

2 (e) Kentucky Horse Racing Commission.

3 ➔Section 38. KRS 15.300 is amended to read as follows:

4 (1) As used in this section, "consent order" means the consent order of December 21,
5 1998, agreed to in Commonwealth of Kentucky v. Philip Morris Inc. et al., Docket
6 Number 98-CI-01579, Franklin Circuit Court.

7 (2) There is created the Tobacco Master Settlement Agreement Compliance Advisory
8 Board in the Department of Law. The board shall be composed of six (6) members
9 as follows:

10 (a) The Attorney General, or the Attorney General's designee;

11 (b) The secretary of the Cabinet for Health and Family Services, or the secretary's
12 designee;

13 (c) The Commissioner of Agriculture, or the Commissioner's designee;

14 (d) The secretary of the Public Protection Cabinet, or the secretary's designee; and

15 (e) Two (2) citizens at large appointed by the Attorney General.

16 (3) The citizen members of the board shall serve for terms of one (1) year and until
17 their successors are appointed. The citizen members shall be eligible for successive
18 terms on the board.

19 (4) The board shall annually elect a member to serve as its chair and shall meet at least
20 quarterly on a date set by the board. Board members shall be reimbursed for
21 necessary expenses incurred in serving on the board.

22 (5) The board may adopt rules governing the conduct of its meetings, the creation of
23 meeting agendas, and other procedural matters it deems necessary. The board may
24 adopt reporting forms, which shall be developed in consultation with participating
25 agencies.

26 (6) The Office of the Attorney General shall:

27 (a) Enter into a memorandum of agreement with the Department of Public Health

1 of the Cabinet for Health and Family Services, the Department of Alcoholic
2 Beverage and Cannabis Control in the Public Protection Cabinet, and the
3 Department of Agriculture to identify and report possible violations of the
4 consent order;

5 (b) Attempt to secure funding under the master settlement agreement to reimburse
6 the agencies specified in paragraph (a) of this subsection for any compliance
7 activity that they perform; and

8 (c) Provide necessary funding and staff for administrative expenses related to the
9 operation of the board. The board may request assistance from other state
10 agencies.

11 (7) The Tobacco Master Settlement Agreement Compliance Advisory Board shall:

12 (a) Identify activities for which training is required for personnel of the state
13 agencies specified in paragraph (a) of subsection (6) of this section that are
14 responsible for identifying and reporting possible violations of the consent
15 order;

16 (b) Determine eligible compliance training costs and seek reimbursement for the
17 costs; and

18 (c) Notify the appropriate tobacco manufacturer, in writing, of any alleged
19 violation of the consent order and request a response and, if applicable, a
20 corrective action plan within thirty (30) days from the date of the notice. If the
21 manufacturer fails to respond or to satisfactorily resolve the matter, the board
22 shall review the matter at its next meeting and may refer the matter to the
23 Office of the Attorney General for enforcement action, if warranted.

24 ➔Section 39. KRS 15.380 is amended to read as follows:

25 (1) The following officers employed or appointed as full-time, part-time, or auxiliary
26 officers, whether paid or unpaid, shall be certified:

27 (a) Department of Kentucky State Police officers, but for the commissioner of the

- 1 Department of Kentucky State Police;
- 2 (b) City, county, and urban-county police officers;
- 3 (c) Court security officers and deputy sheriffs, except those identified in KRS
4 70.045 and 70.263(3);
- 5 (d) State or public university police officers appointed pursuant to KRS 164.950;
- 6 (e) School security officers employed by local boards of education who are
7 special law enforcement officers appointed under KRS 61.902;
- 8 (f) Airport safety and security officers appointed under KRS 183.880;
- 9 (g) Department of Alcoholic Beverage and Cannabis Control field
10 representatives and investigators appointed under KRS 241.090;
- 11 (h) Division of Insurance Fraud Investigation investigators appointed under KRS
12 304.47-040; and
- 13 (i) County detectives appointed in a county containing a consolidated local
14 government with the power of arrest in the county and the right to execute
15 process statewide in accordance with KRS 69.360.
- 16 (2) The requirements of KRS 15.380 to 15.404 for certification may apply to all state
17 peace officers employed pursuant to KRS Chapter 18A and shall, if adopted, be
18 incorporated by the Personnel Cabinet for job specifications.
- 19 (3) Additional training in excess of the standards set forth in KRS 15.380 to 15.404 for
20 all peace officers possessing arrest powers who have specialized law enforcement
21 responsibilities shall be the responsibility of the employing agency.
- 22 (4) The following officers may, upon request of the employing agency, be certified by
23 the council:
- 24 (a) Deputy coroners;
- 25 (b) Deputy constables;
- 26 (c) Deputy jailers;
- 27 (d) Deputy sheriffs under KRS 70.045 and 70.263(3);

- 1 (e) Officers appointed under KRS 61.360;
- 2 (f) Officers appointed under KRS 61.902, except those who are school security
3 officers employed by local boards of education;
- 4 (g) Private security officers;
- 5 (h) Employees of a correctional services division created pursuant to KRS
6 67A.028 and employees of a metropolitan correctional services department
7 created pursuant to KRS 67B.010 to 67B.080; and
- 8 (i) Investigators employed by the Department of Charitable Gaming in
9 accordance with KRS 238.510; and
- 10 (j) Commonwealth detectives employed under KRS 69.110 and county detectives
11 employed under KRS 69.360.

12 (5) The following officers shall be exempted from the certification requirements but
13 may upon their request be certified by the council:

- 14 (a) Sheriffs;
- 15 (b) Coroners;
- 16 (c) Constables;
- 17 (d) Jailers;
- 18 (e) Kentucky Horse Racing Commission security officers employed under KRS
19 230.240; and
- 20 (f) Commissioner of the State Police.

21 (6) Federal peace officers cannot be certified under KRS 15.380 to 15.404.

22 ➔Section 40. KRS 15.398 is amended to read as follows:

23 The following Kentucky Revised Statutes and any administrative regulations promulgated
24 thereunder affecting those peace officers required to be certified pursuant to KRS 15.380
25 to 15.404 shall not be superseded by the provisions of KRS 15.380 to 15.404, and in all
26 instances the provisions of all statutes specified below shall prevail:

27 (1) KRS Chapter 16, relating to Department of Kentucky State Police Officers;

- 1 (2) KRS Chapter 70, relating to sheriffs, and deputy sheriffs;
- 2 (3) KRS Chapter 78, relating to county police;
- 3 (4) KRS Chapters 15 and 95, except for KRS 95.955, relating to city and urban-county
4 police;
- 5 (5) KRS Chapter 183, relating to airport safety and security officers;
- 6 (6) KRS Chapter 164, relating to State Universities and Colleges; Regional Education
7 and Archaeology officers;
- 8 (7) KRS Chapter 18A, relating to all state peace officers;
- 9 (8) KRS 241.090, relating to Department of Alcoholic Beverage and Cannabis Control
10 field representatives and investigators;
- 11 (9) KRS 304.47-040, relating to Division of Insurance Fraud Investigators; and
- 12 (10) Any other statutes affecting peace officers not specifically cited herein.
- 13 ➔Section 41. KRS 15A.340 is amended to read as follows:
- 14 (1) As used in this section and KRS 15A.342 and 15A.344, "KY-ASAP" means the
15 Kentucky Agency for Substance Abuse Policy.
- 16 (2) The Office of Drug Control Policy shall administer an endowment from interest
17 generated through funds appropriated or gifts, donations, or funds received from
18 any source. The Office of Drug Control Policy may expend endowment principal, if
19 necessary in its discretion, to carry out the purposes of this section and KRS
20 15A.342 and 15A.344. These expenditures from the endowment principal are
21 hereby appropriated for this purpose.
- 22 (3) (a) The Office of Drug Control Policy shall oversee the activities specified in this
23 section and KRS 15A.342 and 15A.344 and provide administrative support to
24 the seventeen (17) member KY-ASAP Board, which is created to oversee the
25 activities of KY-ASAP. Membership of the board shall be appointed by the
26 Governor and shall consist of the following:
- 27 1. One (1) member representing the Kentucky Family Resource Youth

- 1 Services Coalition, or a designee;
- 2 2. One (1) member representing the Kentucky Health Department
- 3 Association, or a designee;
- 4 3. The secretary of the Cabinet for Health and Family Services, or
- 5 designee;
- 6 4. The secretary of the Justice and Public Safety Cabinet, or a designee;
- 7 5. One (1) member representing the Division of Behavioral Health within
- 8 the Department for Behavioral Health, Developmental and Intellectual
- 9 Disabilities, Cabinet for Health and Family Services, or a designee;
- 10 6. The commissioner of the Department for Public Health, Cabinet for
- 11 Health and Family Services, or a designee;
- 12 7. The commissioner of the Department of Alcoholic Beverage *and*
- 13 *Cannabis* Control, or a designee;
- 14 8. The commissioner of the Department of Education;
- 15 9. The director of the Administrative Office of the Courts, or a designee;
- 16 10. One (1) member representing the Kentucky Association of Regional
- 17 Programs, or a designee;
- 18 11. One (1) member representing the Kentucky Heart Association, or a
- 19 designee;
- 20 12. One (1) member representing the Kentucky Lung Association, or a
- 21 designee;
- 22 13. One (1) member representing the Kentucky Cancer Society, or a
- 23 designee;
- 24 14. Two (2) members representing local tobacco addiction and substance
- 25 abuse advisory and coordination boards; and
- 26 15. Two (2) members representing private community-based organizations,
- 27 whether for-profit or nonprofit, with experience in programs involving

1 smoking cessation or prevention or alcohol or substance abuse
2 prevention and treatment.

3 (b) Members shall serve for a term of four (4) years, may be reappointed, and may
4 serve no more than two (2) consecutive terms. Members shall not be
5 compensated but shall receive reimbursement for expenses incurred while
6 performing board business.

7 (c) The board shall meet at least quarterly. A quorum of nine (9) members shall
8 be required for the transaction of business. Meetings shall be held at the call
9 of the chair, or upon the written request of two (2) members to the chair.

10 (d) The board shall:

- 11 1. Oversee deposits and expenditures from the endowment;
- 12 2. Request, in its discretion, an audit relating to the expenditure of
13 endowment funds;
- 14 3. Receive quarterly reports from the commissioner of the Department of
15 Alcoholic Beverage and Cannabis Control regarding KY-ASAP's
16 activities;
- 17 4. Progress toward development and implementation of the strategic plan;
- 18 5. Recommend to KY-ASAP the most efficient means for using public
19 funds to coordinate, supplement, and support high quality and ongoing
20 programs of all public agencies and private service providers related to
21 smoking cessation and prevention and alcohol and substance abuse
22 prevention and treatment;
- 23 6. Recommend matters for review and analysis by KY-ASAP; and
- 24 7. Perform other duties as necessary for the oversight of KY-ASAP.

25 (4) The Office of Drug Control Policy and KY-ASAP shall promote the
26 implementation of research-based strategies that target Kentucky's youth and adult
27 populations.

1 (5) The Office of Drug Control Policy and KY-ASAP shall vigorously pursue the
2 philosophy that tobacco in the hands of Kentucky's youth is a drug abuse problem
3 because of the addictive qualities of nicotine, and because tobacco is the most
4 prevalent gateway drug that leads to later and escalated drug and alcohol abuse.

5 ➔Section 42. KRS 17.150 is amended to read as follows:

6 (1) Every sheriff, chief of police, coroner, jailer, prosecuting attorney, probation officer,
7 parole officer; warden or superintendent of a prison, reformatory, correctional
8 school, mental hospital, or institution for the intellectually disabled; Department of
9 Kentucky State Police; state fire marshal; Board of Alcoholic Beverage and
10 Cannabis Control; Cabinet for Health and Family Services; Transportation Cabinet;
11 Department of Corrections; Department of Juvenile Justice; and every other person
12 or criminal justice agency, except the Court of Justice and the Department for
13 Public Advocacy, public or private, dealing with crimes or criminals or with
14 delinquency or delinquents, when requested by the cabinet, shall:

- 15 (a) Install and maintain records needed for reporting data required by the cabinet;
16 (b) Report to the cabinet as and when the cabinet requests all data demanded by it,
17 except that the reports concerning a juvenile delinquent shall not reveal the
18 juvenile's or the juvenile's parents' identity;
19 (c) Give the cabinet or its accredited agent access for purpose of inspection; and
20 (d) Cooperate with the cabinet to the end that its duties may be properly
21 performed.

22 (2) Intelligence and investigative reports maintained by criminal justice agencies are
23 subject to public inspection if prosecution is completed or a determination not to
24 prosecute has been made. However, portions of the records may be withheld from
25 inspection if the inspection would disclose:

- 26 (a) The name or identity of any confidential informant or information which may
27 lead to the identity of any confidential informant;

- 1 (b) Information of a personal nature, the disclosure of which will not tend to
2 advance a wholesome public interest or a legitimate private interest;
- 3 (c) Information which may endanger the life or physical safety of law
4 enforcement personnel; or
- 5 (d) Information contained in the records to be used in a prospective law
6 enforcement action.
- 7 (3) When a demand for the inspection of the records is refused by the custodian of the
8 record, the burden shall be upon the custodian to justify the refusal of inspection
9 with specificity. Exemptions provided by this section shall not be used by the
10 custodian of the records to delay or impede the exercise of rights granted by this
11 section.
- 12 (4) Centralized criminal history records are not subject to public inspection. Centralized
13 history records mean information on individuals collected and compiled by the
14 Justice and Public Safety Cabinet from criminal justice agencies and maintained in
15 a central location consisting of identifiable descriptions and notations of arrests,
16 detentions, indictments, information, or other formal criminal charges and any
17 disposition arising therefrom, including sentencing, correctional supervision, and
18 release. The information shall be restricted to that recorded as the result of the
19 initiation of criminal proceedings or any proceeding related thereto. Nothing in this
20 subsection shall apply to documents maintained by criminal justice agencies which
21 are the source of information collected by the Justice and Public Safety Cabinet.
22 Criminal justice agencies shall retain the documents and no official thereof shall
23 willfully conceal or destroy any record with intent to violate the provisions of this
24 section.
- 25 (5) The provisions of KRS Chapter 61 dealing with administrative and judicial
26 remedies for inspection of public records and penalties for violations thereof shall
27 be applicable to this section.

- 1 (6) The secretary of justice and public safety shall adopt the administrative regulations
2 necessary to carry out the provisions of the criminal history record information
3 system and to insure the accuracy of the information based upon recommendations
4 submitted by the commissioner, Department of Kentucky State Police.
- 5 (7) The Administrative Office of the Courts may, upon suitable agreement between the
6 Chief Justice and the secretary of justice and public safety, supply criminal justice
7 information and data to the cabinet. No information, other than that required by
8 KRS 27A.350 to 27A.420 and 27A.440, shall be solicited from a circuit clerk,
9 justice or judge, court, or agency of the Court of Justice unless the solicitation or
10 request for information is made pursuant to an agreement which may have been
11 reached between the Chief Justice and the secretary of justice and public safety.

12 ➔Section 43. KRS 61.592 is amended to read as follows:

- 13 (1) (a) "Hazardous position" for employees participating in the Kentucky Employees
14 Retirement System, and for employees who begin participating in the County
15 Employees Retirement System before September 1, 2008, means:
- 16 1. Any position whose principal duties involve active law enforcement,
17 including the positions of probation and parole officer and
18 Commonwealth detective, active fire suppression or prevention, or other
19 positions, including, but not limited to, pilots of the Transportation
20 Cabinet and paramedics and emergency medical technicians, with duties
21 that require frequent exposure to a high degree of danger or peril and
22 also require a high degree of physical conditioning;
 - 23 2. Positions in the Department of Corrections in state correctional
24 institutions and the Kentucky Correctional Psychiatric Center with
25 duties that regularly and routinely require face-to-face contact with
26 inmates; and
 - 27 3. Positions of employees who elect coverage under KRS 196.167(3)(b)2.

1 and who continue to provide educational services and support to inmates
2 as a Department of Corrections employee.

3 (b) "Hazardous position" for employees who begin participating in the County
4 Employees Retirement System on or after September 1, 2008, means police
5 officers and firefighters as defined in KRS 61.315(1), paramedics, correctional
6 officers with duties that routinely and regularly require face-to-face contact
7 with inmates, and emergency medical technicians if:

8 1. The employee's duties require frequent exposure to a high degree of
9 danger or peril and a high degree of physical conditioning; and

10 2. The employee's duties are not primarily clerical or administrative.

11 (c) The effective date of participation under hazardous duty coverage for
12 positions in the Department of Alcoholic Beverage and Cannabis Control
13 shall be April 1, 1998. The employer and employee contributions shall be paid
14 by the employer and forwarded to the retirement system for the period not
15 previously reported.

16 (2) (a) Each employer may request of the board hazardous duty coverage for those
17 positions as defined in subsection (1) of this section. Upon request, each
18 employer shall certify to the system, in the manner prescribed by the board,
19 the names of all employees working in a hazardous position as defined in
20 subsection (1) of this section for which coverage is requested. The
21 certification of the employer shall bear the approval of the agent or agency
22 responsible for the budget of the department or county indicating that the
23 required employer contributions have been provided for in the budget of the
24 employing department or county. The system shall determine whether the
25 employees whose names have been certified by the employer are working in
26 positions meeting the definition of a hazardous position as provided by
27 subsection (1) of this section. This process shall not be required for employees

1 who elect coverage under KRS 196.167(3)(b)2.

2 (b) Each employer desiring to provide hazardous duty coverage to employees who
3 begin participating in the County Employees Retirement System on or after
4 September 1, 2008, may request that the board approve hazardous duty
5 coverage for those positions that meet the criteria set forth in subsection (1)(b)
6 of this section. Each employer shall certify to the system, in the manner
7 prescribed by the board, the names of all employees working in a hazardous
8 position as defined in subsection (1)(b) of this section for which coverage is
9 requested and a job description for each position or employee. The
10 certification of the employer shall bear the approval of the agent or agency
11 responsible for the budget of the department or county indicating that the
12 required employer contributions have been provided for in the budget of the
13 employing department or county. Each employer shall also certify, under
14 penalty of perjury in accordance with KRS Chapter 523, that each employee's
15 actual job duties are accurately reflected in the job description provided to the
16 system. The system shall determine whether the employees whose names have
17 been certified by the employer are working in positions meeting the definition
18 of a hazardous position as defined in subsection (1)(b) of this section. The
19 board shall have the authority to remove any employee from hazardous duty
20 coverage if the board determines the employee is not working in a hazardous
21 duty position or if the employee is classified in a hazardous duty position but
22 has individual job duties that do not meet the definition of a hazardous duty
23 position or are not accurately reflected in the job descriptions filed by the
24 employer with the system.

25 (3) (a) An employee who elects coverage under KRS 196.167(3)(b)2., and an
26 employee participating in the Kentucky Employees Retirement System who is
27 determined by the system to be working in a hazardous position in accordance

1 with subsection (2) of this section, shall contribute, for each pay period for
2 which he receives compensation, eight percent (8%) of his creditable
3 compensation. An employee participating in the County Employees
4 Retirement System who is determined by the system to be working in a
5 hazardous duty position in accordance with subsection (2) of this section shall
6 contribute, for each pay period for which he receives compensation, eight
7 percent (8%) of his creditable compensation.

8 (b) Each employer shall pay employer contributions based on the creditable
9 compensation of the employees determined by the system to be working in a
10 hazardous position at the employer contribution rate as determined by the
11 board. The rate shall be determined by actuarial methods consistent with the
12 provisions of KRS 61.565.

13 (c) If the employer participated in the system prior to electing hazardous duty
14 coverage, the employer may pay to the system the cost of converting the
15 nonhazardous service to hazardous service from the date of participation to
16 the date the payment is made, or the employer may establish a payment
17 schedule for payment of the cost of the hazardous service above that which
18 would be funded within the existing employer contribution rate. The employer
19 may extend the payment schedule to a maximum of thirty (30) years.
20 Payments made by the employer under this subsection shall be deposited to
21 the retirement allowance account of the proper retirement system and these
22 funds shall not be considered accumulated contributions of the individual
23 members. If the employer elects not to make the additional payment, the
24 employee may make the lump-sum payment in his own behalf or may pay by
25 increments. Payments made by the employee under this subsection shall not
26 be picked up, as described in KRS 61.560(4), by the employer. If neither the
27 employer nor employee makes the payment, the service prior to hazardous

1 coverage shall remain nonhazardous. The provisions of this paragraph shall
2 not apply to members who begin participating in the systems administered by
3 Kentucky Retirement Systems on or after January 1, 2014.

4 (4) The normal retirement age, retirement allowance, hybrid cash balance plans, other
5 benefits, eligibility requirements, rights, and responsibilities of a member in a
6 hazardous position, as prescribed by subsections (1), (2), and (3) of this section, and
7 the responsibilities, rights, and requirements of his employer shall be as prescribed
8 for a member and employer participating in the State Police Retirement System as
9 provided for by KRS 16.505 to 16.652.

10 (5) Any person employed in a hazardous position after July 1, 1972, shall be required to
11 undergo a thorough medical examination by a licensed physician, and a copy of the
12 medical report of the physician shall be retained on file by the employee's
13 department or county and made available to the system upon request.

14 (6) If doubt exists regarding the benefits payable to a hazardous position employee
15 under this section, the board shall determine the benefits payable under KRS 61.510
16 to 61.705, or 78.510 to 78.852, or 16.505 to 16.652.

17 ➔Section 44. KRS 62.160 is amended to read as follows:

18 (1) The state officers elected by the voters of the state at large, except the Governor and
19 the Lieutenant Governor, the heads of departments, offices, and cabinets of the state
20 government, the adjutant general, the members of the Public Service Commission,
21 the members of the State Fair Board and Fish and Wildlife Resources Commission,
22 and the members of the Kentucky Board of Tax Appeals and the Alcoholic
23 Beverage and Cannabis Control Board, shall each give bond. The amounts of the
24 bonds shall be fixed by the Governor, which amounts as to those offices set forth in
25 subsection (2) of this section shall be not less than the amounts set forth for the
26 respective offices. At any time when it appears to be to the interest of the
27 Commonwealth, the Governor may increase the penal sum of any bond or require a

1 renewal of the bond with other or additional surety.

2 (2) The minimum sum of the bond for the following offices shall be as follows:

| | | |
|----|--|----------|
| 3 | Secretary of State | \$10,000 |
| 4 | Attorney General | 10,000 |
| 5 | State Treasurer | 300,000 |
| 6 | Secretary for economic development | 10,000 |
| 7 | Commissioner of Agriculture | 10,000 |
| 8 | Secretary for education | 10,000 |
| 9 | Auditor of Public Accounts | 25,000 |
| 10 | Adjutant general | 10,000 |
| 11 | Secretary of finance and administration | 100,000 |
| 12 | Commissioner of revenue | 50,000 |
| 13 | Secretary of transportation | 50,000 |
| 14 | Commissioner of highways | 50,000 |
| 15 | Secretary of justice and public safety | 50,000 |
| 16 | Secretary of corrections | 25,000 |
| 17 | Commissioner for public health services | 10,000 |
| 18 | Secretary of labor | 5,000 |
| 19 | Commissioner for natural resources | 50,000 |
| 20 | State librarian | 5,000 |
| 21 | Commissioner of alcoholic beverage <u>and cannabis</u> control | 10,000 |
| 22 | Commissioner of financial institutions | 25,000 |
| 23 | Secretary for energy and environment | 50,000 |
| 24 | Commissioner of insurance | 50,000 |
| 25 | Commissioner of vehicle regulation | 10,000 |
| 26 | Commissioner of fish and wildlife resources | 5,000 |
| 27 | Secretary for health and family services | 20,000 |

1 Commissioner of environmental protection10,000

2 Secretary of public protection10,000

3 Secretary of tourism, arts and heritage25,000

4 Commissioner for community based services20,000

5 Member of the Public Service Commission10,000

6 Member of State Fair Board10,000

7 Member of Fish and Wildlife Resources Commission1,000

8 Member of Kentucky Board of Tax Appeals10,000

9 Associate member of Alcoholic Beverage and Cannabis Control Board5,000

10 Commissioner of local government100,000

11 ➔Section 45. KRS 131.1815 is amended to read as follows:

12 (1) Whenever it is determined that a taxpayer, who holds a license under KRS Chapter

13 243, is a delinquent taxpayer as defined in subsection (2) of this section, the

14 department may, after giving notice as provided in subsection (3) of this section,

15 submit the name of the taxpayer to the Department of Alcoholic Beverage and

16 Cannabis Control for revocation of any license issued under KRS Chapter 243.

17 (2) Any of the following situations shall be sufficient to cause a taxpayer to be

18 classified as a "delinquent taxpayer" for purposes of this section:

19 (a) When a taxpayer has an overdue state tax liability arising directly or indirectly

20 from the manufacture, sale, transportation, or distribution of alcoholic

21 beverages, for which all protest and appeal rights granted by law have expired,

22 and the taxpayer has been contacted by the department concerning the overdue

23 tax liability. This does not include a taxpayer who is making current timely

24 installment payments on the overdue tax liability under agreement with the

25 department;

26 (b) When a taxpayer has not filed a required tax return as of ninety (90) days after

27 the due date or after the extended due date, and the taxpayer has been

1 contacted by the department concerning the delinquent return; or
2 (c) When an owner, partner, or corporate officer of a proprietorship, partnership,
3 or corporation holding a license under KRS Chapter 243 held a similar
4 position in a business whose license was revoked as a "delinquent taxpayer,"
5 and the tax liability remains unpaid as of ninety (90) days after the due date.

6 (3) At least twenty (20) days before submitting a taxpayer's name to the Department of
7 Alcoholic Beverage and Cannabis Control as provided in subsection (1) of this
8 section, the department shall notify the taxpayer by certified mail that the action is
9 to be taken. The notice shall state the reason for the action and shall set out the
10 amount of any tax liability including any applicable penalties and interest and any
11 other area of noncompliance that must be satisfied in order to prevent the
12 submission of his name to the Department of Alcoholic Beverage and Cannabis
13 Control as a delinquent taxpayer.

14 ➔Section 46. KRS 211.285 is amended to read as follows:

15 (1) There is hereby created the malt beverage educational fund which shall provide
16 moneys on a matching basis for educational information and materials that deter or
17 eliminate underage drinking. The fund shall consist of moneys generated from one
18 percent (1%) of the excise tax collected from the sale and distribution of malt
19 beverages under KRS 243.720 and one percent (1%) of the wholesale tax collected
20 from distributors of malt beverages under KRS 243.884.

21 (2) The malt beverage educational fund shall be established in the State Treasury as a
22 trust and revolving account under KRS 45.253. Moneys in the account shall be
23 distributed by the State Treasurer to the Malt Beverage Educational Corporation, a
24 nonprofit organization that is organized under the laws of this state, upon the
25 authorization of the secretary of the Cabinet for Health and Family Services. The
26 moneys shall be awarded to the corporation solely to fund educational programs to
27 deter or eliminate underage drinking.

- 1 (3) The secretary of the Cabinet for Health and Family Services shall authorize that
2 moneys from the fund be disbursed to the corporation upon the secretary's receipt of
3 a certification from the corporation showing the moneys the corporation has
4 received from malt beverage distributors and other private sources since the last
5 certification. The moneys disbursed from the fund shall be equal to the
6 contributions that the corporation has received from its members and other private
7 sources during that period. The moneys in the fund shall be disbursed in accordance
8 with a schedule established by the secretary, and shall be disbursed until the moneys
9 in the fund are exhausted or until the moneys in the fund lapse in accordance with
10 subsection (4) of this section, whichever comes first.
- 11 (4) Moneys that are credited to the fund and not issued to the corporation shall lapse at
12 the end of the fiscal year and shall be returned to the general fund.
- 13 (5) As a condition of receiving the governmental funds, the corporation's board of
14 directors shall include the following among its directors:
- 15 (a) The Governor or his or her designee;
- 16 (b) The Attorney General or his or her designee;
- 17 (c) The President of the Senate or his or her designee;
- 18 (d) The Speaker of the House or his or her designee;
- 19 (e) The secretary of the Cabinet for Health and Family Services or his or her
20 designee; and
- 21 (f) The commissioner of the Department of Alcoholic Beverage and Cannabis
22 Control or his or her designee.
- 23 (6) All expenditures of moneys from the fund shall be approved by a majority of those
24 persons set out in subsection (5)(a) to (f) of this section. If the moneys from the
25 fund are not expended in their entirety, any moneys that remain unused by the
26 corporation at the end of the fiscal year shall be returned to the general fund.
- 27 (7) Any moneys from the fund that are not expended shall be returned to the general

1 fund upon the dissolution of the corporation.

2 (8) Any high school in the Commonwealth of Kentucky that was registered with the
3 Department of Education as of July 1, 1997, may make an application to the Malt
4 Beverage Education Corporation by February 28 of each year and shall be granted a
5 minimum of five hundred dollars (\$500) annually from the funds contributed by the
6 malt beverage educational fund for the single purpose of supporting "Project
7 Graduation" events.

8 ➔Section 47. KRS 241.065 is amended to read as follows:

9 (1) The number of quota retail package licenses issued by the Alcoholic Beverage ***and***
10 ***Cannabis*** Control Board to licensees in counties containing cities of the first class,
11 and including such cities, shall not exceed a number equal to one (1) for every one
12 thousand five hundred (1,500) persons resident in such county.

13 (2) The number of quota retail drink licenses issued by the Alcoholic Beverage ***and***
14 ***Cannabis*** Control Board to licensees in counties containing cities of the first class,
15 and including such cities shall not exceed a number equal to one (1) for every one
16 thousand five hundred (1,500) persons resident in such county.

17 (3) In order that a fixed and approved standard of population as prescribed in
18 subsections (1) and (2) of this section may be adopted the annual estimates of
19 population as determined by chambers of commerce of cities of the first class shall
20 be used in every year except a census year, and during a census year the United
21 States government census figures of population shall be controlling.

22 ➔Section 48. KRS 241.075 is amended to read as follows:

23 (1) The State Alcoholic Beverage ***and Cannabis*** Control Board shall, for the purpose
24 of regulating the location of quota retail package licenses and quota retail drink
25 licenses in cities of the first class or consolidated local governments, divide such
26 cities or consolidated local governments into "downtown business areas" and
27 "combination business and residential areas."

- 1 (2) No quota retail package or quota retail drink license shall be granted or issued to
2 any licensee who proposes to sell distilled spirits and wine by the package or by the
3 drink at a location within seven hundred (700) feet of the location of any similar
4 establishment in any combination business and residential area, nor shall such
5 license be granted or issued to any licensee who proposes to operate at a location in
6 a combination business and residential area within seven hundred (700) feet of a
7 similar establishment located in a downtown business area. This section shall not
8 affect location of such establishments in downtown business areas of such cities or
9 consolidated local governments.
- 10 (3) The distance between locations of similar establishments as prescribed by this
11 section shall be measured by following the shortest route of ordinary pedestrian
12 travel along public thoroughfares from the nearest point of any present location of
13 any such similar place of business to the nearest point of any proposed location of
14 any such place of business. The measurement shall be taken from the entrance of
15 the existing licensed premises to the entrance of any proposed location.
- 16 (4) The location of all establishments licensed to sell at retail distilled spirits by the
17 package or by the drink, or both, on June 17, 1954, shall not be affected by the
18 terms of this section and this section shall not apply to existing licensed locations or
19 to the renewal of licenses therefor, or to transfers thereof. The distance limitation
20 prescribed by this section shall not affect any existing licensed location, nor the
21 right of the owner thereof to renew or transfer the license for such location. The
22 location of any such existing license shall not be transferred to a new location in
23 violation of this section, except that the location of any presently existing license or
24 renewal thereof in case of destruction of property or loss of lease through failure of
25 the landlord to renew such lease may be transferred to a location which is not closer
26 than half the distance between the existing licensed premises and the nearest similar
27 licensed premises.

1 ➔Section 49. KRS 243.025 is amended to read as follows:

- 2 (1) All of the fees paid into the State Treasury for licenses issued under KRS 243.030
3 and 243.040 shall be credited to a revolving trust and agency account, as provided
4 in KRS 45.253, for the Department of Alcoholic Beverage and Cannabis Control.
- 5 (2) All fees associated with the department's server training program, except for board-
6 ordered fees, shall be collected on a cost recovery basis and shall be credited to the
7 revolving trust and agency account established under subsection (1) of this section.
- 8 (3) These moneys shall be used solely for the administration and enforcement of KRS
9 Chapters 241, 242, 243, and 244. The moneys in the account shall not lapse at the
10 close of the fiscal year.

11 ➔Section 50. KRS 243.038 is amended to read as follows:

- 12 (1) The Department of Alcoholic Beverage and Cannabis Control shall not issue a
13 license to an applicant authorized to apply for a license to sell alcoholic beverages
14 by the drink under KRS 243.039 unless the applicant and the golf course, if
15 different from the applicant, agree to voluntarily comply with the provisions of KRS
16 Chapter 344, whether or not the applicant and the golf course would otherwise be
17 covered by the provisions of KRS Chapter 344.
- 18 (2) The department shall revoke or suspend any license issued under KRS 243.039 if
19 the department or the Kentucky Commission on Human Rights makes a finding that
20 the applicant or the golf course, if different from the applicant, has violated a
21 requirement specified in this section.

22 ➔Section 51. KRS 243.075 is amended to read as follows:

- 23 (1) (a) Notwithstanding the provisions of KRS 243.060 and 243.070, in any qualified
24 city in which the discontinuance of prohibition is effective by virtue of a local
25 option election held under KRS Chapter 242, the governing body of the city
26 and the governing body of the county containing a qualified city is authorized
27 to impose a regulatory license fee upon the gross receipts of the sale of

1 alcoholic beverages of each establishment therein licensed to sell alcoholic
2 beverages.

3 (b) The regulatory license fee may be levied at the beginning of each budget
4 period at a percentage rate as shall be reasonably estimated to fully reimburse
5 the local government for the estimated costs of any additional policing,
6 regulatory, or administrative expenses related to the sale of alcoholic
7 beverages in the city and county.

8 (c) The regulatory license fee shall be in addition to any other taxes, fees, or
9 licenses permitted by law, except:

10 1. A credit against a regulatory license fee in a city shall be allowed in an
11 amount equal to any licenses or fees imposed by the city or county
12 pursuant to KRS 243.060 or 243.070; and

13 2. In a county in which the city and county both levy a regulatory license
14 fee, the county license fee shall only be applicable outside the
15 jurisdictional boundaries of those cities which levy a license fee.

16 (2) (a) Notwithstanding any limitations imposed on the city's or county's taxing or
17 licensing power by KRS 243.060 or 243.070, a city or county that is moist
18 through a local option election held under KRS 242.1244, or that issues
19 licenses under KRS 243.072 may by ordinance impose a regulatory license fee
20 upon the gross receipts of the sale of alcoholic beverages of each
21 establishment located therein and licensed to sell distilled spirits, wine, or
22 malt beverages by the drink for consumption on the premises.

23 (b) The regulatory license fee may be levied annually at a rate as shall be
24 reasonably estimated to fully reimburse the city or county for the estimated
25 costs for any additional policing, regulatory, or administrative related
26 expenses.

27 (c) The regulatory license fee shall be in addition to any other taxes, fees, or

1 licenses permitted by law, but a credit against the fee shall be allowed in an
2 amount equal to any licenses or fees imposed by the city or county pursuant to
3 KRS 243.060 or 243.070.

4 (d) In a county in which the city and county both levy a regulatory license fee, the
5 county license fee shall only be applicable outside the jurisdictional
6 boundaries of those cities which levy a license fee.

7 (3) (a) For any election held after July 15, 2014, any new fee authorized under
8 subsection (1) or (2) of this section shall be enacted by the city or county no
9 later than two (2) years from the date of the local option election held under
10 KRS Chapter 242.

11 (b) For any new ordinance enacted pursuant to KRS 243.072 after July 15, 2014,
12 the fee authorized by subsection (2) of this section shall be enacted within two
13 (2) years of the date of the enactment of an ordinance pursuant to KRS
14 243.072.

15 (4) After July 15, 2014, any fee authorized under subsections (1) and (2) of this section
16 shall be established at a rate that will generate revenue that does not exceed the total
17 of the reasonable expenses actually incurred by the city or county in the
18 immediately previous fiscal year for the additional cost, as demonstrated by
19 reasonable evidence, of:

20 (a) Policing;

21 (b) Regulation; and

22 (c) Administration;

23 as a result of the sale of alcoholic beverages within the city or county.

24 (5) (a) The Kentucky Department of Alcoholic Beverage and Cannabis Control shall
25 promulgate administrative regulations which set forth the process by which a
26 city or county, in the first year following the discontinuance of prohibition,
27 may estimate any additional policing, regulation, and administrative expenses

1 by a city or county directly and solely related to the discontinuance of
2 prohibition. This subsection shall apply to any discontinuance of prohibition
3 occurring after the promulgation of administrative regulations required by this
4 subsection.

5 (b) After the first year, the regulatory license fee for each subsequent year shall
6 conform to the requirements of subsection (4) of this section.

7 (6) The revenue received from the imposition of the regulatory license fee authorized
8 under subsections (1) and (2) of this section shall be:

9 (a) Deposited into a segregated fund of the city or county;

10 (b) Spent only in accordance with the requirements of subsections (1) and (2) of
11 this section; and

12 (c) Audited under an annual audit performed pursuant to KRS 43.070, 64.810,
13 and 91A.040.

14 (7) Any city or county found by a court to have violated the provisions of this section
15 shall:

16 (a) Provide a refund as determined by the court to any licensee that has been
17 harmed in an amount equal to its prorated portion of the excess revenues
18 collected by the city or county that are directly attributable to a violation
19 occurring after July 15, 2014;

20 (b) Be responsible for the payment of the reasonable attorney fees directly
21 incurred by a party to a litigation in an amount ordered by the court upon its
22 finding of an intentional and willful violation of this section by a city or
23 county occurring after July 15, 2014; and

24 (c) Upon the finding by a court of a second intentional and willful violation of the
25 provisions of this section, lose the ability to impose the regulatory fee
26 provided by this section for a period of five (5) years and, upon the finding by
27 a court of a third intentional and willful violation, forfeit the right to impose

1 the regulatory license fee authorized by this section.

2 (8) Any party bringing suit against a city or county for an alleged violation of this
3 section occurring after July 15, 2014, shall be responsible for the payment of the
4 reasonable attorney fees of the city or county in an amount determined by the court
5 upon a finding by the court that the city or county did not violate this section.

6 (9) (a) As used in this section, "qualified city" means a city on the registry
7 maintained by the Department for Local Government under paragraph (b) of
8 this subsection.

9 (b) On or before January 1, 2015, the Department for Local Government shall
10 create and maintain a registry of cities that, as of August 1, 2014, were
11 classified as cities of the third or fourth class. The Department for Local
12 Government shall make the information included on the registry available to
13 the public by publishing it on its Web site.

14 ➔Section 52. KRS 243.090 is amended to read as follows:

15 (1) All licenses issued by the department, except special event licenses, temporary
16 licenses, or licenses listed in subsection (5) of this section, shall be valid for a period of
17 no more than a year. The department shall promulgate administrative regulations
18 establishing the year-round system for renewal of licenses. The system shall be designed
19 to distribute the workload as uniformly as possible within the offices of the local
20 administrators and the Department of Alcoholic Beverage ***and Cannabis*** Control.

21 (2) (a) Except for licenses listed in paragraph (b) of this subsection, all licenses
22 issued after January 1, 2017, by a county or city administrator shall be valid
23 for a period of no more than a year and shall be renewable upon the date
24 established by the department for the expiration of state licenses issued for
25 premises located in that county or city. During the first year following July 15,
26 2016, if the new date for renewal for the licensee does not occur on the date
27 established by the department for the expiration of the licensee's state license,

1 the city or county administrator shall either:

- 2 1. Prorate the cost of the renewed license by proportionally reducing the
3 cost of the renewed license if the new date for the renewal occurs prior
4 to the expiration of a previous license; or
- 5 2. Provide a prorated provisional local license to cover any period of time
6 between the expiration of the previous license and the new date for
7 renewal if the new date for renewal occurs after the expiration of the
8 licensee's previous license.

9 (b) Paragraph (a) of this subsection shall not apply to licenses issued by a
10 consolidated local government, special event licenses, temporary licenses, or
11 licenses listed in subsection (5) of this section.

12 (3) When any person applies for a new license authorized under KRS Chapters 241 to
13 244, he or she shall be charged, if the license is issued, the full fee for the respective
14 license if six (6) months or more remain before the license is due to be renewed and
15 one-half (1/2) the fee if less than six (6) months remain before the license is due to
16 be renewed. No abatement of license fees shall be permitted to any person who held
17 a license of the same kind for the same premises in the preceding license period and
18 who was actually doing business under the license during the last month of the
19 preceding license period.

20 (4) The renewal by the department of any alcoholic beverage license shall not be
21 construed to waive or condone any violation that occurred prior to the renewal and
22 shall not prevent subsequent proceedings against the licensee.

23 (5) All alcoholic beverage producers, wholesalers, or distributors may obtain or renew
24 their licenses for either a one (1) year term or a two (2) year term.

25 ➔Section 53. KRS 243.360 is amended to read as follows:

26 (1) Any person, corporation, partnership, or any other entity, except an applicant for the
27 same license for the same premises, or an applicant for an out-of-state malt

1 beverage supplier's license, limited out-of-state malt beverage supplier's license,
2 out-of-state distilled spirits and wine supplier's license, limited out-of-state distilled
3 spirits and wine supplier's license, micro out-of-state distilled spirits and wine
4 supplier's license, supplemental bar license, extended hours supplemental license, a
5 special agent or solicitor's license, a special nonbeverage alcohol license, a
6 transporter's license, a special Sunday drink license, or a special temporary drink
7 license shall, before applying for a license under KRS 243.030 and 243.040,
8 advertise by publication under KRS 424.130(1)(b) his or her intention to apply for a
9 license.

- 10 (2) The notice shall conform in all material respects to the following requirements:
- 11 (a) The notice shall state: the name and address of the applicant if the applicant is
12 an individual, the name and address of each partner and the name of the
13 business and its address if the applicant is a partnership, and the name and
14 address of each principal officer and director and the name and business
15 address of the corporation if the applicant is a corporation;
- 16 (b) The notice shall specifically state the location of the premises for which the
17 license is sought and the type of license being requested; and
- 18 (c) The notice shall state the date the application will be filed and shall contain
19 the following statement: "Any person, association, corporation, or body politic
20 may protest the granting of the license by writing the Department of Alcoholic
21 Beverage and Cannabis Control, 1003 Twilight Trail, Frankfort, Kentucky
22 40601, within thirty (30) days of the date of legal publication."
- 23 (3) Any protest received after the thirty (30) day period has expired shall not be
24 considered a valid legal protest by the board.

25 ➔Section 54. KRS 243.480 is amended to read as follows:

- 26 (1) Upon proceedings for the revocation of any license under KRS 243.520, the
27 Alcoholic Beverage and Cannabis Control Board, or the local alcoholic beverage

1 administrator, may in its or his or her discretion order a suspension of the license for
2 any cause for which it may, but is not required to, revoke the license under the
3 provisions of KRS 243.490 and 243.500. However, the licensee may have the
4 alternative, subject to the approval of the Alcoholic Beverage and Cannabis
5 Control Board or the local alcoholic beverage administrator, to pay in lieu of part or
6 all of the days of any suspension period, a sum as follows: Distillers, rectifiers,
7 wineries, and brewers, one thousand dollars (\$1,000) per day; wholesale liquor
8 licensees, four hundred dollars (\$400) per day; wholesale beer licensees, four
9 hundred dollars (\$400) per day; retail licensees authorized to sell distilled spirits,
10 wine, or beer by the package or drink, fifty dollars (\$50) per day; and all remaining
11 licensees, fifty dollars (\$50) per day.

12 (2) Payments in lieu of suspension or for board-ordered agency server training,
13 collected on a cost recovery basis, collected by the Alcoholic Beverage and
14 Cannabis Control Board shall be deposited in the State Treasury and credited to the
15 general expenditure fund. Payments in lieu of suspension collected by local
16 alcoholic beverage administrators shall be deposited and used as local alcoholic
17 beverage license tax receipts are deposited and used.

18 (3) In addition to or in lieu of a suspension of a license, the board may order a licensee
19 to pay for and require attendance and completion by some or all of the licensee's
20 alcoholic beverage servers in the department's server training program.

21 (4) Appeals from orders of suspension and the procedure thereon shall be the same as
22 are provided for orders of revocation in KRS Chapter 13B.

23 ➔Section 55. KRS 243.490 is amended to read as follows:

24 (1) Any license issued under KRS 243.020 to 243.670 may be revoked by the state
25 board if the licensee shall have violated any of the provisions of KRS Chapter 241,
26 243, or 244, or any rule or regulation of the board or of the Department of Revenue
27 relating to the regulation of the manufacture, sale, and transportation or taxation of

1 alcoholic beverages or if the licensee shall have violated or shall violate any Act of
2 Congress or any rule or regulation of any federal board, agency, or commission, or
3 any ordinance now, heretofore, or hereafter in effect relating to the regulation of the
4 manufacture, sale and transportation or taxation of intoxicating liquors or any rules
5 or regulations of any local alcoholic beverage authority or any similar body
6 heretofore in existence or authorized by the terms of KRS Chapters 241, 243, and
7 244 to be created, or if any clerk, agent, servant, or employee of any licensee shall
8 violate any of the laws, regulations, or ordinances above referred to, irrespective of
9 whether the licensee knew of or permitted the violation or whether the violation was
10 committed in disobedience of his instructions, or any license may be revoked for
11 any cause which the Alcoholic Beverage and Cannabis Control Board in the
12 exercise of its sound discretion deems sufficient. A license may be revoked for any
13 of the reasons for which the administrator would have been required to refuse a
14 license if the facts had been known.

15 (2) If it is determined that an applicant for a license or license renewal under the
16 provisions of this chapter is a delinquent taxpayer as defined in KRS 131.1815, the
17 Department of Alcoholic Beverage and Cannabis Control may refuse to issue or
18 renew the license to the applicant.

19 ➔Section 56. KRS 243.895 is amended to read as follows:

20 (1) All licensed retail vendors of alcoholic beverages shall post in a prominent place
21 easily seen by patrons a printed sign at least eleven (11) inches by fourteen (14)
22 inches in size, with letters at least one (1) inch high, supplied by the Department of
23 Alcoholic Beverage and Cannabis Control, and with gender-neutral language
24 supplied by the Cabinet for Health and Family Services, which shall warn that
25 drinking alcoholic beverages prior to conception or during pregnancy can cause
26 birth defects.

27 (2) A person who violates subsection (1) of this section shall be subject to a fine of not

1 less than ten dollars (\$10) nor more than fifty dollars (\$50).

2 ➔Section 57. KRS 244.050 is amended to read as follows:

- 3 (1) No retail licensee shall give away any alcoholic beverage in any quantity or deliver
4 it in any quantity for less than a full monetary consideration, except as provided by
5 KRS 243.0305, 243.155, 243.157, and subsection (2) of this section.
- 6 (2) The holder of a quota retail drink license, a quota retail package license, an NQ2
7 license, or a distillery license may, after acquiring a sampling license, allow
8 customers to sample, free of charge, distilled spirits and wine under the following
9 conditions:
- 10 (a) Free sampling shall be permitted only on licensed premises and by licensees
11 holding a sampling license, during regular business hours; and
- 12 (b) Except as authorized by KRS 243.0305, a licensee shall limit a customer to:
- 13 1. One (1) ounce of free distilled spirits samples per day; and
14 2. Six (6) ounces of free wine samples per day.
- 15 (3) Retailers holding a sampling license shall:
- 16 (a) Notify the Department of Alcoholic Beverage and Cannabis Control at least
17 seven (7) days in advance of conducting a free sampling event; and
- 18 (b) Limit a free sampling event to a period not to exceed four (4) consecutive
19 hours between 12 noon and 8 p.m.
- 20 (4) In addition to free sampling, a quota retail package licensee holding a sampling
21 license may also sell sample distilled spirits and wine under the following
22 conditions:
- 23 (a) Paid samples may be sold only on licensed premises and by licensees holding
24 a sampling license, during regular business hours; and
- 25 (b) A licensee shall limit a customer to purchased samples totaling no more than:
- 26 1. Two (2) ounces of distilled spirits per day; and
27 2. Nine (9) ounces of wine per day.

- 1 (5) A quota retail package licensee holding both a sampling license and a nonquota
2 retail malt beverage package license may also sell samples of malt beverages under
3 the following conditions:
- 4 (a) Paid samples may be sold only on licensed premises and by licensees holding
5 a sampling license, during regular business hours;
 - 6 (b) A licensee shall limit a customer to no more than sixteen (16) ounces of malt
7 beverages per day;
 - 8 (c) Nothing in this subsection shall allow a quota retail package licensee to
9 provide a customer samples of malt beverages free of charge;
 - 10 (d) The retail price of a sample shall not be less than a licensee's purchase cost of
11 the sample; and
 - 12 (e) A licensee, supplier, or individual shall not request, require, or allow a
13 distributor to provide malt beverages free of charge or participate in any
14 activity allowed under this subsection.
- 15 (6) No customer shall be allowed to receive a combination of free and purchased
16 samples totaling more than:
- 17 (a) Two (2) ounces of distilled spirits per day; and
 - 18 (b) Nine (9) ounces of wine per day.
- 19 (7) Samples sold under subsections (4) and (5) of this section shall not constitute drink
20 sales.
- 21 ➔Section 58. KRS 244.167 is amended to read as follows:
- 22 (1) It is unlawful:
- 23 (a) For any distiller, rectifier, winery, brewer, or importer to solicit, accept, or fill
24 any order for any distilled spirits, wine, or malt beverage from any wholesaler
25 or distributor in the Commonwealth of Kentucky unless the supplier is the
26 primary source of supply for the brand of alcoholic beverage sold or sought to
27 be sold;

- 1 (b) For any wholesaler, distributor, or any other licensee in this Commonwealth to
2 order, purchase, or receive any alcoholic beverage from any supplier unless
3 the supplier is the primary source of supply for the brand ordered, purchased,
4 or received;
- 5 (c) For a retailer to order, purchase, or receive any distilled, vinous, or malt
6 alcoholic beverage from any source other than any of the following:
- 7 1. A wholesaler or distributor who has purchased the brand from the
8 primary source of supply; or
 - 9 2. A wholesaler or distributor who is the designated representative of the
10 primary source of supply in this Commonwealth and who has purchased
11 the alcoholic beverage from the designated representative of the primary
12 source of supply within or without this Commonwealth; and
- 13 (d) For alcoholic beverages to be transported from a wholesaler's or distributor's
14 warehouse within twenty-four (24) hours of the time they are unloaded.
- 15 (2) The Department of Alcoholic Beverage and Cannabis Control may suspend for a
16 period not to exceed one (1) year the license of any wholesaler, distributor, or
17 retailer who violates the provisions of this section.
- 18 (3) Upon determination by the Department of Alcoholic Beverage and Cannabis
19 Control that a primary source of supply has violated the provisions of this section,
20 no wholesaler, distributor, or retailer may accept any shipment of alcoholic
21 beverages from the primary source of supply for a period of one (1) year.
- 22 (4) For the purposes of this section, "primary source of supply" or "supplier" means the
23 distiller, producer, brewer, owner of the commodity at the time it becomes a
24 marketable product, bottler, or authorized agent of the brand owner. In the case of
25 imported products, the primary source of supply means either the foreign producer,
26 owner, bottler, or agent of the prime importer from, or the exclusive agent in, the
27 United States of the foreign distiller, producer, bottler, or owner.

1 ➔Section 59. KRS 339.230 is amended to read as follows:

2 A minor who has passed his or her fourteenth birthday but is under eighteen (18) years of
3 age may be employed, permitted, or suffered to work in, about, or in connection with any
4 gainful occupation, except:

5 (1) If he or she is under sixteen (16) years of age, he or she may not be employed during
6 regular school hours, unless:

7 (a) The school authorities have made arrangements for him or her to attend school
8 at other than the regular hours, in which event he or she may be employed
9 subject to regulations of the commissioner of workplace standards during such
10 of the regular school hours as he or she is not required to be in attendance
11 under the arrangement; or

12 (b) He or she has graduated from high school.

13 (2) A minor who has passed his or her fourteenth birthday but is under eighteen (18)
14 years of age, may not be employed, permitted, or suffered to work:

15 (a) In any place of employment or at any occupation, that the commissioner of
16 workplace standards shall determine to be hazardous or injurious to the life,
17 health, safety, or welfare of such minor unless:

18 1. The minor is at least sixteen (16) years of age;

19 2. The minor is employed by his or her parent or a person standing in place
20 of a parent and works under adult supervision; and

21 3. The minor is engaged in nonhazardous aspects of the electrical trades,
22 including but not limited to activities such as pulling wire, setting boxes,
23 or bending conduit;

24 (b) More than the number of days per week, nor more than the number of hours
25 per day that the commissioner of workplace standards shall determine to be
26 injurious to the life, health, safety, or welfare of such minor. The
27 commissioner of workplace standards in promulgating these regulations may

- 1 make them more restrictive than those promulgated by the United States
2 Secretary of Labor under provisions of the Fair Labor Standards Act and its
3 amendments, but in no event may he or she make them less restrictive;
- 4 (c) During the hours of the day that the commissioner of workplace standards
5 shall determine to be injurious to the life, health, safety, or welfare of such
6 minor. The commissioner of workplace standards in promulgating these
7 regulations may make them more restrictive than those promulgated by the
8 United States Secretary of Labor under provisions of the Fair Labor Standards
9 Act and its amendments but in no event may he or she make them less
10 restrictive; and
- 11 (d) In, about, or in connection with any establishment where alcoholic liquors are
12 distilled, rectified, compounded, brewed, manufactured, bottled, sold for
13 consumption, or dispensed unless permitted by the rules and regulations of the
14 Alcoholic Beverage and Cannabis Control Board (except that he or she may
15 be employed in places where the sale of alcoholic beverages by the package is
16 merely incidental to the main business actually conducted); or in a pool or
17 billiard room.
- 18 (3) The commissioner of workplace standards shall promulgate regulations to properly
19 protect the life, health, safety, or welfare of minors. He or she may consider sex,
20 age, premises of employment, substances to be worked with, machinery to be
21 operated, number of hours, hours of the day, nature of the employment, and other
22 pertinent factors. The commissioner of workplace standards in promulgating these
23 regulations may make them more restrictive than those promulgated by the United
24 States Secretary of Labor under provisions of the Fair Labor Standards Act and its
25 amendments but in no event may he or she make them less restrictive, provided,
26 however, these regulations shall have no effect on the definition of "gainful
27 occupation" under KRS 339.210. To advise the commissioner with respect to the

1 regulations, the Governor shall appoint a committee of four (4) persons which shall
2 consist of a representative from the Cabinet for Health and Family Services, the
3 Department of Education, the Kentucky Commission on Human Rights and the
4 Personnel Cabinet. The regulations promulgated in accordance with this section
5 shall be reviewed by such committee whenever deemed necessary by the
6 commissioner of workplace standards.

7 ➔Section 60. KRS 438.310 is amended to read as follows:

8 (1) No person shall sell or cause to be sold any tobacco product, alternative nicotine
9 product, or vapor product at retail to any person under the age of eighteen (18), or
10 solicit any person under the age of eighteen (18) to purchase any tobacco product,
11 alternative nicotine product, or vapor product at retail.

12 (2) Any person who sells tobacco products, alternative nicotine products, or vapor
13 products at retail shall cause to be posted in a conspicuous place in his
14 establishment a notice stating that it is illegal to sell tobacco products, alternative
15 nicotine products, or vapor products to persons under age eighteen (18).

16 (3) Any person selling tobacco products, alternative nicotine products, or vapor
17 products shall require proof of age from a prospective buyer or recipient if the
18 person has reason to believe that the prospective buyer or recipient is under the age
19 of eighteen (18).

20 (4) A person who violates subsection (1) or (2) of this section shall be subject to a fine
21 of not less than one hundred dollars (\$100) nor more than five hundred dollars
22 (\$500) for a first violation and a fine of not less than five hundred dollars (\$500) nor
23 more than one thousand dollars (\$1,000) for any subsequent violation. The fine
24 shall be administered by the Department of Alcoholic Beverage *and Cannabis*
25 Control using a civil enforcement procedure.

26 ➔Section 61. KRS 438.311 is amended to read as follows:

27 (1) Except for the provisions of KRS 438.330, it shall be unlawful for a person who has

1 not attained the age of eighteen (18) years to purchase or accept receipt of or to
2 attempt to purchase or accept receipt of a tobacco product, alternative nicotine
3 product, or vapor product, or to present or offer to any person any purported proof
4 of age which is false, fraudulent, or not actually his or her own, for the purpose of
5 purchasing or receiving any tobacco product, alternative nicotine product, or vapor
6 product. It shall not be unlawful for such a person to accept receipt of a tobacco
7 product, alternative nicotine product, or vapor product from an employer when
8 required in the performance of the person's duties.

9 (2) This offense shall be deemed a status offense and shall be under the jurisdiction of
10 the juvenile session of the District Court.

11 (3) All peace officers with general law enforcement authority and employees of the
12 Department of Alcoholic Beverage and Cannabis Control may issue a uniform
13 citation, but not make an arrest or take a child into custody, for a violation of this
14 section. If a child fails to appear in court in response to a uniform citation issued
15 pursuant to the section, the court may compel the attendance of the defendant in the
16 manner specified by law.

17 ➔Section 62. KRS 438.313 is amended to read as follows:

18 (1) No wholesaler, retailer, or manufacturer of cigarettes, tobacco products, alternative
19 nicotine products, or vapor products may distribute cigarettes, tobacco products,
20 alternative nicotine products, or vapor products, including samples thereof, free of
21 charge or otherwise, to any person under the age of eighteen (18).

22 (2) Any person who distributes cigarettes, tobacco products, alternative nicotine
23 products, or vapor products, including samples thereof, free of charge or otherwise
24 shall require proof of age from a prospective buyer or recipient if the person has
25 reason to believe that the prospective purchaser or recipient is under the age of
26 eighteen (18).

27 (3) Any person who violates the provisions of this section shall be fined not less than

1 one thousand dollars (\$1,000) nor more than two thousand five hundred dollars
2 (\$2,500) for each offense. The fine shall be administered by the Department of
3 Alcoholic Beverage and Cannabis Control using a civil enforcement procedure for
4 persons eighteen (18) years of age or older. For persons under the age of eighteen
5 (18) years, the offense shall be deemed a status offense and shall be under the
6 jurisdiction of the juvenile session of the District Court.

7 (4) All peace officers with general law enforcement authority and employees of the
8 Department of Alcoholic Beverage and Cannabis Control may issue a uniform
9 citation, but may not make an arrest, or take a child into custody, for a violation of
10 this section. If a child fails to appear in court in response to a uniform citation
11 issued pursuant to this section, the court may compel the attendance of the
12 defendant in the manner specified by law.

13 ➔Section 63. KRS 438.315 is amended to read as follows:

14 (1) The sale of tobacco products, alternative nicotine products, or vapor products
15 dispensed through a vending machine is prohibited to any person under the age of
16 eighteen (18) years.

17 (2) The purchase of tobacco products, alternative nicotine products, or vapor products
18 dispensed through a vending machine is prohibited to any person under the age of
19 eighteen (18) years.

20 (3) Except for vending machines located in factories or vending machines located in
21 bars or taverns to which minors are not permitted access, any vending machine from
22 which tobacco products, alternative nicotine products, or vapor products are
23 dispensed shall be located in the line of sight of the cashier for the retail
24 establishment.

25 (4) Any owner of a retail establishment violating this section shall be subject to a fine
26 of not less than one hundred dollars (\$100) nor more than five hundred dollars
27 (\$500) for each violation. The fine shall be administered by the Department of

1 Alcoholic Beverage and Cannabis Control using a civil enforcement procedure for
2 persons eighteen (18) years of age or older. For persons under the age of eighteen
3 (18) years, the offense shall be deemed a status offense and shall be under the
4 jurisdiction of the juvenile session of the District Court.

5 (5) All peace officers with general law enforcement authority and employees of the
6 Department of Alcoholic Beverage and Cannabis Control may issue a uniform
7 citation, but may not make an arrest, or take a child into custody, for a violation of
8 this section. If a child fails to appear in court in response to a uniform citation
9 issued pursuant to this section, the court may compel the attendance of the
10 defendant in the manner specified by law.

11 ➔Section 64. KRS 438.317 is amended to read as follows:

12 (1) No person shall sell or cause to be sold at retail cigarettes packaged in units of
13 fewer than twenty (20) cigarettes.

14 (2) No resident wholesaler, nonresident wholesaler, or subjobber shall make available
15 to a retail establishment cigarettes packaged for retail sale in units of less than
16 twenty (20) cigarettes.

17 (3) Any person violating subsection (1) of this section shall be subject to a fine of not
18 less than one hundred dollars (\$100) nor more than five hundred dollars (\$500).
19 Any person violating subsection (2) of this section shall be fined not less than one
20 thousand dollars (\$1,000) nor more than two thousand five hundred dollars
21 (\$2,500). These penalties shall be enforced by the Department of Alcoholic
22 Beverage and Cannabis Control through civil enforcement procedures.

23 ➔Section 65. KRS 438.320 is amended to read as follows:

24 Each resident wholesaler, nonresident wholesaler, or subjobber making tobacco products
25 available to a retail establishment for sale or distribution shall report the name and
26 address of the owner of the retail establishment to the Department of Alcoholic Beverage
27 and Cannabis Control in a manner specified by administrative regulations promulgated

1 pursuant to KRS Chapter 13A.

2 ➔Section 66. KRS 438.325 is amended to read as follows:

- 3 (1) Each owner of a retail establishment selling or distributing tobacco products,
4 alternative nicotine products, or vapor products shall notify each individual
5 employed in the retail establishment as a retail sales clerk that the sale of tobacco
6 products, alternative nicotine products, or vapor products to any person under the
7 age of eighteen (18) years and the purchase of tobacco products, alternative nicotine
8 products, or vapor products by any person under the age of eighteen (18) years are
9 prohibited.
- 10 (2) Each owner of a retail establishment selling or distributing tobacco products,
11 alternative nicotine products, or vapor products shall notify each individual
12 employed in the retail establishment as a retail sales clerk that proof of age is
13 required from a prospective buyer or recipient if the person has reason to believe
14 that the prospective purchaser or recipient is under the age of eighteen (18).
- 15 (3) The notice to employees that is required in subsection (1) of this section shall be
16 provided before the person commences work as a retail sales clerk, or, in the case of
17 a person employed as a retail sales clerk on April 10, 2014, within thirty (30) days
18 of that date. The employee shall signify receipt of the notice required by this section
19 by signing a form that states as follows:
- 20 "I understand that under the law of the Commonwealth of Kentucky it is illegal to
21 sell or distribute tobacco products, alternative nicotine products, or vapor products
22 to persons under the age of eighteen (18) years and that it is illegal for persons
23 under the age of eighteen (18) years to purchase tobacco products, alternative
24 nicotine products, or vapor products."
- 25 (4) The owner of the retail establishment shall maintain the signed notice that is
26 required pursuant to subsection (3) of this section in a place and in a manner so as
27 to be easily accessible to any employee of the Department of Alcoholic Beverage

1 *and Cannabis* Control or the Department of Agriculture conducting an inspection
2 of the retail establishment for the purpose of monitoring compliance in limiting the
3 sale or distribution of tobacco products, alternative nicotine products, or vapor
4 products to persons under the age of eighteen (18) as provided in KRS 438.305 to
5 438.340.

6 (5) Any owner of the retail establishment violating subsections (1) to (4) of this section
7 shall be subject to a fine of not less than one hundred dollars (\$100) nor more than
8 five hundred dollars (\$500) for each violation. The fine shall be administered by the
9 Department of Alcoholic Beverage *and Cannabis* Control in a civil enforcement
10 procedure.

11 ➔Section 67. KRS 438.330 is amended to read as follows:

12 (1) The Department of Alcoholic Beverage *and Cannabis* Control and the Department
13 of Agriculture shall carry out annually conducted random, unannounced inspections
14 of retail establishments where tobacco products, alternative nicotine products, or
15 vapor products are sold or distributed for the purpose of enforcing the provisions of
16 KRS 438.305 to 438.340. The inspections shall be conducted to the extent
17 necessary to assure that the Commonwealth remains in compliance with Public Law
18 102-321 and applicable federal regulations. The Department of Alcoholic Beverage
19 *and Cannabis* Control and the Department of Agriculture shall also ensure that
20 targeted inspections are conducted at those retail establishments where, and at those
21 times when, persons under the age of eighteen (18) years are most likely to purchase
22 tobacco products, alternative nicotine products, or vapor products. Persons under
23 the age of eighteen (18) years may be used to test compliance with the provisions of
24 KRS 438.305 to 438.340 only if the testing is conducted under the direct
25 supervision of the Department of Alcoholic Beverage *and Cannabis* Control,
26 sheriff, or chief of police, or their employees, and written parental consent has been
27 obtained. The Department of Alcoholic Beverage *and Cannabis* Control shall

1 prepare annually, for submission by the Governor to the Secretary of the United
2 States Department of Health and Human Services, the report required by Section
3 1926 of Subpart 1 of Part B of Title XIX of the Federal Public Health Service Act.

4 (2) The Department of Alcoholic Beverage and Cannabis Control shall develop and
5 implement the survey sampling methodologies to carry out the inspections as
6 described in this section.

7 ➔Section 68. KRS 438.337 is amended to read as follows:

8 (1) Except for violations of the provisions of KRS 438.311, 438.313, and 438.315 by a
9 juvenile, which shall be under the jurisdiction of the juvenile session of the District
10 Court, the Department of Alcoholic Beverage and Cannabis Control shall carry out
11 the enforcement provisions of KRS 438.305 to 438.340.

12 (2) The Department of Alcoholic Beverage and Cannabis Control shall be entitled to
13 the revenue produced by one-twentieth of one cent (\$0.0005) of the three-cent
14 (\$0.03) per pack revenue collected by the Finance and Administration Cabinet from
15 the state excise tax on the sale of cigarettes as imposed by KRS 138.140 to be
16 deposited in a trust and agency account created in the State Treasury, and to keep
17 fifty percent (50%) of any fines collected under KRS 438.305 to 438.340 to offset
18 the costs of enforcement of KRS 438.305 to 438.340.

19 (3) The Department of Alcoholic Beverage and Cannabis Control shall be responsible
20 for maintaining statistics for compilation of required reports to be submitted to the
21 United States Department of Health and Human Services.

22 (4) The Department of Alcoholic Beverage and Cannabis Control shall devise a plan
23 and time frame for enforcement to determine by random inspection if the percentage
24 of retailers or distributors making illegal sales to minors does or does not exceed
25 federal guidelines preventing tobacco sales to minors.

26 ➔Section 69. KRS 438.340 is amended to read as follows:

27 The Department of Alcoholic Beverage and Cannabis Control and the Department of

1 Agriculture are authorized to promulgate administrative regulations pursuant to KRS
2 Chapter 13A as necessary to implement and carry out the provisions of KRS 438.305 to
3 438.340.

4 ➔Section 70. This Act shall be known and may be cited as the Cannabis
5 Compassion Act.