

1 AN ACT relating to medicinal cannabis and making an appropriation therefor.

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

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

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

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

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

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

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

16 *(d) Has established an expectation that he or she will provide follow-up care*  
17 *and treatment to the patient;*

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

20 *(3) "Cannabis business agent" means a principal officer, board member, employee,*  
21 *volunteer, or agent of a cannabis business;*

22 *(4) "Cardholder" means:*

23 *(a) A registered qualified patient, designated caregiver, or visiting qualified*  
24 *patient who has applied for, obtained, and possesses a valid registry*  
25 *identification card issued by the department as required by this chapter; or*

26 *(b) A visiting qualified patient who has obtained and possesses a valid out-of-*  
27 *state registry identification card;*

- 1 (5) "Cultivator" means an entity licensed as such under Sections 16, 17, and 18 of  
2 this Act;
- 3 (6) "Cultivator agent" means a principal officer, board member, employee,  
4 volunteer, or agent of a cultivator;
- 5 (7) "Department" means the Department of Alcoholic Beverage and Cannabis  
6 Control or its successor agency;
- 7 (8) "Designated caregiver" means a person who has registered as such with the  
8 department as required by this chapter;
- 9 (9) "Dispensary" means an entity licensed as such under Sections 16, 17, and 18 of  
10 this Act;
- 11 (10) "Dispensary agent" means a principal officer, board member, employee,  
12 volunteer, or agent of a dispensary;
- 13 (11) "Disqualifying felony offense" means:
- 14 (a) A felony offense that would classify the person as a violent offender under  
15 KRS 439.3401; or
- 16 (b) A violation of a state or federal controlled substance law that was classified  
17 as a felony in the jurisdiction where the person was convicted, except:
- 18 1. An offense for which the sentence, including any term of probation,  
19 incarceration, or supervised release, was completed five (5) or more  
20 years earlier; or
- 21 2. An offense that consisted of conduct for which Sections 1 to 30 of this  
22 Act would likely have prevented a conviction, but the conduct either  
23 occurred prior to the enactment of Sections 1 to 30 of this Act or was  
24 prosecuted by an authority other than the Commonwealth of  
25 Kentucky;
- 26 (12) "Diversion" or "divert" means the act of dispensing, selling, or otherwise  
27 transferring possession of medicinal cannabis from a licensed cannabis business

1 or cardholder to any person or entity not authorized under the provisions of  
2 Sections 1 to 30 of this Act to legally possess or use medicinal cannabis;

3 (13) "Enclosed, locked facility" means:

4 (a) An indoor growing space such as a room, greenhouse, building, or other  
5 indoor enclosed area that is maintained and operated by a cultivator or  
6 producer and is equipped with locks and other security devices that permit  
7 authorized access only by agents of the cultivator or producer, as required  
8 by the department; or

9 (b) An outdoor growing space that is maintained and operated by a cultivator  
10 or producer and is secured and electronically monitored to permit  
11 authorized access only by agents of the cultivator or producer, as required  
12 by the department;

13 (14) "Gross receipts" means the total amount or consideration, including cash, credit,  
14 property, and services for which medicinal cannabis is sold, valued in money,  
15 whether received in money or otherwise;

16 (15) "Growth area" means the same as an enclosed, locked facility;

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

18 (17) "Medicinal cannabis" means marijuana as defined in Section 34 of this Act  
19 when cultivated, harvested, processed, produced, transported, dispensed,  
20 distributed, sold, possessed, or otherwise used in accordance with Sections 1 to 30  
21 of this Act. The term "medicinal cannabis" includes medicinal cannabis products  
22 and raw plant material. The term "medicinal cannabis" does not include  
23 industrial hemp or industrial hemp products as defined in KRS 260.850, and  
24 nothing in Sections 1 to 30 of this Act shall be construed or interpreted as  
25 applying to industrial hemp or industrial hemp products;

26 (18) "Medicinal cannabis accessories" means any equipment, product, or material of  
27 any kind which is used, intended for use, or designed for use in the preparing,

1 storing, using, or consuming medicinal cannabis in accordance with Sections 1 to  
2 30 of this Act;

3 (19) "Medicinal cannabis practitioner" means a physician or an advanced practice  
4 registered nurse who is authorized by his or her state licensing board to provide  
5 written certifications for the use of medicinal cannabis in accordance with  
6 Section 9 of this Act;

7 (20) "Medicinal cannabis product" means any compound, manufacture, salt,  
8 derivative, mixture, or preparation of any part of the plant Cannabis sp., its seeds  
9 or its resin; or any compound, mixture, or preparation which contains any  
10 quantity of these substances when cultivated, harvested, processed, produced,  
11 transported, dispensed, distributed, sold, possessed, or used in accordance with  
12 Sections 1 to 30 of this Act. The term "medicinal cannabis product" does not  
13 include industrial hemp products as defined in KRS 260.850;

14 (21) "Minor" means a person less than eighteen (18) years of age;

15 (22) "Out-of-state registry identification card" means a registry identification card, or  
16 an equivalent document, that was issued pursuant to the laws of another state,  
17 district, territory, commonwealth, or insular possession of the United States that  
18 allows the person to use medicinal cannabis in the jurisdiction of issuance;

19 (23) "Pharmacist" has the same meaning as in KRS 315.010;

20 (24) "Processor" means an entity licensed as such under Sections 16, 17, and 18 of  
21 this Act;

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

24 (26) "Producer" means an entity licensed as such under Sections 16, 17, and 18 of  
25 this Act;

26 (27) "Producer agent" means a principal officer, board member, employee, volunteer,  
27 or agent of a producer;

- 1 (28) "Qualified patient" means a person who has obtained a written certification for  
2 the use of medicinal cannabis from a medicinal cannabis practitioner with whom  
3 he or she has a bona fide practitioner-patient relationship;
- 4 (29) "Raw plant material" means the trichome-covered part of the female plant  
5 Cannabis sp. or any mixture of shredded leaves, stems, seeds, and flowers of the  
6 Cannabis sp. plant. The term "raw plant material" does not include plant  
7 material obtained from industrial hemp as defined in KRS 260.850;
- 8 (30) "Registered qualified patient" means a qualified patient who has applied for,  
9 obtained, and possesses a valid registry identification card or provisional  
10 licensure receipt issued by the department;
- 11 (31) "Registry identification card" means a document issued by the department that  
12 identifies a person as a registered qualified patient, visiting qualified patient, or  
13 designated caregiver;
- 14 (32) "Safety compliance facility" means an entity licensed as such under Sections 16,  
15 17, and 18 of this Act;
- 16 (33) "Safety compliance facility agent" means a principal officer, board member,  
17 employee, volunteer, or agent of a safety compliance facility;
- 18 (34) "Seedling" means a medicinal cannabis plant that has no flowers and is not  
19 taller than eight (8) inches;
- 20 (35) "Serious violation" means:
- 21 (a) Any violation of Sections 1 to 30 of this Act or any administrative regulation  
22 promulgated thereunder that is capable of causing death or which causes  
23 serious and prolonged disfigurement, prolonged impairment of health, or  
24 prolonged use or impairment of the function of any bodily organ;
- 25 (b) Diversion of medicinal cannabis; or
- 26 (c) Any act that would constitute a violation of Section 37 of this Act;
- 27 (36) "Smoking" means the inhalation of smoke produced from the combustion of raw

1 plant material when ignited by a flame;

2 (37) "State licensing board" means, respectively, any of the following:

3 (a) The Kentucky Board of Medical Licensure; or

4 (b) The Kentucky Board of Nursing;

5 (38) "Telehealth" has the same meaning as in KRS 211.332;

6 (39) "Use of medicinal cannabis" includes the acquisition, administration, possession,  
7 transfer, transportation, or consumption of medicinal cannabis or medicinal  
8 cannabis accessories by a cardholder in accordance with Sections 1 to 30 of this  
9 Act. The term "use of medicinal cannabis" does not include:

10 (a) Cultivation of marijuana by a cardholder;

11 (b) The use or consumption of marijuana by smoking; or

12 (c) The use of industrial hemp or industrial hemp products as defined in KRS  
13 260.850;

14 (40) "Visiting qualified patient" means a person who has registered as such through  
15 the department as required under Section 11 of this Act or who possess a valid  
16 out-of-state registry identification card; and

17 (41) "Written certification" means a document dated and signed by a medicinal  
18 cannabis practitioner, that:

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

22 (b) Specifies the medical condition or conditions for which the medicinal  
23 cannabis practitioner believes that the patient may receive medical,  
24 therapeutic, or palliative benefit; and

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

27 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 218A IS CREATED TO

1 READ AS FOLLOWS:

2 Notwithstanding any provision of law to the contrary:

- 3 (1) The use of medicinal cannabis by a cardholder shall be considered lawful if done  
4 in accordance with Sections 1 to 30 of this Act and any administrative regulations  
5 promulgated thereunder;
- 6 (2) A registered qualified patient or visiting qualified patient shall not be considered  
7 to be under the influence of medicinal cannabis solely because of the presence of  
8 tetrahydrocannabinol metabolites, including but not limited to cannabinoid  
9 carboxy THC, which is also known as THC-COOH;
- 10 (3) The acquisition, blending, cultivation, delivery, distribution, manufacturing,  
11 manipulation, packaging for sale, preparation, possession, sale, testing,  
12 transportation, or transfer of medicinal cannabis or medicinal cannabis  
13 accessories by a cannabis business or cannabis business agent shall be  
14 considered lawful if done in accordance with Sections 1 to 30 of this Act and any  
15 administrative regulations promulgated thereunder;
- 16 (4) A medicinal cannabis practitioner shall not be subject to arrest, prosecution, or  
17 penalty in any manner, or denied any right or privilege, including but not limited  
18 to a civil penalty or disciplinary action by a state licensing board or by any other  
19 occupational or professional licensing board, solely for providing written  
20 certifications or for otherwise stating that, in the medicinal cannabis  
21 practitioner's professional opinion, a patient may receive medical, therapeutic, or  
22 palliative benefit from the use of medicinal cannabis, if done in accordance with  
23 Sections 1 to 30 of this Act;
- 24 (5) An attorney shall not be subject to arrest, prosecution, or penalty in any manner,  
25 or denied any right or privilege, including but not limited to a civil penalty or  
26 disciplinary action by the Kentucky Court of Justice, Kentucky Bar Association,  
27 or by any other professional licensing board, solely for providing an individual or

1 cannabis business with legal assistance related to activity that is no longer subject  
2 to criminal penalties under state law pursuant to Sections 1 to 30 of this Act;

3 (6) A pharmacist shall not be subject to arrest, prosecution, or penalty in any  
4 manner, or denied any right or privilege, including but not limited to a civil  
5 penalty or disciplinary action by the Kentucky Board of Pharmacy or by any  
6 other professional licensing board, solely for consulting with or providing  
7 information with respect to the possible risks or side effects of medicinal  
8 cannabis, including any potentially harmful or dangerous interactions between  
9 medicinal cannabis and any other drug;

10 (7) No person shall be subject to arrest, prosecution, or penalty in any manner, or  
11 denied any right or privilege, including but not limited to a civil penalty or  
12 disciplinary action by an occupational or professional licensing board, solely for  
13 providing assistance or services, including but not limited to accounting services,  
14 security services, or business consulting services, to any individual or cannabis  
15 business related to activity that is no longer subject to criminal penalties under  
16 state law pursuant to Sections 1 to 30 of this Act;

17 (8) Nothing in subsections (2) to (7) of this section shall be interpreted to prohibit the  
18 arrest, prosecution, or imposition of any other penalty arising from but not  
19 limited to breach of contract, breach of fiduciary duty, negligence, or engaging in  
20 criminal activity that would constitute a felony or misdemeanor; and

21 (9) A registered qualified patient who is injured or defrauded, including by theft or  
22 deprivation of the use and benefit of any money, personal property including  
23 medicinal cannabis, or articles of value of any kind, by his or her designated  
24 caregiver shall have a civil cause of action in Circuit Court to recover the actual  
25 damages sustained, together with the cost of the lawsuit, including reasonable  
26 fees for the individual's attorney of record.

27 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 218A IS CREATED TO



1 READ AS FOLLOWS:

2 (1) The Department of Alcoholic Beverage and Cannabis Control is hereby charged  
3 with the implementation, operation, oversight, and regulation of the medicinal  
4 cannabis program established in Sections 1 to 30 of this Act, and there is hereby  
5 created within the department a Division of Medicinal Cannabis and a Division  
6 of Alcoholic Beverage and Cannabis Enforcement. The Division of Medicinal  
7 Cannabis shall consist of a director and the necessary staff to fulfill its statewide  
8 regulatory responsibilities. The director of the Division of Alcoholic Beverage  
9 and Cannabis Enforcement shall be responsible for the detection, investigation,  
10 and enforcement of infractions of administrative regulations and laws associated  
11 with Sections 1 to 30 of this Act.

12 (2) The department shall develop and implement a biennial accreditation process  
13 based on evolving continuous quality improvement metrics to ensure best-practice  
14 standards. The renewal of cannabis business licenses shall be contingent upon  
15 successfully demonstrating certain minimal performance standards through the  
16 accreditation process.

17 (3) (a) There is hereby established within the department a Board of Physicians  
18 and Advisors which for administrative purposes shall be attached to the  
19 department.

20 (b) The board shall consist of:

21 1. Five (5) physicians who are knowledgeable about the medicinal use of  
22 cannabis and certified by the appropriate board in one (1) of the  
23 following specialties:

24 a. Addiction medicine;

25 b. Anesthesiology;

26 c. Gastroenterology;

27 d. Obstetrics and gynecology;

- 1                    *e. Ophthalmology;*  
2                    *f. Optometry;*  
3                    *g. Infectious disease;*  
4                    *h. Neurology;*  
5                    *i. Oncology;*  
6                    *j. Pain management;*  
7                    *k. Pain medicine;*  
8                    *l. Pediatrics;*  
9                    *m. Physical medicine and rehabilitation; or*  
10                   *n. Psychiatry;*  
11                   *2. Three (3) advanced practice registered nurses who are authorized to*  
12                   *prescribe controlled substances under KRS 314.042;*  
13                   *3. One (1) pharmacist licensed by the Kentucky Board of Pharmacy;*  
14                   *4. Six (6) patient advocates;*  
15                   *5. The commissioner of the department, who shall serve as a non-voting*  
16                   *ex officio member; and*  
17                   *6. The director of the Division of Medicinal Cannabis, who shall serve as*  
18                   *a non-voting ex officio member.*  
19                   *(c) 1. The commissioner of the department shall appoint members to the*  
20                   *board and shall select a chairperson from among the physicians*  
21                   *appointed to the board.*  
22                   *2. Eight (8) of the members first appointed shall serve for a term of three*  
23                   *(3) years, and seven (7) of the members first appointed shall serve for*  
24                   *a term of four (4) years. Thereafter, members of the board shall serve*  
25                   *for a term of four (4) years and shall be eligible for reappointment. A*  
26                   *member of the board whose term has expired may continue to serve*  
27                   *until a successor has been appointed.*

1           3. Members of the board shall serve without compensation, but each  
2           member of the board not otherwise compensated for his or her time or  
3           expense shall be entitled to reimbursement for his or her actual and  
4           necessary expenses in carrying out his or her duties with  
5           reimbursement for expenses being made in accordance with  
6           administrative regulations relating to travel expenses.

7           (d) The board shall:

8           1. Review and recommend to the department protocols for determining  
9           the amount of medicinal cannabis that shall constitute a daily supply  
10           of medicinal cannabis, an uninterrupted ten (10) day supply of  
11           medicinal cannabis, and an uninterrupted thirty (30) day supply of  
12           medicinal cannabis, as well as the amount of raw plant material that  
13           medicinal cannabis products are considered equivalent to;

14           2. Review and recommend to the department protocols, evolving  
15           continuous quality improvement metrics, and minimal performance  
16           standards for the biennial accreditation process of licensed cannabis  
17           businesses;

18           3. Review relevant scientific data related to the delta-9  
19           tetrahydrocannabinol content limits established in subsection (2)(b) of  
20           Section 19 of this Act and make recommendations to the General  
21           Assembly regarding revisions to the limits as the board deems  
22           appropriate;

23           4. Review relevant scientific data related to the various methods of use  
24           and consumption of medicinal cannabis and make recommendations  
25           to the General Assembly to approve or restrict certain methods as the  
26           board deems appropriate; and

27           5. Perform other duties related to the use of medicinal cannabis upon

1                   request by the commissioner of the department or the director of the  
2                   Division of Medicinal Cannabis.

3 (4) No later than March 1 of each year beginning in 2025, the department, in  
4 consultation with the University of Kentucky College of Medicine shall submit an  
5 annual report to the Legislative Research Commission. The report submitted by  
6 the department shall, at a minimum, include:

7 (a) The number of applications and renewals received by the department for  
8 registry identification cards for registered qualified patients, visiting  
9 qualified patients, and designated caregivers, individually and collectively;

10 (b) The number of applications and renewals for registry identification cards  
11 that were approved and denied by the department;

12 (c) The number of registry identification cards revoked by the department for  
13 misconduct and the nature of the misconduct;

14 (d) The number of physicians and advanced practice registered nurses  
15 authorized to provide written certifications;

16 (e) The number of pharmacists authorized to provide consultation to  
17 cardholders;

18 (f) The nature of the medical conditions for which medicinal cannabis  
19 practitioners have provided written certifications;

20 (g) The number of applications and renewals received by the department for  
21 cannabis business licenses; the number of cannabis business licenses issued  
22 for each business type and tier; and the number of cannabis business  
23 license applications and renewals that were denied by the department;

24 (h) The number of cannabis business agents associated with each type of  
25 cannabis business;

26 (i) An assessment of:

27 1. The ability of cardholders in all areas of the state to obtain timely

- 1                   affordable access to medicinal cannabis;
- 2                   2. The evolving continuous quality improvement metrics and minimal  
3                   performance standards for the biennial accreditation process of  
4                   licensed cannabis businesses;
- 5                   3. The effectiveness of the cultivators, processors, and producers licensed  
6                   under this chapter, individually and collectively, in serving the needs  
7                   of processors, dispensaries, and cardholders, the reasonableness of  
8                   their fees, whether they are generating any complaints or security  
9                   problems, and the sufficiency of the number operating to serve  
10                   processors, dispensaries, and cardholders in the Commonwealth;
- 11                   4. The effectiveness of the dispensaries licensed under this chapter,  
12                   individually and collectively, in serving the needs of cardholders,  
13                   including the provision of educational and support services, the  
14                   reasonableness of their fees, whether they are generating any  
15                   complaints or security problems, and the sufficiency of the number  
16                   operating to serve cardholders in the Commonwealth; and
- 17                   5. The effectiveness of the licensed safety compliance facilities licensed  
18                   under this chapter, individually and collectively, in serving the needs  
19                   of other cannabis businesses, including the provision of testing and  
20                   training services, the reasonableness of their fees, whether they are  
21                   generating any complaints or security problems, and the sufficiency of  
22                   the number operating to serve other cannabis businesses and  
23                   cardholders in the Commonwealth;
- 24                   (j) The profits and expenditures by cannabis businesses, individually and  
25                   collectively;
- 26                   (k) The amount of medicinal cannabis sold per month in the Commonwealth;
- 27                   (l) The total amount of revenue generated from cannabis business licensure

- 1           and cardholder fees for each calendar year and aggregated by prior years;
- 2           (m) The total cost of enforcement for the medicinal cannabis program at the
- 3           time of the report, by city, county, and overall;
- 4           (n) The sufficiency of the regulatory and security safeguards contained in
- 5           Sections 1 to 30 of this Act and adopted by the department through
- 6           administrative regulations to ensure that access to and use of medicinal
- 7           cannabis cultivated and processed in this state are provided only to
- 8           cardholders;
- 9           (o) Any recommended additions or revisions to Sections 1 to 30 of this Act or
- 10           administrative regulations promulgated thereunder, including those relating
- 11           to security, safe handling, labeling, and nomenclature;
- 12           (p) The results of any peer-reviewed, scientific research studies regarding the
- 13           health effects of cannabis; and
- 14           (q) Any other data requested by the Legislative Research Commission relating
- 15           to the medicinal cannabis program and Sections 1 to 30 of this Act.
- 16           (5) The department shall provide the University of Kentucky College of Medicine
- 17           with all information necessary to allow collaboration with the department on the
- 18           preparation of this report. The University of Kentucky College of Medicine may
- 19           also produce its own report regarding the medicinal cannabis program
- 20           established in Sections 1 to 30 of this Act which, if produced, shall be submitted
- 21           upon completion to the Legislative Research Commission, the department, and
- 22           the Governor.
- 23           (6) The information contained in the report described in subsection (4) of this section
- 24           shall be presented in a manner that does not disclose any identifying information
- 25           about cardholders or licensed cannabis businesses.
- 26           (7) Nothing in Sections 1 to 30 of this Act shall require the department to assume
- 27           duties in relation to the medicinal cannabis program that are more than

1 administrative in nature if federal law or a current and clear directive from the  
 2 federal government indicates that duties assumed by the department that are  
 3 more than administrative could result in federal prosecution or invalidation of  
 4 the medicinal cannabis program established in Sections 1 to 30 of this Act.

5 (8) (a) If the department makes a determination that it is required by Sections 1 to  
 6 30 of this Act to conduct duties that are more than administrative in nature,  
 7 then it shall continue to conduct duties that are administrative in nature  
 8 and designate or enter into a contract, in accordance with KRS Chapter  
 9 45A, with a qualified nongovernmental entity to conduct any duties required  
 10 by Sections 1 to 30 of this Act that are more than administrative in nature.  
 11 The department may reimburse the state for any costs involved in working  
 12 with outside consultants to implement the program.

13 (b) Notwithstanding paragraph (a) of this subsection, the department may  
 14 contact with any other government or nongovernmental agency to  
 15 implement, operate, oversee, and regulate the medicinal cannabis program  
 16 established in Sections 1 to 30 of this Act.

17 (c) A nongovernmental entity contract pursuant to this subsection shall not  
 18 own, in part or in whole, any cannabis business in this state or any other, or  
 19 be owned, in part or in whole, by any cannabis business in this state or any  
 20 other.

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

23 (1) A registered qualified patient, except as provided in subsection (4) of this section,  
 24 shall not be subject to arrest, prosecution, or denial of any right or privilege,  
 25 including but not limited to a civil penalty or disciplinary action by a court or  
 26 occupational or professional licensing board, for the use of medicinal cannabis,  
 27 if the registered qualified patient does not possess more than:

- 1        (a) An amount of medicinal cannabis determined by the department to  
2        constitute an uninterrupted thirty (30) day supply at his or her residence;
- 3        (b) An amount of medicinal cannabis in excess of a thirty (30) day supply at his  
4        or her residence, in accordance with administrative regulations  
5        promulgated pursuant to subsection (1)(c)6. of Section 28 of this Act; or
- 6        (c) An amount of medicinal cannabis determined by the department to  
7        constitute an uninterrupted ten (10) day supply on his or her person, except  
8        that an amount greater than a ten (10) day supply may be transported by a  
9        registered qualified patient from a dispensary to his or her residence if the  
10       medicinal cannabis is contained in a sealed package that requires at least a  
11       two (2) step process for initial opening.
- 12       (2) A visiting qualified patient shall not be subject to arrest, prosecution, or denial of  
13       any right or privilege, including but not limited to civil penalty or disciplinary  
14       action by a court or occupational or professional licensing board, for the use of  
15       medicinal cannabis, if the visiting qualified patient does not possess more than an  
16       amount of medicinal cannabis determined by the department to constitute an  
17       uninterrupted ten (10) day supply on his or her person.
- 18       (3) 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 registered qualified patient to whom the designated caregiver is  
22       connected through the department's registration process with the use of  
23       medicinal cannabis if the designated caregiver does not possess more than:
- 24       1. An amount of medicinal cannabis determined by the department to  
25       constitute an uninterrupted thirty (30) day supply at his or her  
26       residence for each registered qualified patient to whom the caregiver  
27       is connected through the department's registration process;



- 1           2. An amount of medicinal cannabis in excess of a thirty (30) day supply  
2           at his or her residence for each registered qualified patient to whom  
3           the caregiver is connected through the department's registration  
4           process, in accordance with administrative regulations promulgated  
5           pursuant to subsection (1)(c)6. of Section 28 of this Act; or
- 6           3. An amount of medicinal cannabis determined by the department to  
7           constitute an uninterrupted ten (10) day supply on his or her person  
8           for each registered qualified patient to whom the caregiver is  
9           connected through the department's registration process, except that  
10           an amount greater than a ten (10) day supply may be transported by a  
11           designated caregiver from a dispensary to his or her residence if the  
12           medicinal cannabis is contained in a sealed package that requires at  
13           least a two (2) step process for initial opening; or
- 14           (b) Receiving compensation for reasonable costs associated with assisting a  
15           registered qualified patient in the use of medicinal cannabis if the  
16           designated caregiver is connected to the registered qualified patient through  
17           the department's registration process.
- 18           (4) A registered qualified patient who is under eighteen (18) years of age shall not be  
19           permitted to possess, purchase, or acquire medicinal cannabis and shall only  
20           engage in the use of medicinal cannabis with the assistance of a designated  
21           caregiver who is the registered qualified patient's parent or legal guardian  
22           responsible for providing consent for medical treatment.
- 23           (5) (a) All medicinal cannabis possessed by a cardholder in accordance with  
24           subsections (1), (2), and (3) of this section shall be kept in the original  
25           container in which the cardholder received the medicinal cannabis from a  
26           dispensary.
- 27           (b) An individual who violates paragraph (a) of this subsection may be a fined

1 up to one hundred dollars (\$100) per violation.

2 (6) Notwithstanding subsections (1), (2), and (3) of this section and except as  
3 provided in administrative regulations promulgated pursuant to subsection  
4 (1)(c)6. of Section 28 of this Act:

5 (a) A registered qualified patient shall not be permitted to purchase more  
6 medicinal cannabis than the amount determined by the department to  
7 constitute an uninterrupted thirty (30) day supply of medicinal cannabis  
8 during a given twenty-five (25) day period;

9 (b) A designated caregiver shall not be permitted to purchase more medicinal  
10 cannabis than the amount determined by the department to constitute an  
11 uninterrupted thirty (30) day supply of medicinal cannabis for each  
12 registered qualified patient to whom the caregiver is connected through the  
13 department's registration process during a given twenty-five (25) day  
14 period; and

15 (c) A visiting qualified patient shall not be permitted to purchase more  
16 medicinal cannabis than the amount determined by the department to  
17 constitute an uninterrupted ten (10) day supply of medicinal cannabis  
18 during a given eight (8) day period.

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

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

24 (b) Possession of medicinal cannabis accessories; or

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

26 (8) No person shall be subject to arrest, prosecution, or denial of any right or  
27 privilege, including but not limited to a civil penalty or disciplinary action by a

1 court or occupational or professional licensing board, solely for:

2 (a) Selling medicinal cannabis accessories to a cardholder, who is over  
 3 eighteen (18) years of age, upon presentation of a valid registry  
 4 identification card issued by the department or, for a visiting qualified  
 5 patient, a valid out-of-state registry identification card;

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

8 (c) Assisting a registered qualified patient or visiting qualified patient with  
 9 using or administering medicinal cannabis. For purposes of illustration and  
 10 not limitation, this includes preparing raw plant material or brewing tea for  
 11 a registered qualified patient or visiting qualified patient. This does not  
 12 include providing medicinal cannabis to a patient that the patient did not  
 13 already possess.

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

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

20 (b) Sections 1 to 30 of this Act shall not prevent the seizure or forfeiture of  
 21 marijuana exceeding the amounts allowed under Section 4 of this Act or  
 22 administrative regulations promulgated pursuant to subsection (1)(c)6. of  
 23 Section 28 of this Act, nor shall it prevent seizure or forfeiture if the basis  
 24 for that action is unrelated to the use of medicinal cannabis in accordance  
 25 with Sections 1 to 30 of this Act and any administrative regulation  
 26 promulgated thereunder.

27 (2) Possession of, or application for, a registry identification card, out-of-state

1 registry identification card, or cannabis business license shall not constitute  
2 probable cause or reasonable suspicion, nor shall it be used to support the search  
3 of the person, property, or home of the person possessing or applying for the  
4 registry identification card, out-of-state registry identification card, or cannabis  
5 business license. The possession of, or application for, a registry identification  
6 card, out-of-state registry identification card, or cannabis business license shall  
7 not preclude the existence of probable cause or reasonable suspicion if probable  
8 cause or reasonable suspicion exists on other grounds.

9 (3) (a) There shall be a rebuttable presumption that a cardholder is engaged in the  
10 lawful use of medicinal cannabis, or in the case of a designated caregiver,  
11 assisting with the lawful use of medicinal cannabis, if the cardholder:

12 1. Possesses a valid registry identification card or, in the case of a  
13 visiting qualified patient, a valid out-of-state registry identification  
14 card; and

15 2. Possesses an amount of medicinal cannabis that does not exceed the  
16 amount allowed under Section 4 of this Act or administrative  
17 regulations promulgated pursuant to subsection (1)(c)6. of Section 28  
18 of this Act.

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

22 (4) 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 medicinal cannabis, or conduct  
25 any 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. sec. 801 et seq., if  
27 the officer should have reason to believe that such activity is in compliance with

1        Sections 1 to 30 of this Act.

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

4        (1) Sections 1 to 30 of this Act do not authorize any person to engage in, and shall  
5        not prevent the imposition of any civil, criminal, or other penalties, including but  
6        not limited to criminal prosecution or disciplinary action by the department or an  
7        occupational or professional licensing board, for engaging in, the following  
8        conduct:

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

13        (b) Consuming medicinal cannabis while operating, navigating, or being in  
14        actual physical control of an aircraft, vehicle, vessel, or any other device  
15        known, or hereafter invented, that is powered by machinery and that is or  
16        may be used to transport persons or property;

17        (c) Possessing medicinal cannabis that is within the operator's arm's reach or  
18        that is not contained in a package that requires at least a two (2) step  
19        process for initial opening, in accordance with administrative regulations  
20        promulgated pursuant to subsection (1)(c)13.a. of Section 28 of this Act,  
21        while operating, navigating, or being in actual physical control of an  
22        aircraft, vehicle, vessel, or any other device known, or hereafter invented,  
23        that is powered by machinery and that is or may be used to transport  
24        persons or property;

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

27        (e) Possessing medicinal cannabis, or otherwise engaging in the use of

1           medicinal cannabis:

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

5           2. In any correctional facility; or

6           3. On any property of the federal government;

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

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

10          (h) Cultivating marijuana unless that person is licensed by the department as a  
11          cannabis cultivator or cannabis producer pursuant to Sections 16, 17, and  
12          18 of this Act or is a cultivator or producer agent.

13          (2) Sections 1 to 30 of this Act shall not prevent enforcement of current laws  
14          pertaining to the operation of any aircraft, vehicle, or vessel, including under  
15          KRS Chapters 183, 189, 189A, and 235.

16          (3) If a cardholder violates subsection (1)(a) or (b) of this section, in addition to  
17          penalties that may be imposed under KRS Chapters 183, 189, 189A, or 235, the  
18          cardholder's registry identification card shall be revoked.

19          (4) (a) An individual who violates subsection (1)(g) of this section shall not be  
20          considered to be in possession of medicinal cannabis or engaged in the use  
21          of medicinal cannabis and may not benefit from the legal protections  
22          afforded by Sections 1 to 30 of this Act.

23          (b) The odor or smell of cannabis without other observable indicators shall not  
24          constitute conclusive evidence of use or consumption of cannabis by  
25          smoking.

26          (c) Notwithstanding paragraph (a) of this subsection:

27                 1. If an individual violates subsection (1)(g) of this subsection by using

1 or consuming marijuana by smoking while on any form of public  
 2 transportation, in any public place as defined in KRS 525.010, or in  
 3 any place of public accommodation, resort, or amusement as defined  
 4 in KRS 344.130:

5 a. The department may suspend or revoke the individual's registry  
 6 identification card; and

7 b. The individual may be subject to prosecution under Section 40 of  
 8 this Act.

9 2. Any individual who violates subsection (1)(g) of this section by using  
 10 or consuming marijuana by smoking on residential property owned or  
 11 leased by that individual or with the permission of the owner or lessee  
 12 of residential property may be fined not more than one hundred  
 13 dollars (\$100) per violation.

14 (5) As used in this section:

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

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

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

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

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

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

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

26 1. Restricting the use of medicinal cannabis by employees; or

27 2. Restricting or prohibiting the use of equipment, machinery, or power

1           tools by an employee who is a registered qualified patient, if the  
2           employer believes that the use of such equipment, machinery, or  
3           power tools by an employee who is a registered qualified patient poses  
4           an unreasonable safety risk;

5           (c) Prohibit an employer from including in any contract provisions that  
6           prohibit the use of medicinal cannabis by employees;

7           (d) Subject an employer to liability for wrongful discharge or discrimination;

8           (e) Except as provided in Section 8 of this Act, prohibit a person, employer,  
9           corporation, or any other entity who occupies, owns, or controls a property  
10          from prohibiting or otherwise regulating the use, consumption, possession,  
11          transfer, display, transportation, sale, or growing of medicinal cannabis on  
12          or in that property; or

13          (f) Prohibit an employer from establishing and enforcing a drug testing policy,  
14          drug-free workplace, or zero-tolerance drug policy.

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

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

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

24          (1) Except as provided in Section 7 of this Act, a registered qualified patient or  
25          visiting qualified patient who uses medicinal cannabis shall be afforded all the  
26          same rights under state and local law, including those guaranteed under KRS  
27          Chapter 344, as the individual would have been afforded if he or she were solely



1 prescribed pharmaceutical medications, as they pertain to drug testing required  
2 by any state or local law.

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

9 (3) (a) For the purposes of medical care, including organ transplants, a patient's  
10 authorized use of medicinal cannabis is the equivalent of the authorized use  
11 of any other medication used at the direction of a practitioner, and shall not  
12 constitute the use of an illicit substance or otherwise disqualify a patient  
13 from needed medical care.

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

17 (4) (a) A school shall not refuse to enroll, or otherwise penalize, a person solely for  
18 his or her status as a cardholder, unless failing to do so would violate  
19 federal law or regulations and cause the school to lose a monetary or  
20 licensing-related benefit under federal law or regulations.

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

23 (c) Each local board of education and each board of directors of a public  
24 charter school shall, within ninety (90) days after the effective date of this  
25 section, establish policies to permit a pupil who is a registered qualified  
26 patient to consume medicinal cannabis on school property as deemed  
27 necessary by the pupil's parent or legal guardian. Policies enacted pursuant

1 to this paragraph shall require that medicinal cannabis be administered by  
2 a school nurse or under the supervision of appropriate school staff.

3 (5) (a) A landlord shall not refuse to lease to, or otherwise penalize, a person solely  
4 for his or her status as a cardholder, unless failing to do so would violate  
5 federal law or regulations and cause the landlord to lose a monetary or  
6 licensing-related benefit under federal law or regulations.

7 (b) No landlord may be penalized or denied any benefit under state law for  
8 leasing to a cardholder.

9 (c) A landlord shall not include in a rental agreement terms and conditions that  
10 prohibit the use of medicinal cannabis by a cardholder.

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

13 (1) Except as provided in subsection (11) of this section, a physician or an advanced  
14 practice registered nurse seeking to become a medicinal cannabis practitioner  
15 and provide written certifications for the use of medicinal cannabis shall apply to  
16 the same state licensing board that issued his or her professional practice license,  
17 on a form prescribed by the state licensing board, for authorization to provide  
18 written certifications for the use of medicinal cannabis.

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

23 (b) A state licensing board shall deny an application for authorization to  
24 provide written certifications for the use of medicinal cannabis if the  
25 applicant has an ownership or investment interest in or compensation  
26 agreement with a cannabis business licensed under this chapter. A state  
27 licensing board may consult with the department to determine if an

1           applicant has an ownership or investment interest in or compensation  
2           agreement with a cannabis business.

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

6   (4) A medicinal cannabis practitioner may provide a patient with a written  
7           certification only after the medicinal cannabis practitioner has:

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

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

13           (c) Reviewed a report of information from the electronic system for monitoring  
14           controlled substances established in KRS 218A.202 related to the patient for  
15           a period of time that covers at least the twelve (12) months immediately  
16           preceding the date of the report;

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

23           (e) Obtained the consent of the patient's custodial parent or legal guardian  
24           responsible for providing consent to treatment, if the patient is a minor  
25           child.

26   (5) A bona fide practitioner-patient relationship may be established following a  
27           referral from the patient's primary care provider and may be maintained via

1 telehealth. However, a bona fide practitioner-patient relationship shall not be  
2 established via telehealth.

3 (6) (a) When issuing a written certification for the use of medicinal cannabis to a  
4 patient, the medicinal cannabis practitioner shall use a form prescribed by  
5 the department.

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

11 (c) For the purpose of applying for a registry identification card, a written  
12 certification provided under this section shall be valid for a period of ninety  
13 (90) days after the date of issuance by a medicinal cannabis practitioner.  
14 The medicinal cannabis practitioner may renew a written certification for  
15 not more than three (3) additional periods of not more than ninety (90) days  
16 each. Thereafter, the medicinal cannabis practitioner may issue another  
17 certification to the patient only after conducting an additional examination  
18 of the patient in person or via telehealth.

19 (d) Within twenty-four (24) hours of providing a patient with a written  
20 certification for the use of medicinal cannabis, a medicinal cannabis  
21 practitioner shall record the issuance of the written certification in the  
22 electronic system developed by the department pursuant to subsection (1)(a)  
23 of Section 28 of this Act.

24 (7) A medicinal cannabis practitioner shall not:

25 (a) Dispense medicinal cannabis; or

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

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

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

5 (b) Issuing a written certification to a patient with whom the medicinal  
6 cannabis practitioner does not have a bona fide practitioner-patient  
7 relationship;

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

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

11 (e) Any other violation of this section or any administrative regulation  
12 promulgated thereunder.

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

17 (10) The state licensing boards shall:

18 (a) No later than January 1, 2024, promulgate administrative regulations, in  
19 accordance with KRS Chapter 13A, to establish the following:

20 1. The procedures for applying for authorization to provide written  
21 certifications;

22 2. The conditions that must be met to be eligible for authorization to  
23 provide written certifications. Administrative regulations promulgated  
24 pursuant to this paragraph shall require that an advanced practice  
25 registered nurse be authorized to prescribe controlled substances  
26 under KRS 314.042 to be eligible to apply for authorization to provide  
27 written certifications;

1           3. The process and procedures for renewing authorization to provide  
 2           written certifications;

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

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

7           6. The minimal standards of care when providing written certifications;

8           (b) On a regular basis, provide the department with the names of all medicinal  
 9           cannabis practitioners authorized by the state licensing board; and

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

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

19          (a) A research protocol;

20          (b) A clinical trial;

21          (c) An investigational new drug application; or

22          (d) An expanded access submission.

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

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

26          (1) Except as provided in subsection (2) of this section, prior to making an initial  
 27          purchase of medicinal cannabis in this state and at least annually thereafter, a

1 cardholder shall be required to complete a consultation with a pharmacist who is  
2 authorized by the Kentucky Board of Pharmacy to provide medicinal cannabis  
3 consultation services to cardholders. The consultation shall at a minimum cover  
4 the possible risk and side effects of medicinal cannabis and any potential drug  
5 interactions between medicinal cannabis and any other drug that the registered  
6 qualified patient or visiting qualified patient is taking.

7 (2) (a) A designated caregiver shall be permitted to complete the consultation  
8 required by subsection (1) of this section on behalf of any registered  
9 qualified patient to whom the designated caregiver is connected through the  
10 department's registration process.

11 (b) If a registered qualified patient is under eighteen (18) years of age, the  
12 registered qualified patient's parent or legal guardian who is responsible for  
13 providing consent for medical treatment shall be present for the  
14 consultation required by subsection (1) of this section and may complete the  
15 consultation on behalf of the registered qualified patient.

16 (3) A pharmacist who wishes to be authorized by the Kentucky Board of Pharmacy to  
17 provide medicinal cannabis consultation services to cardholders or to enter into a  
18 collaborative agreement with dispensaries, as required by Section 22 of this Act,  
19 shall apply to the board on a form prescribed by the board.

20 (4) No later than January 1, 2024, the Kentucky Board of Pharmacy shall, in  
21 accordance with KRS Chapter 13A, promulgate administrative regulations to:

22 (a) Establish the application and renewal process and fee for authorization to  
23 provide medicinal cannabis consultation services and to enter into a  
24 collaborative agreement with dispensaries;

25 (b) Establish continuing education and training requirements for pharmacists  
26 who are authorized to provide medicinal cannabis consultation services and  
27 to enter into a collaborative agreement with dispensaries;

- 1 (c) Define the standards of care for medicinal cannabis consultation services;  
2 (d) Define the nature and scope of a collaborative agreement between a  
3 pharmacist and a dispensary, including the process by which a pharmacist  
4 and dispensary shall establish a collaborative agreement. The nature and  
5 scope of the collaborative agreement shall not require a pharmacist to be  
6 present at a dispensary;  
7 (e) Establish a fee for medicinal cannabis consultation services which shall not  
8 exceed forty dollars (\$40) per consultation; and  
9 (f) Establish a fee for collaborative agreements between a dispensary and a  
10 pharmacist.  
11 (5) Members of the Kentucky Board of Pharmacy, its agents, its employees, and any  
12 pharmacist authorized by the board to provide medicinal cannabis consultation  
13 services to cardholders or to enter into a collaborative agreement with  
14 dispensaries shall be immune from suit in any action, civil or criminal, which is  
15 based upon any act that is conducted in accordance with this section and  
16 administrative regulations promulgated thereunder.

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

- 19 (1) Except as provided in subsection (5) of this section, no person shall possess,  
20 purchase, acquire, or otherwise engage or assist in the use of medicinal cannabis  
21 in Kentucky without first applying for and receiving a registry identification card  
22 for registered qualified patients, designated caregivers, or visiting qualified  
23 patients issued by the department.  
24 (2) A person shall be eligible to apply for a registry identification card as a registered  
25 qualified patient if he or she is a resident of Kentucky, has obtained a written  
26 certification issued by a medicinal cannabis practitioner in accordance with  
27 Section 9 of this Act and administrative regulations promulgated thereunder, and



1       has not been convicted of a disqualifying felony offense.

2       (3) A person shall be eligible to apply for a registry identification card as a  
3       designated caregiver if he or she is a resident of Kentucky, is at least twenty-one  
4       (21) years of age, has been identified as a designated caregiver on a qualified  
5       patient's or registered qualified patient's registry identification card application  
6       or renewal form, has not been convicted of a disqualifying felony offense, and  
7       has agreed to assist no more than three (3) registered qualified patients with the  
8       use of medicinal cannabis.

9       (4) A person shall be eligible to apply for a registry identification card as a visiting  
10       qualified patient if he or she is not a resident of Kentucky or has been a resident  
11       of Kentucky for less than thirty (30) days, is at least twenty-one (21) years of age,  
12       has not been convicted of a disqualifying felony offense, and possesses a valid  
13       out-of-state registry identification card.

14       (5) A person with a valid out-of-state registry identification card may use that  
15       registry identification card for all purposes established in Sections 1 to 30 of this  
16       Act and shall not be required to apply for or receive a visiting qualified patient  
17       registry identification card from the department.

18       (6) To apply for or renew a registry identification card, a qualified patient who is  
19       eighteen (18) years of age or older shall submit the following, in accordance with  
20       administrative regulations promulgated by the department:

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

24       (b) A valid written certification issued by a medicinal cannabis practitioner to  
25       the qualified patient;

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

1 (d) The name, address, and date of birth of not more than two (2) individuals  
2 chosen by the qualified patient to be designated as a caregiver, if the  
3 qualified patient chooses to designate a caregiver;

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

9 (f) A statement, signed by the individuals chosen by the qualified patient to be  
10 designated as a caregiver, if any, agreeing to be designated as the patient's  
11 designated caregiver and pledging not to divert medicinal cannabis to  
12 anyone other than the registered qualified patient to whom the caregiver is  
13 connected through the department's registration process. The statement  
14 shall contain a listing of potential penalties, including criminal prosecution,  
15 for diverting medicinal cannabis; and

16 (g) The application or renewal fee for a registry identification card for a  
17 qualified patient and the application or renewal fee for a registry  
18 identification card for any designated caregiver chosen by the qualified  
19 patient.

20 (7) To apply for or renew a registry identification card, for a qualified patient who is  
21 under eighteen (18) years of age, the qualified patient's custodial parent or legal  
22 guardian with responsibility for health care decisions shall, in addition to the  
23 information required under subsection (6) of this section, submit a statement  
24 signed by the custodial parent or legal guardian with responsibility for health  
25 care decisions attesting to the fact that the custodial parent or legal guardian  
26 agrees to:

27 (a) Allow the qualified patient to use medicinal cannabis;

- 1        (b) Serve as the qualified patient's designated caregiver; and  
2        (c) Control the acquisition, dosage, and frequency of use of medicinal cannabis  
3                by the qualified patient.

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

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

10        (b) A copy of his or her valid registry identification card or its equivalent that  
11                was issued pursuant to the laws of the jurisdiction of the person's residence;

12        (c) The application or renewal fee for a registry identification card for a  
13                visiting qualified patient; and

14        (d) A statement, signed by the visiting qualified patient, pledging not to divert  
15                medicinal cannabis to anyone who is not permitted to possess medicinal  
16                cannabis pursuant to Sections 1 to 30 of this Act. The statement shall  
17                contain a listing of potential penalties, including criminal prosecution, for  
18                diverting medicinal cannabis.

19        (9) A registered qualified patient applying to renew a registry identification card  
20        issued by the department shall be required to submit to the department a valid  
21        written certification issued by a medicinal cannabis practitioner in accordance  
22        with Section 9 of this Act and administrative regulations promulgated thereunder.

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

25        (1) The department shall establish, implement, and operate a registry identification  
26        card program for registered qualified patients, visiting qualified patients, and  
27        designated caregivers.

- 1 (2) Registry identification cards shall contain the following:
- 2 (a) The name of the cardholder;
- 3 (b) A designation of whether the cardholder is a registered qualified patient,
- 4 visiting qualified patient, or designated caregiver;
- 5 (c) The date of issuance and expiration date of the registry identification card;
- 6 (d) A random alphanumeric identification number of at least ten (10)
- 7 characters, containing at least four (4) numbers and at least four (4) letters,
- 8 that is unique to the cardholder;
- 9 (e) A bar code or other marking that can be scanned electronically;
- 10 (f) A photograph of the cardholder, if the department's administrative
- 11 regulations require one;
- 12 (g) The telephone number and website address for the electronic verification
- 13 system developed by the department pursuant to subsection (1)(a) of Section
- 14 28 of this Act;
- 15 (h) If the cardholder is a designated caregiver, the random alphanumeric
- 16 identification number of the registered qualified patient the designated
- 17 caregiver is receiving the registry identification card to assist; and
- 18 (i) If the cardholder is under eighteen (18) years of age, a clear and obvious
- 19 designation or identifier indicating that the cardholder is under eighteen
- 20 (18) years of age.
- 21 (3) (a) Except as provided in this subsection, the expiration date for registry
- 22 identification cards shall be one (1) year after the date of issuance.
- 23 (b) If a medicinal cannabis practitioner states in the written certification that
- 24 the qualified patient would benefit from the use of medicinal cannabis until
- 25 a specified earlier date, then the registry identification card shall expire on
- 26 that date.
- 27 (4) The department may, at its discretion, electronically store in the card all of the

1 information listed in subsection (2) of this section, along with the address and  
2 date of birth of the cardholder, to allow it to be read electronically by law  
3 enforcement agents and licensed cannabis businesses.

4 (5) The registry identification card application and renewal fees shall be as follows:

5 (a) A registry identification card for a qualified patient who is a Kentucky  
6 resident shall be sixty dollars (\$60);

7 (b) A registry identification card for a visiting qualified patient shall be sixty  
8 dollars (\$60); and

9 (c) A registry identification card for a designated caregiver shall be twenty  
10 dollars (\$20) per registered qualified patient to whom the designated  
11 caregiver is connected unless the designated caregiver is the parent, legal  
12 guardian, spouse, or adult child of the qualified patient, in which case there  
13 shall be no fee for a registry identification card.

14 (6) (a) The department shall operate a provisional licensure receipt system for  
15 registered qualified patients, designated caregivers, and visiting qualified  
16 patients that shall be valid for forty-five (45) days, or until a permanent card  
17 can be issued, as if it is a registry identification card issued pursuant to this  
18 section and Sections 11 and 13 of this Act. This program shall be  
19 implemented and operational simultaneously with the department's  
20 implementation of the registry identification card program established in  
21 this section. A provisional licensure receipt shall contain the following:

22 1. A temporary identification number;

23 2. A bar code or other marking that can be scanned electronically;

24 3. The name of the applicant;

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

27 5. If the cardholder is under eighteen (18) years of age, a clear and

1                   obvious designation or identifier indicating that the cardholder is  
2                   under eighteen (18) years of age;

3                   6. The effective date of the receipt;

4                   7. The expiration date of the receipt;

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

6                   9. An indication that the application has been submitted and is  
7                   apparently complete; and

8                   10. The name of the qualified patient's medicinal cannabis practitioner.

9                   (b) The licensure receipt system shall be designed so that this provisional  
10                  licensure receipt shall be produced by the application website upon  
11                  completion of an application that includes a valid written certification for  
12                  the use of medicinal cannabis and payment of the cardholder fee. To reduce  
13                  application errors and processing time, a recommending practitioner or a  
14                  dispensary may offer a service that allows an applicant to use a computer  
15                  and printer on the premises of the practitioner's office or dispensary to  
16                  complete an application and receive a provisional licensure receipt pursuant  
17                  to this subsection.

18                  (c) Notwithstanding any other provision of Sections 1 to 30 of this Act, a valid  
19                  provisional licensure receipt issued pursuant to this subsection shall convey  
20                  to the individual whose name appears on the provisional licensure receipt  
21                  all of the same rights and privileges as a registry identification card issued  
22                  pursuant to this section and Sections 11 and 13 of this Act and shall be  
23                  accepted by a cannabis business in place of a registry identification card.

24                  (7) All registry identification card fees collected by the department pursuant to  
25                  subsection (5) of this section shall be forwarded to the medicinal cannabis trust  
26                  fund established in Section 31 of this Act.

27                  ➔SECTION 13. A NEW SECTION OF KRS CHAPTER 218A IS CREATED

1 TO READ AS FOLLOWS:

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

3 (a) Acknowledge receipt of an application or renewal within fifteen (15) days of  
4 receipt, and approve or deny an application or renewal within thirty (30)  
5 days of receiving a completed application or renewal application; and

6 (b) Issue registry identification cards to a qualified patient and any individual  
7 designated by the qualified patient as a designated caregiver, or a visiting  
8 qualified patient within five (5) days of approving the application or  
9 renewal. An individual designated as a caregiver shall be issued a  
10 designated caregiver registry identification card for each registered  
11 qualified patient to whom he or she is connected through the department's  
12 registration process.

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

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

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

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

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

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

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

1 (a) Did not provide the information or materials required by Section 11 of this  
2 Act;

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

4 (c) Provided false or falsified information; or

5 (d) Does not meet the eligibility requirements established in Section 11 of this  
6 Act.

7 (4) The department may deny an application or renewal for a designated caregiver's  
8 registration card for any reason that the department, in the exercise of sound  
9 discretion, deems sufficient, including but not limited to if the applicant:

10 (a) Is already registered as a designated caregiver for three (3) registered  
11 qualified patients;

12 (b) Does not meet the eligibility requirements established in Section 11 of this  
13 Act;

14 (c) Did not provide the information or materials required by Section 11 of this  
15 Act;

16 (d) Previously had a registry identification card revoked;

17 (e) Provided false or falsified information;

18 (f) Was previously convicted of a disqualifying felony offense; or

19 (g) Has applied as a designated caregiver for a qualified patient whose  
20 application or renewal for a registry identification card was denied.

21 (5) The department may deny an application or renewal for a visiting qualified  
22 patient's registration card for any reason that the department, in the exercise of  
23 sound discretion, deems sufficient, including but not limited to if the applicant:

24 (a) Did not provide the information or materials required by Section 11 of this  
25 Act;

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

27 (c) Provided false or falsified information; or



1        (d) Does not meet the eligibility requirements established in Section 11 of this  
2            Act.

3        (6) The department may conduct a criminal background check of any applicant if the  
4            criminal background check is conducted solely to determine whether the  
5            applicant was previously convicted of a disqualifying felony offense.

6        (7) The department shall notify the registered qualified patient who has designated  
7            someone to serve as his or her designated caregiver if the individual designated as  
8            a caregiver is denied a registry identification card.

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

15       (9) Final orders of the department after administrative hearings shall be subject to  
16           judicial review. Jurisdiction and venue for judicial review are vested in the  
17           Franklin Circuit Court or the Circuit Court of the county in which the appealing  
18           party resides in accordance with KRS 13B.140.

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

21       (1) Cardholders shall be required to make the following notifications to the  
22           department:

23           (a) A cardholder shall notify the department of any change in his or her name  
24           or address;

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

- 1        (c) A registered qualified patient shall immediately notify the department if he  
2        or she wishes to terminate a designated caregiver relationship with an  
3        individual who has been designated as his or her caregiver;
- 4        (d) A designated caregiver shall notify the department within thirty (30) days if  
5        he or she becomes aware that a registered qualified patient to whom the  
6        caregiver is connected through the department's registration process has  
7        died or has ceased to suffer from the medical condition for which a  
8        medicinal cannabis practitioner provided a written certification; and
- 9        (e) If a cardholder loses his or her registry identification card, he or she shall  
10       notify the department within ten (10) days of becoming aware the card has  
11       been lost.
- 12       (2) When a cardholder notifies the department of items listed in paragraphs (b) or (d)  
13       of subsection (1) of this section, the cardholder shall, within ten (10) days of  
14       notification, return any unused medicinal cannabis products to a licensed  
15       dispensary for destruction.
- 16       (3) When a cardholder notifies the department of items listed in subsection (1) of this  
17       section, but remains eligible under Sections 1 to 30 of this Act, the department  
18       shall issue the cardholder a new registry identification card with a new random  
19       ten (10) character alphanumeric identification number. If the department issues  
20       a new registry identification card to a registered qualified patient, the department  
21       shall also issue a new registry identification card with a new ten (10) character  
22       alphanumeric number to the registered qualified patient's designated caregiver.  
23       New registry identification cards issued under this subsection shall be issued by  
24       the department within ten (10) days of receiving the updated information and a  
25       twenty dollar (\$20) fee for each new registry identification card to be issued.
- 26       (4) If a registered qualified patient ceases to be a registered qualified patient or  
27       changes his or her designated caregiver, the department shall promptly notify the

1 designated caregiver in writing. The designated caregiver's protections under  
2 Sections 1 to 30 of this Act as to that registered qualified patient shall expire  
3 fifteen (15) days after notification by the department.

4 (5) If a medicinal cannabis practitioner who provided a written certification notifies  
5 the department in writing either that the registered qualified patient has died,  
6 ceased to suffer from the medical condition for which a medicinal cannabis  
7 practitioner provided a written certification, or that the medicinal cannabis  
8 practitioner no longer believes the patient might receive medical, therapeutic, or  
9 palliative benefit from the use of medicinal cannabis, the department shall  
10 promptly notify the registered qualified patient in writing. The registered  
11 qualified patient's protections under Sections 1 to 30 of this Act shall expire  
12 fifteen (15) days after notification by the department, and the registered qualified  
13 patient shall have fifteen (15) days to dispose of or donate his or her medicinal  
14 cannabis to a dispensary.

15 (6) A cardholder who fails to make a notification to the department that is required  
16 by this section is subject to a violation, punishable by a penalty of no more than  
17 one hundred fifty dollars (\$150).

18 (7) All fees and penalties collected pursuant to this section shall be forwarded to the  
19 medicinal cannabis trust fund established in Section 31 of this Act.

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

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

27 (2) The department may revoke the registry identification card of any cardholder

1 who knowingly commits multiple violations or a serious violation of Sections 1 to  
 2 30 of this Act.

3 (3) The department shall provide notice of revocation, fine, or any other  
 4 administrative penalty by mailing, via certified mail, the same in writing to the  
 5 cardholder. The cardholder may, within thirty (30) days after the date of the  
 6 mailing of the department's notice, file a written request for an administrative  
 7 hearing regarding the revocation, fine, or other penalty. The hearing shall be  
 8 conducted in compliance with the requirements of KRS Chapter 13B.

9 (4) Final orders of the department after administrative hearings shall be subject to  
 10 judicial review. Jurisdiction and venue for judicial review are vested in the  
 11 Franklin Circuit Court or the Circuit Court of the county in which the appealing  
 12 party resides in accordance with KRS 13B.140.

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

15 (1) No person shall cultivate, process, produce, possess, test, transfer, transport, or  
 16 sell medicinal cannabis or otherwise operate a cannabis business in this state  
 17 without first obtaining a license under this section.

18 (2) The department shall create separate licenses allowing persons to operate a  
 19 cannabis business, pursuant to Sections 1 to 30 of this Act and any administrative  
 20 regulations promulgated thereunder, as:

21 (a) A cannabis cultivator, for which the license shall be tiered as follows:

22 1. Tier I, for which the initial licensing fee shall be five thousand dollars  
 23 (\$5,000);

24 2. Tier II, for which the initial licensing fee shall be ten thousand dollars  
 25 (\$10,000);

26 3. Tier III, for which the initial licensing fee shall be twenty-five  
 27 thousand dollars (\$25,000); and

- 1           4. Tier IV, for which the initial licensing fee shall be fifty thousand  
2           dollars (\$50,000);
- 3           (b) A cannabis dispensary, for which the initial licensing fee shall be ten  
4           thousand dollars (\$10,000);
- 5           (c) A cannabis processor, for which the initial licensing fee shall be twenty  
6           thousand dollars (\$20,000);
- 7           (d) A cannabis producer, for which the initial licensing fee shall be seventy-five  
8           thousand dollars (\$75,000); or
- 9           (e) A cannabis safety compliance facility, for which the initial licensing fee  
10           shall be two thousand five hundred dollars (\$2,500).
- 11       (3) (a) Except as provided in paragraph (b) of this subsection, a cannabis business  
12       shall be required to apply for and obtain from the department a separate  
13       license for each location it intends to operate.
- 14       (b) A cannabis business licensed as a producer may operate cultivation and  
15       processing activities at separate locations, but shall not operate more than  
16       one (1) cultivation and one (1) processing facility per license.
- 17       (4) (a) A cannabis business license issued under this section and Sections 17 and  
18       18 of this Act shall be valid for one (1) year from the date of issuance. The  
19       department shall notify each licensee ninety (90) days prior to the date on  
20       which the license expires to allow the licensee to begin the renewal process  
21       established by the department pursuant to Section 28 of this Act.
- 22       (b) The renewal of a cannabis business license shall be contingent upon  
23       successful achievement of minimal performance standards established by  
24       the department as part of the biennial accreditation process established by  
25       the department pursuant to Section 3 of this Act.
- 26       (c) Cannabis business licensure renewal fees shall be:
- 27       1. Five hundred dollars (\$500) plus one percent (1%) of all gross receipts

1 during the previous calendar year for a cannabis business that, upon  
2 applying for renewal of a cannabis business license, had no more than  
3 two million dollars (\$2,000,000) of gross receipts during the previous  
4 calendar year;

5 2. Two thousand dollars (\$2,000) plus one and one-half percent (1.5%)  
6 of all gross receipts during the previous calendar year for a cannabis  
7 business that, upon applying for renewal of a cannabis business  
8 license, had more than two million dollars (\$2,000,000) but not more  
9 than eight million dollars (\$8,000,000) of gross receipts during the  
10 previous calendar year; and

11 3. Four thousand dollars (\$4,000) plus two percent (2%) of all gross  
12 receipts during the previous calendar year for a cannabis business  
13 that, upon applying for renewal of a cannabis business license, had  
14 over eight million dollars (\$8,000,000) of gross receipts during the  
15 previous calendar year.

16 (5) All licensure fees collected pursuant to this section shall be forwarded to the  
17 medicinal cannabis trust fund established in Section 31 of this Act.

18 (6) The department shall approve a license holder's transfer of a license issued  
19 pursuant to this section and Sections 17 and 18 of this Act if the purchaser and  
20 any new facilities meet the requirements of Sections 1 to 30 of this Act and any  
21 administrative regulations promulgated thereunder.

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

24 (1) The department shall create a uniform application form for each of the cannabis  
25 business licenses established in Section 16 of this Act.

26 (2) When applying for a license, the applicant shall submit the following in  
27 accordance with the department's administrative regulations:

- 1        (a) The proposed legal name of the cannabis business;
- 2        (b) The proposed physical address of the cannabis business and the global
- 3                positioning system coordinates for any proposed cultivation activities;
- 4        (c) The name, address, and date of birth of each principal officer and board
- 5                member of the cannabis business;
- 6        (d) Any instances in which a business or not-for-profit entity that any of the
- 7                prospective board members managed or served on the board of was
- 8                convicted, fined, censured, or had a registration or license suspended or
- 9                revoked in any administrative or judicial proceeding;
- 10        (e) Any other information required by the department to evaluate the applicant
- 11                pursuant to the competitive application process described in Section 18 of
- 12                this Act; and
- 13        (f) A nonrefundable licensure application fee of one hundred dollars (\$100).
- 14        (3) The application fee required under subsection (2) of this section shall be applied
- 15                to the initial licensing fee if the license is approved; otherwise it shall be retained
- 16                by the department for administrative purposes.
- 17        (4) If a cannabis business license application is approved:
- 18                (a) The cannabis business shall, before it begins operations:
- 19                        1. Submit the initial license fee established in Section 16 of this Act,
- 20                        minus the one hundred dollars (\$100) application fee, to the
- 21                        department; and
- 22                        2. If a physical address or the global positioning system coordinates for
- 23                        any cultivation activities had not been finalized when it applied,
- 24                        submit its complete physical address and the global positioning system
- 25                        coordinates for any cultivation activities; and
- 26                (b) The department shall issue a copy of the license that includes the business's
- 27                identification number. The department shall also provide each licensed

1           dispensary with contact and access information for the cardholder  
2           verification system.

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

5           (1) The department shall:

6           (a) Acknowledge receipt of an application for a cannabis business license  
7           within fifteen (15) days of receipt; and

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

11           (2) The department may deny an application for a cannabis business license for any  
12           reason that the department, in the exercise of sound discretion, deems sufficient,  
13           including but not limited to:

14           (a) The applicant failed to submit the materials required by Section 17 of this  
15           Act, including if the applicant's plans do not satisfy the security, oversight,  
16           or recordkeeping administrative regulations promulgated by the  
17           department;

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

19           (c) The applicant would not be in compliance with local cannabis business  
20           prohibitions enacted pursuant to Section 26 of this Act;

21           (d) The applicant does not meet the requirements of Section 19 of this Act;

22           (e) One (1) or more of the prospective principal officers or board members:

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

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

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



- 1           4. Is a practitioner who has been authorized by a state licensing board to  
2           provide patients with a written certification; or
- 3       (f) 1. For a safety compliance facility, one (1) or more of the prospective  
4           principal officers or board members is a principal officer or board  
5           member of a cultivator, processor, producer, or dispensary licensed to  
6           operate in Kentucky.
- 7           2. For a cultivator, processor, producer, or dispensary, one (1) or more  
8           of the prospective principal officers or board members is a principal  
9           officer or board member of a safety compliance facility licensed to  
10          operate in Kentucky.
- 11       (3) (a) The department shall not be required to issue more cannabis business  
12           licenses than market pressures dictate, except that the department shall not  
13           place a limit on the number of licenses issued for safety compliance  
14           facilities.
- 15       (b) If the department receives a greater number of cannabis business license  
16           applications in any cannabis business category than it deems necessary to  
17           meet the demonstrated or anticipated needs for current or anticipated  
18           cardholders, the department shall use an impartial and numerically scored  
19           competitive application process developed by the department to evaluate  
20           cannabis business license applications. The competitive application process  
21           shall, at a minimum, consider the following criteria:
- 22           1. The suitability of the proposed location or locations, including  
23           compliance with any local zoning laws and the geographic  
24           convenience to patients throughout the Commonwealth should the  
25           applicant be approved;
- 26           2. The principal officers' and board members' relevant experience,  
27           including any training or professional licensing related to medicine,

- 1                   pharmaceuticals, natural treatments, botany, or medicinal cannabis  
2                   cultivation and preparation, and their experience running any other  
3                   business or not-for-profit entity;
- 4                   3. The proposed cannabis business's plan for operations and services,  
5                   including:
- 6                   a. Staffing and training plans;  
7                   b. A plan to provide employees with a safe, healthy, and  
8                   economically sustainable working environment;  
9                   c. Whether it has sufficient capital to operate; and  
10                   d. The ability to assist with the provision of an adequate supply of  
11                   medicinal cannabis to the cardholders in its locality, area  
12                   development district, or the state;
- 13                   4. The sufficiency of the applicant's plans for recordkeeping;
- 14                   5. The sufficiency of the applicant's plans for safety, security, and the  
15                   prevention of diversion, including proposed locations and security  
16                   devices employed;
- 17                   6. The applicant's plan for making medicinal cannabis available on an  
18                   affordable basis to registered qualified patients who are veterans, or  
19                   who are enrolled in Medicaid or receiving Supplemental Security  
20                   Income or Social Security disability insurance;
- 21                   7. The applicant's plan for safe and accurate packaging and labeling of  
22                   medicinal cannabis, including the applicant's plan for ensuring that  
23                   all medicinal cannabis is free of contaminants; and
- 24                   8. The absence of violations by the applicant or one (1) or more of its  
25                   principal officers of any local, state, or federal tax, criminal, public  
26                   safety, food safety, discrimination, workplace safety, employment, or  
27                   other laws relevant to the operation of its business.

1 (4) Notwithstanding subsection (1)(b) of this section, if the department utilizes the  
2 competitive application process described in subsection (3) of this section, the  
3 department shall provide notification to the cannabis business license applicant  
4 as to whether the application for a cannabis business license has been approved  
5 or denied within ninety (90) days of receiving a completed application.

6 (5) Notwithstanding subsection (3)(a) of this section:

7 (a) No later than one (1) year after the effective date of this section, if a  
8 sufficient number of cannabis business license applications has been  
9 submitted to the department, the department shall:

10 1. Approve and issue at least:

11 a. Fifteen (15) cannabis cultivator licenses;

12 b. Twenty-five (25) cannabis dispensary licenses;

13 c. Five (5) cannabis processor licenses; and

14 d. Three (3) cannabis producer licenses; and

15 2. Approve and issue a cannabis business license for at least one (1)  
16 cannabis dispensary in each of the area development districts as  
17 established in KRS 147A.050 on the effective date of this section; and

18 (b) After reviewing a report issued pursuant to Section 3 of this Act, if the  
19 department determines that additional cannabis businesses are needed to  
20 meet the needs of cardholders either within an area development district or  
21 throughout the state, the department shall expand the number of cannabis  
22 business licenses issued within an area development district, city, or county  
23 and shall issue an appropriate number of cannabis business licenses to  
24 ensure that the needs of cardholders can be adequately met.

25 (6) The department shall notify the applicant in writing of a license denial and  
26 reasons by registered or certified mail at the address given in the application or  
27 supplement. Except for license denials based upon subsection (3)(a) of this

1 section, the applicant may, within thirty (30) days after the mailing of the  
2 department's notice, file a written request for an administrative hearing on the  
3 application. The hearing shall be conducted on the application in compliance  
4 with the requirements of KRS Chapter 13B.

5 (7) Final orders of the department after administrative hearings shall be subject to  
6 judicial review as provided in KRS 13B.140. Jurisdiction and venue for judicial  
7 review are vested in the Franklin Circuit Court or the Circuit Court of the county  
8 in which the applicant's business would be located in accordance with KRS  
9 13B.140.

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

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

13 (a) Comply with Sections 1 to 30 of this Act and any administrative regulations  
14 promulgated thereunder by the department;

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

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

21 2. Is under twenty-one (21) years of age;

22 (c) Implement appropriate security measures required pursuant to  
23 administrative regulations promulgated by the department in accordance  
24 with Section 28 of this Act to deter and prevent the theft or diversion of  
25 medicinal cannabis and unauthorized entrance into areas containing  
26 medicinal cannabis;

27 (d) Demonstrate sufficient capital such that it can establish its business and

- 1 meet the needs for its type of cannabis business;
- 2 (e) Display its license on the premises at all times; and
- 3 (f) Only acquire, possess, cultivate, process, manufacture, deliver, transfer,
- 4 transport, supply, sell, or dispense medicinal cannabis:
- 5 1. For the purposes of distributing medicinal cannabis to cardholders
- 6 who possess a valid registry identification card issued by the
- 7 department, or for visiting qualified patients, a valid out-of-state
- 8 registry identification card; and
- 9 2. Cultivated and processed by a cannabis business licensed under this
- 10 chapter.
- 11 (2) A cannabis business licensed under Section 16, 17, and 18 of this Act shall not:
- 12 (a) Be located within one thousand (1,000) feet of an existing elementary or
- 13 secondary school or a day-care center;
- 14 (b) Acquire, possess, cultivate, process, manufacture, deliver, transfer,
- 15 transport, supply, dispense, or sell:
- 16 1. Raw plant material with a delta-9 tetrahydrocannabinol content of
- 17 more than thirty-five percent (35%);
- 18 2. Medicinal cannabis products intended for oral consumption as an
- 19 edible, oil, or tincture with more than ten (10) milligrams of delta-9
- 20 tetrahydrocannabinol per serving;
- 21 3. Any medicinal cannabis product not described in subparagraph 1. or
- 22 2. of this paragraph with a delta-9 tetrahydrocannabinol content of
- 23 more than seventy percent (70%); or
- 24 4. Any medicinal cannabis product that contains vitamin E acetate;
- 25 (c) Permit a person under eighteen (18) years of age to enter or remain on the
- 26 premises of a cannabis business;
- 27 (d) Permit a person who is not a cardholder to enter or remain on the premises

1 of a cannabis business, except in accordance with subsection (6) of this  
2 section;

3 (e) Employ, have as a board member, or be owned by, in part or in whole, a  
4 medicinal cannabis practitioner who has been authorized by a state  
5 licensing board to provide patients with written certifications;

6 (f) Advertise medicinal cannabis sales in print, broadcast, online, by paid in-  
7 person solicitation of customers, or by any other advertising device as  
8 defined in KRS 177.830, except that this paragraph shall not prevent  
9 appropriate signs on the property of a licensed cannabis business, listings in  
10 business directories including phone books, listings in trade or medical  
11 publications, or sponsorship of health or not-for-profit charity or advocacy  
12 events; or

13 (g) Conduct any other business on the licensed premises.

14 (3) The operating documents of a cannabis business shall include procedures for its  
15 oversight and procedures to ensure accurate recordkeeping and inventory  
16 control.

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

19 (a) A copy of the cannabis business license for the business that employs the  
20 agent;

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

23 (c) The cannabis business license number and telephone number of any other  
24 cannabis business receiving or otherwise involved in the transportation of  
25 the medicinal cannabis.

26 (5) The cultivation of medicinal cannabis for cannabis businesses licensed in this  
27 state shall only be done by cultivators and producers licensed under this chapter

1 and shall take place in an enclosed, locked facility which can be accessed by only  
2 cannabis business agents working on behalf of the cultivator or producer at the  
3 physical address or global positioning system coordinates provided to the  
4 department during the license application process.

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

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

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

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

14 (1) Cannabis businesses shall be subject to reasonable inspection by the department  
15 pursuant to the department's procedures or administrative regulations. The  
16 department may inspect any licensed cannabis business premises without having  
17 to first obtain a search warrant.

18 (2) Except as provided in Section 22 of this Act, the department may issue a civil fine  
19 of up to ten thousand dollars (\$10,000) to a cannabis business for a violation of  
20 Sections 1 to 30 of this Act or any administrative regulations promulgated  
21 thereunder. All fines collected pursuant to this section shall be forwarded to the  
22 medicinal cannabis trust fund established in Section 31 of this Act.

23 (3) The department may, on its own motion or on complaint, after investigation and  
24 opportunity for a public hearing at which the cannabis business has been  
25 afforded an opportunity to appear and be heard pursuant to KRS Chapter 13B,  
26 suspend or revoke a cannabis business license for multiple violations or a serious  
27 violation of Sections 1 to 30 of this Act or any administrative regulations

- 1 promulgated thereunder by the licensee or any of its agents. A suspension shall  
2 not be for a period of time longer than six (6) months.
- 3 (4) The department shall provide notice of suspension, revocation, fine, or other  
4 penalty, as well as the required notice of the hearing, by mailing, via certified  
5 mail, the same in writing to the cannabis business at the address on the license.  
6 The cannabis business may, within thirty (30) days after the date of the mailing of  
7 the department's notice, file a written request for an administrative hearing  
8 regarding the suspension, revocation, fine, or other penalty. The hearing shall be  
9 conducted in compliance with the requirements of KRS Chapter 13B.
- 10 (5) Final orders of the department after administrative hearings shall be subject to  
11 judicial review. Jurisdiction and venue for judicial review are vested in the  
12 Circuit Court of the county in which the cannabis business is physically located.
- 13 (6) A cultivator may continue to cultivate and possess cannabis plants during a  
14 suspension, but it shall not transfer or sell medicinal cannabis during a  
15 suspension.
- 16 (7) A dispensary may continue to possess its existing medicinal cannabis inventory  
17 during a suspension, but it shall not acquire additional medicinal cannabis, or  
18 dispense, transfer, or sell medicinal cannabis during a suspension.
- 19 (8) A processor may continue to process and possess its existing medicinal cannabis  
20 inventory during a suspension, but it shall not acquire additional medicinal  
21 cannabis, or dispense, transfer, or sell medicinal cannabis products during a  
22 suspension.
- 23 (9) A producer may continue to cultivate, process, and possess cannabis plants and  
24 its existing medicinal cannabis inventory during a suspension, but it shall not  
25 acquire additional medicinal cannabis, or dispense, transfer, or sell medicinal  
26 cannabis during a suspension.
- 27 (10) A safety compliance facility may continue to possess medicinal cannabis during a



1 suspension, but it shall not receive any new medicinal cannabis, test or otherwise  
2 analyze medicinal cannabis, or transfer or transport medicinal cannabis during a  
3 suspension.

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

6 (1) A cultivator or cultivator agent acting on behalf of a cultivator shall not be  
7 subject to prosecution under state or local law, to search or inspection except by  
8 the department pursuant to Section 20 of this Act, or to seizure or penalty in any  
9 manner, or be denied any right or privilege, including but not limited to civil  
10 penalty or disciplinary action by a court or business licensing board, for acting  
11 pursuant to Sections 1 to 30 of this Act and the department's administrative  
12 regulations promulgated thereunder for:

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

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

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

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

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

24 (b) Only deliver raw plant material to a licensed dispensary, processor, or  
25 producer after it has been checked by a safety compliance facility agent for  
26 cannabinoid contents and contaminants in accordance with administrative  
27 regulations promulgated by the department;

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

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

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

8 (b) A Tier II cultivator shall not exceed a growth area of ten thousand (10,000)  
9 square feet.

10 (c) A Tier III cultivator shall not exceed a growth area of twenty-five thousand  
11 (25,000) square feet.

12 (d) A Tier IV cultivator shall not exceed a growth area of fifty thousand  
13 (50,000) square feet.

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

16 (1) A dispensary or dispensary agent acting on behalf of a dispensary shall not be  
17 subject to prosecution under state or local law, to search or inspection except by  
18 the department pursuant to Section 20 of this Act, to seizure or penalty in any  
19 manner, or be denied any right or privilege, including but not limited to a civil  
20 penalty or disciplinary action by a court or business licensing board, for acting  
21 pursuant to Sections 1 to 30 of this Act and the department's administrative  
22 regulations for:

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

25 (b) Acquiring or possessing medicinal cannabis accessories or educational  
26 material;

27 (c) Supplying, selling, dispensing, distributing, or delivering medicinal

1           cannabis, medicinal cannabis accessories, and educational material to  
2           cardholders or other dispensaries;

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

5           (e) Acquiring, accepting, or receiving medicinal cannabis products from a  
6           cardholder, except that a dispensary may not offer anything of monetary  
7           value in return for medicinal cannabis received from a cardholder. Any  
8           medicinal cannabis received by a dispensary under this paragraph or  
9           pursuant to Section 14 of this Act shall be destroyed by the dispensary or its  
10           agents and shall not be sold, dispensed, or distributed to another  
11           cardholder.

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

13           (a) Maintain records that include specific notations of the amount of medicinal  
14           cannabis being dispensed to a cardholder and whether it was dispensed  
15           directly to a registered qualified patient or visiting qualified patient, or to a  
16           registered qualified patient's designated caregiver. Each entry shall include  
17           the date and time the medicinal cannabis was dispensed. The data required  
18           to be recorded by this paragraph shall be entered into the electronic system  
19           developed by the department pursuant to subsection (1)(a) of Section 28 of  
20           this Act in accordance with administrative regulations promulgated by the  
21           department for the record of medicinal cannabis dispensing;

22           (b) Only dispense or sell medicinal cannabis after it has been checked by a  
23           safety compliance facility agent for cannabinoid contents and contaminants  
24           in accordance with administrative regulations promulgated by the  
25           department;

26           (c) Only dispense or sell medicinal cannabis to a registered qualified patient,  
27           visiting qualified patient, or designated caregiver after making a diligent

1 effort to verify:

2 1. That the registry identification card, or its equivalent for a visiting  
3 qualified patient, presented to the dispensary is valid, including by  
4 checking the verification system, if it is operational, or other  
5 department-designated databases;

6 2. That the person presenting the registry identification card, or its  
7 equivalent for a visiting qualified patient, is at least eighteen (18)  
8 years of age and is the person identified on the registry identification  
9 card, or its equivalent, by examining at least one (1) other form of  
10 government-issued photo identification;

11 3. That the person presenting the registry identification card, or its  
12 equivalent for a visiting qualified patient, has consulted with a  
13 pharmacist as required by Section 10 of this Act; and

14 4. The amount of medicinal cannabis the person is legally permitted to  
15 purchase at the time of verification pursuant to subsection (3) of  
16 Section 4 of this Act by checking the electronic system developed by  
17 the department pursuant to subsection (1)(a) of Section 28 of this Act,  
18 if it is operational, or other department-designated databases;

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

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

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

25 3. Any medicinal cannabis product not described in subparagraph 1. or  
26 2. of this paragraph with a delta-9 tetrahydrocannabinol content of  
27 more than seventy percent (70%); or

- 1           4. Any medicinal cannabis product that contains vitamin E acetate;  
2           (e) Not acquire medicinal cannabis from any person other than a cannabis  
3           business licensed under this chapter, or an agent thereof, a registered  
4           qualified patient, or a designated caregiver;  
5           (f) Not sell or dispense medicinal cannabis products intended for consumption  
6           by vaporizing to a cardholder who is less than twenty-one (21) years of age;  
7           (g) Not dispense or sell medicinal cannabis to a minor;  
8           (h) Not dispense or sell more medicinal cannabis to a cardholder than he or she  
9           is legally permitted to purchase at the time of the transaction;  
10          (i) Not rent office space to a practitioner; and  
11          (j) Not conduct any business unrelated to dispensing or selling medicinal  
12          cannabis and medicinal cannabis accessories on the licensed premises.  
13       (3) A dispensary shall be required to establish and maintain a collaborative  
14       agreement, as described in Section 10 of this Act, with a pharmacist authorized by  
15       the Kentucky Board of Pharmacy to engage in a collaborative agreement with a  
16       dispensary.  
17       (4) (a) A dispensary may operate a delivery service for cardholders and may deliver  
18       medicinal cannabis, medicinal cannabis accessories, and educational  
19       material to cardholders at the address identified on the cardholder's registry  
20       identification.  
21       (b) All delivery services operated or offered by a dispensary shall comply with  
22       administrative regulations promulgated by the department pursuant to this  
23       section and Section 28 of this Act.  
24       (5) If a dispensary fails to comply with subsection (2)(c) of this section, the  
25       department may issue the dispensary a civil fine of up to fifty thousand dollars  
26       (\$50,000), except that the fine shall be one hundred thousand dollars (\$100,000)  
27       if the person purchasing or attempting to purchase medicinal cannabis is a

1 minor. All fines collected pursuant to this subsection shall be forwarded to the  
2 medicinal cannabis trust fund established in Section 31 of this Act.

3 (6) If a dispensary or dispensary agent fails to comply with subsection (2)(c), (d), (e),  
4 (f), or (g) of this section, the dispensary and dispensary agent are liable in a civil  
5 action for compensatory and punitive damages and reasonable attorney's fees to  
6 any person or the representative of the estate of any person who sustains injury,  
7 death, or loss to person or property as a result of the failure to comply with  
8 subsection (2)(c), (d), (e), (f) or (g) of this section. In any action under this  
9 subsection, the court may also award any injunctive or equitable relief that the  
10 court considers appropriate.

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

13 (1) A processor or processor agent acting on behalf of a processor shall not be  
14 subject to prosecution under state or local law, to search or inspection except by  
15 the department pursuant to Section 20 of this Act, to seizure or penalty in any  
16 manner, or be denied any right or privilege, including but not limited to civil  
17 penalty or disciplinary action by a court or business licensing board, for acting  
18 pursuant to Sections 1 to 30 of this Act and the department's administrative  
19 regulations for:

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

22 (b) Possessing, processing, preparing, manufacturing, manipulating, blending,  
23 preparing, or packaging medicinal cannabis;

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

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

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

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

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

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

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

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

14 (1) A producer or producer agent acting on behalf of a producer shall not be subject  
15 to prosecution under state or local law, to search or inspection except by the  
16 department pursuant to Section 20 of this Act, to seizure or penalty in any  
17 manner, or be denied any right or privilege, including but not limited to civil  
18 penalty or disciplinary action by a court or business licensing board, for acting  
19 pursuant to Sections 1 to 30 of this Act and the department's administrative  
20 regulations for:

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

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

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

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

2 or

3 (e) Possessing, processing, preparing, manufacturing, manipulating, blending,

4 preparing, or packaging medicinal cannabis;

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

6 (a) Only deliver raw plant material to a licensed processor, licensed producer,

7 licensed safety compliance facility, or licensed dispensary for fair market

8 value;

9 (b) Only deliver raw plant material to a licensed dispensary, processor, or

10 producer after it has been checked by a safety compliance facility agent for

11 cannabinoid contents and contaminants in accordance with administrative

12 regulations promulgated by the department;

13 (c) Not supply a dispensary with more than the amount of raw plant material

14 reasonably required by a dispensary; and

15 (d) Be limited to an indoor cannabis growth area of fifty thousand (50,000)

16 square feet.

17 (3) A producer licensed under this section shall not possess, process, produce, or

18 manufacture:

19 (a) Raw plant material with a delta-9 tetrahydrocannabinol content of more

20 than thirty-five percent (35%);

21 (b) Medicinal cannabis products intended for oral consumption as an edible,

22 oil, or tincture with more than ten (10) milligrams of delta-9

23 tetrahydrocannabinol per serving;

24 (c) Any medicinal cannabis product not described in paragraph (a) or (b) of

25 this subsection with a delta-9 tetrahydrocannabinol content of more than

26 seventy percent (70%); or

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



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

3 *A safety compliance facility or safety compliance facility agent acting on behalf of a*  
4 *safety compliance facility shall not be subject to prosecution, search except by the*  
5 *department pursuant to Section 20 of this Act, seizure, or penalty in any manner, or be*  
6 *denied any right or privilege, including but not limited to civil penalty or disciplinary*  
7 *action by a court or business licensing board, for acting in accordance with Sections 1*  
8 *to 30 of this Act and the department's administrative regulations to provide the*  
9 *following services:*

10 *(1) Acquiring or possessing medicinal cannabis obtained from cardholders or*  
11 *cannabis businesses in this state;*

12 *(2) Returning the medicinal cannabis to cardholders or cannabis businesses in this*  
13 *state;*

14 *(3) Transporting medicinal cannabis that was produced by cannabis businesses in*  
15 *this state;*

16 *(4) The production or sale of approved educational materials related to the use of*  
17 *medicinal cannabis;*

18 *(5) The production, sale, or transportation of equipment or materials other than*  
19 *medicinal cannabis, including but not limited to lab equipment and packaging*  
20 *materials that are used by cannabis businesses and cardholders, to cardholders or*  
21 *cannabis businesses licensed under this chapter;*

22 *(6) Testing of medicinal cannabis produced in this state, including testing for*  
23 *cannabinoid content, pesticides, mold, contamination, vitamin E acetate, and*  
24 *other prohibited additives;*

25 *(7) Training cardholders and cannabis business agents. Training may include but*  
26 *need not be limited to:*

27 *(a) The safe and efficient cultivation, harvesting, packaging, labeling, and*

- 1           distribution of medicinal cannabis;  
 2           **(b) Security and inventory accountability procedures; and**  
 3           **(c) Up-to-date scientific and medical research findings related to medicinal use**  
 4           **of cannabis;**  
 5           **(8) Receiving compensation for actions allowed under this section; and**  
 6           **(9) Engaging in any non-cannabis-related business activities that are not otherwise**  
 7           **prohibited or restricted by state law.**

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

- 10           **(1) For the purposes of this section, "local government" means a city, county, urban-**  
 11           **county government, consolidated local government, charter county government,**  
 12           **or unified local government.**  
 13           **(2) A local government may:**  
 14           **(a) Enact ordinances, not in conflict with Sections 1 to 30 of this Act or with**  
 15           **the department's administrative regulations, regulating the time, place, and**  
 16           **manner of cannabis business operations, except that a local government**  
 17           **shall not enact ordinances that impose an undue burden or make cannabis**  
 18           **business operations unreasonable or impractical;**  
 19           **(b) Prohibit all cannabis business operations within its territory through the**  
 20           **passage of an ordinance; or**  
 21           **(c) Enact resolutions directing that the question of prohibiting cannabis**  
 22           **businesses from operating within its territory be submitted to the voters of**  
 23           **its territory at the next regular election pursuant to subsection (5)(j) of this**  
 24           **section.**  
 25           **(3) If a county, urban-county government, consolidated local government, charter**  
 26           **county government, or unified local government prohibits all cannabis business**  
 27           **operations, the legislative body of a city located within the county, urban-county**

1 government, consolidated local government, charter county government, or  
2 unified local government may:

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

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

9 (4) If a local government legislative body with jurisdiction prohibits cannabis  
10 business operations through the passage of an ordinance, a public question that  
11 is initiated by petition and that proposes allowing a cannabis business to operate  
12 within the affected territory is authorized.

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

16 (a) Before a petition for submission of the proposal may be presented for  
17 signatures, an intent to circulate the petition, including a copy of the  
18 unsigned petition, shall be filed with the county clerk of the affected  
19 territory by any person or group of persons seeking the submission of the  
20 public question. The statement of intent shall include the addresses of the  
21 person or group of persons and shall specify the person or group of persons,  
22 as well as the address, to whom all notices are to be sent. Within ten (10)  
23 days after the intent to circulate the petition is filed, the county clerk shall  
24 deliver a copy of the intent to circulate the petition, including a copy of the  
25 unsigned petition, to the legislative body of the affected territory;

26 (b) The petition shall set out in full the following question: "Are you in favor of  
27 the sale of medicinal cannabis at a licensed dispensary and the operation of

1 *other cannabis businesses in (affected territory)?"*;

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

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

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

11 *(f) After a petition for the submission of the proposal has received no fewer*  
12 *than the number of qualifying signatures required by paragraph (c) of this*  
13 *subsection, the signed petition shall be filed with the county clerk. When it*  
14 *is filed, each sheet of the petition shall have an affidavit executed by the*  
15 *circulator stating that he or she personally circulated the sheet, the number*  
16 *of signatures thereon, that all signatures were affixed in his or her*  
17 *presence, that he or she believes them to be the genuine signatures of*  
18 *registered voters within the affected territory, and that each signer had an*  
19 *opportunity before signing to read the full text of the proposal;*

20 *(g) No signer of the petition may withdraw his or her name or have it taken*  
21 *from the petition after the petition has been filed. If the name of any person*  
22 *has been placed on the petition for submission of the public question*  
23 *without that person's authority, the person may, at any time prior to*  
24 *certification of sufficiency of the petition by the county clerk as required by*  
25 *paragraph (h) of this subsection, request the removal of his or her name by*  
26 *the county board of elections and, upon proof that the person's name was*  
27 *placed on the petition without his or her authority, the person's name and*

1           personal information shall be eliminated, and he or she shall not be counted  
2           as a petitioner;

3           (h) Within thirty (30) days after the petition is filed, the county clerk shall  
4           complete a certificate as to its sufficiency or, if it is insufficient, specifying  
5           the particulars of the insufficiency, and shall send a copy to the person or  
6           persons specified in the statement of intent to receive all notices and to the  
7           legislative body of the affected territory, all by registered mail. A petition  
8           certified insufficient for lack of the required number of valid signatures  
9           may be amended once by filing a supplemental petition upon additional  
10           sheets within thirty (30) days after receiving the certificate of insufficiency.  
11           The supplemental petition shall comply with the requirements applicable to  
12           the original petition and, within ten (10) days after it is filed, the county  
13           clerk shall complete a certificate as to the sufficiency of the petition as  
14           amended and promptly send a copy of the certificate to the person or  
15           persons specified to receive all notices and to the legislative body of the  
16           affected territory by registered mail;

17           (i) A final determination as to the sufficiency of a petition shall be subject to  
18           review in the Circuit Court of the county of the affected territory and shall  
19           be limited to the validity of the county clerk's determination. A final  
20           determination of insufficiency shall not prejudice the filing of a new  
21           petition for the same purpose; and

22           (j) If, not later than the second Tuesday in August preceding the day  
23           established for a regular election, the county clerk has certified that a  
24           petition is sufficient or has received a local government resolution pursuant  
25           to subsection (2) or (3) of this section, the county clerk shall have prepared  
26           to place before the voters of the affected territory at the next regular election  
27           the question, which shall be "Are you in favor of the sale of medicinal

1           cannabis at a licensed dispensary and the operation of other cannabis  
2           businesses in (affected territory)? Yes....No....". The county clerk shall  
3           cause to be published in accordance with KRS Chapter 424, at the same  
4           time as the remaining voter information, the full text of the proposal. The  
5           county clerk shall cause to be posted in each polling place one (1) copy of  
6           the full text of the proposal.

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

11           (7) If the question submitted to the voters under subsection (3) or (5) of this section  
12           passes, medicinal cannabis sales and cannabis business operations may be  
13           conducted in the affected territory, notwithstanding any local government  
14           ordinances which prohibit all cannabis business operations within its territory.

15           (8) In circumstances where a county, urban-county government, consolidated local  
16           government, charter county government, or unified local government prohibits  
17           cannabis business operations but a city within that county, urban-county  
18           government, consolidated local government, charter county government, or  
19           unified local government approves cannabis business operations either through  
20           the adoption of an ordinance or following the affirmative vote of a public  
21           question allowing cannabis business operations, then:

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

24           (b) The county, urban-county government, consolidated local government,  
25           charter county government, or unified local government may assess an  
26           additional reasonable fee to compensate for any additional corrections  
27           impact caused by the approval of cannabis business operations. Any

1           additional fees collected pursuant to this subsection shall not exceed the  
2           additional corrections impact caused by the approval of cannabis business  
3           operations.

4   (9) In circumstances where neither a city nor the county, urban-county government,  
5   consolidated local government, charter county government, or unified local  
6   government in which the city is located prohibit cannabis business operations, a  
7   cannabis business that is located within the jurisdiction of both the city and the  
8   county shall only pay the reasonable established local fees of either the city or the  
9   county. The fee shall be established, assessed, collected, and shared between the  
10   city and the county, in a manner to be negotiated between the city and the county.

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

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

15   (1) The department shall maintain a confidential list of the persons to whom the  
16   department has issued registry identification cards and their addresses, telephone  
17   numbers, and registry identification numbers.

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

22   (3) The following information received and records kept pursuant to the  
23   department's administrative regulations promulgated for purposes of  
24   administering Sections 1 to 30 of this Act shall be confidential and exempt from  
25   the Open Records Act, KRS 61.870 to 61.884, and shall not be subject to  
26   disclosure to any individual or public or private entity, except as necessary for  
27   authorized employees of the department to perform official duties pursuant to

1        Sections 1 to 30 of this Act:

2        (a) Applications and renewals, their contents, and supporting information  
3                submitted by qualified patients, visiting qualified patients, and designated  
4                caregivers in compliance with Section 11 of this Act, including information  
5                regarding their designated caregivers and practitioners;

6        (b) The individual names and other information identifying persons to whom  
7                the department has issued registry identification cards;

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

12       (d) Any department hard drives or other data-recording media that are no  
13               longer in use and that contain cardholder information. These hard drives  
14               and other media shall be destroyed after a reasonable time or after the data  
15               is otherwise stored.

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

17       (a) Notification by the department's employees to state or local law enforcement  
18               about falsified or fraudulent information submitted to the department or of  
19               other apparently criminal violations of Sections 1 to 30 of this Act if the  
20               employee who suspects that falsified or fraudulent information has been  
21               submitted has conferred with his or her supervisor and both agree that  
22               circumstances exist that warrant reporting;

23       (b) Notification by the department's employees to a state licensing board if the  
24               department has reasonable suspicion to believe a practitioner did not have a  
25               bona fide practitioner-patient relationship with a patient for whom he or she  
26               signed a written certification, if the department has reasonable suspicion to  
27               believe the practitioner violated the standard of care, or for other suspected



- 1           violations of Sections 1 to 30 of this Act by a practitioner;  
 2           (c) Notification by dispensary agents to the department of a suspected violation  
 3           or attempted violation of Sections 1 to 30 of this Act or the administrative  
 4           regulations promulgated thereunder;  
 5           (d) Verification by the department of registry identification cards issued  
 6           pursuant to Sections 11, 12, and 13 of this Act; and  
 7           (e) The submission of the report required by Section 3 of this Act to the  
 8           General Assembly.  
 9           (5) It shall be a misdemeanor punishable by up to one hundred eighty (180) days in  
 10           jail and a one thousand dollar (\$1,000) fine for any person, including an  
 11           employee or official of the department or another state agency or local  
 12           government, to knowingly breach the confidentiality of information obtained  
 13           pursuant to Sections 1 to 30 of this Act.

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

- 16           (1) No later than January 1, 2024, the department shall:  
 17           (a) Establish, maintain, and operate an electronic system for monitoring the  
 18           medicinal cannabis program. The electronic system established pursuant to  
 19           this paragraph shall be designed to enable:  
 20           1. Practitioners to record the issuance of written certifications to  
 21           qualified patients, as required by Section 9 of this Act;  
 22           2. Pharmacists to perform and record the completion of consultations  
 23           with cardholders as required under Section 10 of this Act;  
 24           3. The department and state licensing board to monitor the issuance of  
 25           written certifications by practitioners to qualified patients;  
 26           4. Department personnel, law enforcement personnel, and dispensary  
 27           agents to verify the validity of registry identification cards issued by

- 1           the department by entering a registry identification number to  
2           determine whether or not the identification number corresponds with  
3           a current, valid registry identification card. The system shall only  
4           disclose whether the identification card is valid and whether the  
5           cardholder is a registered qualified patient, visiting qualified patient,  
6           or designated caregiver;
- 7           5. Law enforcement personnel and dispensary agents to access medicinal  
8           cannabis sales data record by dispensary agents pursuant to Section  
9           22 of this Act;
- 10          6. Dispensary agents to record the amount of medicinal cannabis that is  
11          dispensed to a cardholder during each transaction as required by  
12          Section 22 of this Act; and
- 13          7. The sharing of dispensing data recorded by dispensary agents  
14          pursuant to Section 22 of this Act with all dispensaries in real time;
- 15          (b) Establish, maintain, and operate an electronic inventory tracking system  
16          that is capable of tracking medicinal cannabis from the point of cultivation  
17          to the point of sale to cardholders; and
- 18          (c) Promulgate administrative regulations to establish:
- 19               1. Procedures for the issuance, renewal, suspension, and revocation of  
20               registry identification cards, including the creation of a standardized  
21               written certification form and a uniform application form;
- 22               2. Procedures for the issuance and revocation of registry identification  
23               cards;
- 24               3. Procedures for the issuance, renewal, suspension, and revocation of  
25               cannabis business licenses, including the creation of a uniform  
26               licensure application form and the competitive application process  
27               described in Section 18 of this Act, with all such procedures subject to

- 1                   *the requirements of KRS Chapters 13A and 13B;*
- 2                   *4. A convenience fee to be assessed and collected by dispensaries for*
- 3                   *visiting qualified patients who do not possess a valid registry*
- 4                   *identification card issued by the department and who purchase*
- 5                   *medicinal cannabis with a registry identification card or its equivalent*
- 6                   *issued pursuant to the laws of another state, district, territory,*
- 7                   *commonwealth, or insular possession of the United States that allows*
- 8                   *the person to use medicinal cannabis in the jurisdiction of issuance.*
- 9                   *The convenience fee established pursuant to this subparagraph shall*
- 10                  *not exceed fifteen dollars (\$15) per transaction;*
- 11                  *5. In collaboration with the Board of Physicians and Advisors, as*
- 12                  *required by Section 3 of this Act:*
- 13                  *a. A definition of the amount of medicinal cannabis or delta-9*
- 14                  *tetrahydrocannabinol that constitutes a daily supply, a ten (10)*
- 15                  *day supply, and a thirty (30) day supply; and*
- 16                  *b. The amount of raw plant material that medicinal cannabis*
- 17                  *products are considered to be equivalent to;*
- 18                  *6. A process by which a practitioner may recommend, and a registered*
- 19                  *qualified patient or his or her designated caregiver may legally*
- 20                  *purchase and possess, an amount of medicinal cannabis in excess of*
- 21                  *the thirty (30) day supply of medicinal cannabis, if the practitioner*
- 22                  *reasonably believes that the standard thirty (30) day supply would be*
- 23                  *insufficient in providing the patient with uninterrupted therapeutic or*
- 24                  *palliative relief;*
- 25                  *7. Provisions governing the following matters related to cannabis*
- 26                  *businesses with the goal of protecting against diversion and theft,*
- 27                  *without imposing any undue burden that would make cannabis*

- 1                   business operations unreasonable or impractical on cannabis  
2                   businesses or compromising the confidentiality of cardholders:
- 3                   a. Recordkeeping and inventory control requirements, including  
4                   the use of the electronic systems developed by the department  
5                   pursuant to paragraphs (a) and (b) of this subsection;
- 6                   b. Procedures for the verification and validation of a registry  
7                   identification card, or its equivalent, that was issued pursuant to  
8                   the laws of another state, district, territory, commonwealth, or  
9                   insular possession of the United States that allows for the use of  
10                   medicinal cannabis in the jurisdiction of issuance;
- 11                   c. Security requirements for safety compliance facilities,  
12                   processors, producers, dispensaries, and cultivators, which shall  
13                   include at a minimum lighting, video security, alarm  
14                   requirements, on-site parking, and measures to prevent loitering;
- 15                   d. Procedures for the secure transportation, including delivery  
16                   services provided by dispensaries, and storage of medicinal  
17                   cannabis by cannabis business licensees and their employees or  
18                   agents;
- 19                   e. Employment and training requirements for licensees and their  
20                   agents, including requiring each licensee to create an  
21                   identification badge for each of the licensee's agents or  
22                   employees;
- 23                   f. Restrictions on visits to licensed cultivation and processing  
24                   facilities, including requiring the use of visitor logs; and
- 25                   g. Limitations on the size of outdoor cultivation operations;
- 26                   8. Procedures to establish, publish, and annually update a list of varieties  
27                   of cannabis that possess a low but effective level of

1                   tetrahydrocannabinol, including the substance cannabidiol, by  
2                   comparing percentages of chemical compounds within a given variety  
3                   against other varieties of cannabis;

4                   9. A rating system that tracks the terpene content of at least the twelve  
5                   (12) major terpenoids within each strain of cannabis available for  
6                   medicinal use within the Commonwealth;

7                   10. Requirements for random sample testing of medicinal cannabis to  
8                   ensure quality control, including testing for cannabinoids, terpenoids,  
9                   residual solvents, pesticides, poisons, toxins, mold, mildew, insects,  
10                  bacteria, and any other dangerous adulterant;

11                  11. Requirements for licensed cultivators, producers, and processors to  
12                  contract with an independent safety compliance facility to test the  
13                  medicinal cannabis before it is sold at a dispensary. The department  
14                  may approve the safety compliance facility chosen by a cultivator,  
15                  producer, or processor and require that the safety compliance facility  
16                  report test results for a designated quantity of medicinal cannabis to  
17                  the cultivator, producer, or processor and department;

18                  12. Standards for the operation of safety compliance facilities which may  
19                  include:

20                   a. Requirements for equipment;

21                   b. Personnel qualifications; and

22                   c. Requiring facilities to be accredited by a relevant certifying  
23                   entity;

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

27                   a. Standards for packaging that requires at least a two (2) step

- 1                    process of initial opening;
- 2                    b. A warning label which may include the length of time it typically
- 3                    takes for the product to take effect, how long the effects of the
- 4                    product typically last, and any other information deemed
- 5                    appropriate or necessary by the department;
- 6                    c. The amount of medicinal cannabis the product is considered the
- 7                    equivalent to;
- 8                    d. Disclosing ingredients, possible allergens, and certain bioactive
- 9                    components, including cannabinoids and terpenoids, as
- 10                   determined by the department;
- 11                   e. A nutritional fact panel;
- 12                   f. Opaque, child-resistant packaging;
- 13                   g. A requirement that all raw plant material packaged or sold in
- 14                   this state be marked or labeled as "NOT APPROVED OR
- 15                   INTENDED FOR CONSUMPTION BY SMOKING";
- 16                   h. A requirement that medicinal cannabis products be clearly
- 17                   marked with an identifiable and standardized symbol indicating
- 18                   that the product contains cannabis;
- 19                   i. A requirement that all medicinal cannabis product packaging
- 20                   include an expiration date; and
- 21                   j. A requirement that medicinal cannabis products and their
- 22                   packaging not be visually reminiscent of major brands of edible
- 23                   noncannabis products or otherwise present an attractive
- 24                   nuisance to minors;
- 25                   14. Health and safety requirements for the processing of medicinal
- 26                   cannabis and the indoor cultivation of medicinal cannabis by
- 27                   licensees;

- 1            **15. Restrictions on:**
- 2            **a. Additives to medicinal cannabis that are toxic, including vitamin**
- 3            **E acetate, or increase the likelihood of addiction; and**
- 4            **b. Pesticides, fertilizers, and herbicides used during medicinal**
- 5            **cannabis cultivation which pose a threat to human health and**
- 6            **safety;**
- 7            **16. Standards for the safe processing of medicinal cannabis products**
- 8            **created by extracting or concentrating compounds from raw plant**
- 9            **material;**
- 10           **17. Standards for determining the amount of unprocessed raw plant**
- 11           **material that medicinal cannabis products are considered the**
- 12           **equivalent to;**
- 13           **18. Restrictions on advertising, marketing, and signage in regard to**
- 14           **operations or establishments owned by licensees necessary to prevent**
- 15           **the targeting of minors;**
- 16           **19. The requirement that evidence-based educational materials regarding**
- 17           **dosage and impairment be disseminated to registered qualified**
- 18           **patients, visiting qualified patients, and designated caregivers who**
- 19           **purchase medicinal cannabis products;**
- 20           **20. Policies governing insurance requirements for cultivators,**
- 21           **dispensaries, processors, producers, and safety compliance facilities;**
- 22           **and**
- 23           **21. Standards, procedures, or restrictions that the department deems**
- 24           **necessary to ensure the efficient, transparent, and safe operation of**
- 25           **the medicinal cannabis program, except that the department shall not**
- 26           **promulgate any administrative regulation that would impose an undue**
- 27           **burden or make cannabis business operations unreasonable or**

1                    impractical.

2     (2) The department shall perform all acts necessary or advisable for the purpose of  
 3                    contracting with a third party for the development and maintenance of the  
 4                    electronic systems described in subsection (1)(a) and (b) of this section.

5     (3) If a need for additional cannabis cultivation in this state is demonstrated by  
 6                    cannabis businesses or the department's own analysis, the department may  
 7                    through the promulgation of administrative regulations increase the cultivation  
 8                    area square footage limits for either cultivators or producers, or both by up to  
 9                    three (3) times the limits established in Sections 21 and 24 of this Act. Any  
 10                   increase in the cultivation square footage limits adopted by the department  
 11                   pursuant to this section shall not result in an increase in the licensure application  
 12                   or renewal fees established in Section 16 of this Act.

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

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

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

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

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

26     (1) Any amount of medicinal cannabis that is necessary or reasonably necessary for  
 27                   use of a license or registry identification card issued pursuant to Sections 1 to 30



1 of this Act; or

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

4 ➔SECTION 31. A NEW SECTION OF KRS CHAPTER 218A IS CREATED  
 5 TO READ AS FOLLOWS:

6 (1) The medicinal cannabis trust fund is hereby created within the State Treasury.  
 7 The fund shall consist of moneys collected from registration fees, licensing fees,  
 8 finer, and penalties established pursuant to Sections 1 to 30 of this Act, excluding  
 9 Section 27 of this Act, and any administrative regulations promulgated  
 10 thereunder, and any proceeds from grants, contributions, appropriations, or other  
 11 moneys made available for purposes of this fund.

12 (2) The medicinal cannabis trust fund shall be administered by the Department of  
 13 Alcoholic Beverage and Cannabis Control.

14 (3) Notwithstanding KRS 45.229, moneys in the fund not expended at the close of the  
 15 fiscal year shall not lapse.

16 (4) Any interest earnings of the trust fund shall become part of the fund and shall  
 17 not lapse.

18 (5) Moneys transferred to the fund are hereby appropriated for the purposes  
 19 operating, administering, and regulating the medicinal cannabis program  
 20 established in Sections 1 to 30 of this Act.

21 ➔Section 32. KRS 342.815 is amended to read as follows:

22 (1) The authority may provide coverage for insurance, authorized in KRS 342.803, to  
 23 any employer in the Commonwealth, and who tenders the required premium for  
 24 coverage and comply with other conditions and qualifications for obtaining and  
 25 maintaining coverage adopted by the authority to protect and ensure its actuarial  
 26 soundness and solvency.

27 (2) The authority shall provide coverage to any employer who is unable to secure

1 coverage in the voluntary market unless:

2 (a) The employer owes undisputed premiums to a previous workers'  
3 compensation carrier or to a workers' compensation residual market  
4 mechanism; or

5 (b) *Providing coverage to the employer would subject the authority or its*  
6 *employees to a violation of federal or state law.*

7 ➔Section 33. KRS 139.470 is amended to read as follows:

8 There are excluded from the computation of the amount of taxes imposed by this chapter:

9 (1) Gross receipts from the sale of, and the storage, use, or other consumption in this  
10 state of, tangible personal property or digital property which this state is prohibited  
11 from taxing under the Constitution or laws of the United States, or under the  
12 Constitution of this state;

13 (2) Gross receipts from sales of, and the storage, use, or other consumption in this state  
14 of:

15 (a) Nonreturnable and returnable containers when sold without the contents to  
16 persons who place the contents in the container and sell the contents together  
17 with the container; and

18 (b) Returnable containers when sold with the contents in connection with a retail  
19 sale of the contents or when resold for refilling;

20 As used in this section the term "returnable containers" means containers of a kind  
21 customarily returned by the buyer of the contents for reuse. All other containers are  
22 "nonreturnable containers";

23 (3) Gross receipts from occasional sales of tangible personal property or digital  
24 property and the storage, use, or other consumption in this state of tangible personal  
25 property or digital property, the transfer of which to the purchaser is an occasional  
26 sale;

27 (4) Gross receipts from sales of tangible personal property to a common carrier,

- 1 shipped by the retailer via the purchasing carrier under a bill of lading, whether the  
2 freight is paid in advance or the shipment is made freight charges collect, to a point  
3 outside this state and the property is actually transported to the out-of-state  
4 destination for use by the carrier in the conduct of its business as a common carrier;
- 5 (5) Gross receipts from sales of tangible personal property sold through coin-operated  
6 bulk vending machines, if the sale amounts to fifty cents (\$0.50) or less, if the  
7 retailer is primarily engaged in making the sales and maintains records satisfactory  
8 to the department. As used in this subsection, "bulk vending machine" means a  
9 vending machine containing unsorted merchandise which, upon insertion of a coin,  
10 dispenses the same in approximately equal portions, at random and without  
11 selection by the customer;
- 12 (6) Gross receipts from sales to any cabinet, department, bureau, commission, board, or  
13 other statutory or constitutional agency of the state and gross receipts from sales to  
14 counties, cities, or special districts as defined in KRS 65.005. This exemption shall  
15 apply only to purchases of tangible personal property, digital property, or services  
16 for use solely in the government function. A purchaser not qualifying as a  
17 governmental agency or unit shall not be entitled to the exemption even though the  
18 purchaser may be the recipient of public funds or grants;
- 19 (7) (a) Gross receipts from the sale of sewer services, water, and fuel to Kentucky  
20 residents for use in heating, water heating, cooking, lighting, and other  
21 residential uses if the sewer services, water, and fuel are purchased and  
22 declared by the resident as used in his or her place of domicile.
- 23 (b) As used in this subsection:
- 24 1. "Fuel" shall include but not be limited to natural gas, electricity, fuel oil,  
25 bottled gas, coal, coke, and wood; and
- 26 2. "Place of domicile" means the place where an individual has his or her  
27 legal, true, fixed, and permanent home and principal establishment, and

1 to which, whenever the individual is absent, the individual has the  
2 intention of returning.

3 (c) Determinations of eligibility for the exemption shall be made by the  
4 department.

5 (d) The exemption shall apply if charges for sewer service, water, and fuel are  
6 billed to an owner or operator of a multi-unit residential rental facility or  
7 mobile home and recreational vehicle park if the sewer services, water, and  
8 fuel are purchased for and declared by the Kentucky resident as used in his or  
9 her place of domicile.

10 (e) The exemption shall apply also to residential property which may be held by  
11 legal or equitable title, by the entireties, jointly, in common, as a  
12 condominium, or indirectly by the stock ownership or membership  
13 representing the owner's or member's proprietary interest in a corporation  
14 owning a fee or a leasehold initially in excess of ninety-eight (98) years if the  
15 sewer services, water, and fuel are purchased for and declared by the  
16 Kentucky resident as used in his or her place of domicile;

17 (8) Gross receipts from sales to an out-of-state agency, organization, or institution  
18 exempt from sales and use tax in its state of residence when that agency,  
19 organization, or institution gives proof of its tax-exempt status to the retailer and the  
20 retailer maintains a file of the proof;

21 (9) (a) Gross receipts derived from the sale of tangible personal property, as provided  
22 in paragraph (b) of this subsection, to a manufacturer or industrial processor if  
23 the property is to be directly used in the manufacturing or industrial  
24 processing process of:

- 25 1. Tangible personal property at a plant facility;
- 26 2. Distilled spirits or wine at a plant facility or on the premises of a  
27 distiller, rectifier, winery, or small farm winery licensed under KRS

1                   243.030 that includes a retail establishment on the premises; or  
2                   3. Malt beverages at a plant facility or on the premises of a brewer or  
3                   microbrewery licensed under KRS 243.040 that includes a retail  
4                   establishment;  
5                   and which will be for sale.

6                   (b) The following tangible personal property shall qualify for exemption under  
7                   this subsection:

- 8                   1. Materials which enter into and become an ingredient or component part  
9                   of the manufactured product;
- 10                  2. Other tangible personal property which is directly used in the  
11                  manufacturing or industrial processing process, if the property has a  
12                  useful life of less than one (1) year. Specifically these items are  
13                  categorized as follows:
- 14                  a. Materials. This refers to the raw materials which become an  
15                  ingredient or component part of supplies or industrial tools exempt  
16                  under subdivisions b. and c. below;
- 17                  b. Supplies. This category includes supplies such as lubricating and  
18                  compounding oils, grease, machine waste, abrasives, chemicals,  
19                  solvents, fluxes, anodes, filtering materials, fire brick, catalysts,  
20                  dyes, refrigerants, and explosives. The supplies indicated above  
21                  need not come in direct contact with a manufactured product to be  
22                  exempt. "Supplies" does not include repair, replacement, or spare  
23                  parts of any kind; and
- 24                  c. Industrial tools. This group is limited to hand tools such as jigs,  
25                  dies, drills, cutters, rolls, reamers, chucks, saws, and spray guns  
26                  and to tools attached to a machine such as molds, grinding balls,  
27                  grinding wheels, dies, bits, and cutting blades. Normally, for

1 industrial tools to be considered directly used in the manufacturing  
2 or industrial processing process, they shall come into direct  
3 contact with the product being manufactured or processed; and

4 3. Materials and supplies that are not reusable in the same manufacturing  
5 or industrial processing process at the completion of a single  
6 manufacturing or processing cycle. A single manufacturing cycle shall  
7 be considered to be the period elapsing from the time the raw materials  
8 enter into the manufacturing process until the finished product emerges  
9 at the end of the manufacturing process.

10 (c) The property described in paragraph (b) of this subsection shall be regarded as  
11 having been purchased for resale.

12 (d) For purposes of this subsection, a manufacturer or industrial processor  
13 includes an individual or business entity that performs only part of the  
14 manufacturing or industrial processing activity, and the person or business  
15 entity need not take title to tangible personal property that is incorporated  
16 into, or becomes the product of, the activity.

17 (e) The exemption provided in this subsection does not include repair,  
18 replacement, or spare parts;

19 (10) Any water use fee paid or passed through to the Kentucky River Authority by  
20 facilities using water from the Kentucky River basin to the Kentucky River  
21 Authority in accordance with KRS 151.700 to 151.730 and administrative  
22 regulations promulgated by the authority;

23 (11) Gross receipts from the sale of newspaper inserts or catalogs purchased for storage,  
24 use, or other consumption outside this state and delivered by the retailer's own  
25 vehicle to a location outside this state, or delivered to the United States Postal  
26 Service, a common carrier, or a contract carrier for delivery outside this state,  
27 regardless of whether the carrier is selected by the purchaser or retailer or an agent

1 or representative of the purchaser or retailer, or whether the F.O.B. is retailer's  
2 shipping point or purchaser's destination.

3 (a) As used in this subsection:

4 1. "Catalogs" means tangible personal property that is printed to the special  
5 order of the purchaser and composed substantially of information  
6 regarding goods and services offered for sale; and

7 2. "Newspaper inserts" means printed materials that are placed in or  
8 distributed with a newspaper of general circulation.

9 (b) The retailer shall be responsible for establishing that delivery was made to a  
10 non-Kentucky location through shipping documents or other credible  
11 evidence as determined by the department;

12 (12) Gross receipts from the sale of water used in the raising of equine as a business;

13 (13) Gross receipts from the sale of metal retail fixtures manufactured in this state and  
14 purchased for storage, use, or other consumption outside this state and delivered by  
15 the retailer's own vehicle to a location outside this state, or delivered to the United  
16 States Postal Service, a common carrier, or a contract carrier for delivery outside  
17 this state, regardless of whether the carrier is selected by the purchaser or retailer or  
18 an agent or representative of the purchaser or retailer, or whether the F.O.B. is the  
19 retailer's shipping point or the purchaser's destination.

20 (a) As used in this subsection, "metal retail fixtures" means check stands and  
21 belted and nonbelted checkout counters, whether made in bulk or pursuant to  
22 specific purchaser specifications, that are to be used directly by the purchaser  
23 or to be distributed by the purchaser.

24 (b) The retailer shall be responsible for establishing that delivery was made to a  
25 non-Kentucky location through shipping documents or other credible  
26 evidence as determined by the department;

27 (14) Gross receipts from the sale of unenriched or enriched uranium purchased for

1 ultimate storage, use, or other consumption outside this state and delivered to a  
2 common carrier in this state for delivery outside this state, regardless of whether the  
3 carrier is selected by the purchaser or retailer, or is an agent or representative of the  
4 purchaser or retailer, or whether the F.O.B. is the retailer's shipping point or  
5 purchaser's destination;

6 (15) Amounts received from a tobacco buydown. As used in this subsection, "buydown"  
7 means an agreement whereby an amount, whether paid in money, credit, or  
8 otherwise, is received by a retailer from a manufacturer or wholesaler based upon  
9 the quantity and unit price of tobacco products sold at retail that requires the retailer  
10 to reduce the selling price of the product to the purchaser without the use of a  
11 manufacturer's or wholesaler's coupon or redemption certificate;

12 (16) Gross receipts from the sale of tangible personal property or digital property  
13 returned by a purchaser when the full sales price is refunded either in cash or credit.  
14 This exclusion shall not apply if the purchaser, in order to obtain the refund, is  
15 required to purchase other tangible personal property or digital property at a price  
16 greater than the amount charged for the property that is returned;

17 (17) Gross receipts from the sales of gasoline and special fuels subject to tax under KRS  
18 Chapter 138;

19 (18) The amount of any tax imposed by the United States upon or with respect to retail  
20 sales, whether imposed on the retailer or the consumer, not including any  
21 manufacturer's excise or import duty;

22 (19) Gross receipts from the sale of any motor vehicle as defined in KRS 138.450 which  
23 is:

24 (a) Sold to a Kentucky resident, registered for use on the public highways, and  
25 upon which any applicable tax levied by KRS 138.460 has been paid; or

26 (b) Sold to a nonresident of Kentucky if the nonresident registers the motor  
27 vehicle in a state that:



- 1           1.   Allows residents of Kentucky to purchase motor vehicles without  
2                    payment of that state's sales tax at the time of sale; or
- 3           2.   Allows residents of Kentucky to remove the vehicle from that state  
4                    within a specific period for subsequent registration and use in Kentucky  
5                    without payment of that state's sales tax;
- 6 (20) Gross receipts from the sale of a semi-trailer as defined in KRS 189.010(12) and  
7       trailer as defined in KRS 189.010(17);
- 8 (21) Gross receipts from the collection of:
- 9       (a)   Any fee or charge levied by a local government pursuant to KRS 65.760;
- 10       (b)   The charge imposed by KRS 65.7629(3);
- 11       (c)   The fee imposed by KRS 65.7634; and
- 12       (d)   The service charge imposed by KRS 65.7636;
- 13 (22) Gross receipts derived from charges for labor or services to apply, install, repair, or  
14       maintain tangible personal property directly used in manufacturing or industrial  
15       processing process of:
- 16       (a)   Tangible personal property at a plant facility;
- 17       (b)   Distilled spirits or wine at a plant facility or on the premises of a distiller,  
18            rectifier, winery, or small farm winery licensed under KRS 243.030; or
- 19       (c)   Malt beverages at a plant facility or on the premises of a brewer or  
20            microbrewery licensed under KRS 243.040;
- 21       that is not otherwise exempt under subsection (9) of this section or KRS  
22       139.480(10), if the charges for labor or services are separately stated on the invoice,  
23       bill of sale, or similar document given to purchaser;
- 24 (23) (a)   For persons selling services included in KRS 139.200(2)(g) to (p) prior to  
25       January 1, 2019, gross receipts derived from the sale of those services if the  
26       gross receipts were less than six thousand dollars (\$6,000) during calendar  
27       year 2018. When gross receipts from these services exceed six thousand

1 dollars (\$6,000) in a calendar year:

2 1. All gross receipts over six thousand dollars (\$6,000) are taxable in that  
3 calendar year; and

4 2. All gross receipts are subject to tax in subsequent calendar years.

5 (b) For persons selling services included in KRS 139.200(2)(q) to (ay) prior to  
6 January 1, 2023, gross receipts derived from the sale of those services if the  
7 gross receipts were less than six thousand dollars (\$6,000) during calendar  
8 year 2021. When gross receipts from these services exceed six thousand  
9 dollars (\$6,000) in a calendar year:

10 1. All gross receipts over six thousand dollars (\$6,000) are taxable in that  
11 calendar year; and

12 2. All gross receipts are subject to tax in subsequent calendar years.

13 (c) The exemption provided in this subsection shall not apply to a person also  
14 engaged in the business of selling tangible personal property, digital property,  
15 or services included in KRS 139.200(2)(a) to (f);~~and~~

16 (24) (a) For persons that first begin making sales of services included in KRS  
17 139.200(2)(g) to (p) on or after January 1, 2019, gross receipts derived from  
18 the sale of those services if the gross receipts are less than six thousand dollars  
19 (\$6,000) within the first calendar year of operation. When gross receipts from  
20 these services exceed six thousand dollars (\$6,000) in a calendar year:

21 1. All gross receipts over six thousand dollars (\$6,000) are taxable in that  
22 calendar year; and

23 2. All gross receipts are subject to tax in subsequent calendar years.

24 (b) For persons that first begin making sales of services included in KRS  
25 139.200(2)(q) to (ay) on or after January 1, 2023, gross receipts derived from  
26 the sale of those services if the gross receipts are less than six thousand dollars  
27 (\$6,000) within the first calendar year of operation. When gross receipts from

1 these services exceed six thousand dollars (\$6,000) in a calendar year:

2 1. All gross receipts over six thousand dollars (\$6,000) are taxable in that  
3 calendar year; and

4 2. All gross receipts are subject to tax in subsequent calendar years.

5 (c) The exemption provided in this subsection shall not apply to a person that is  
6 also engaged in the business of selling tangible personal property, digital  
7 property, or services included in KRS 139.200(2)(a) to (f); **and**

8 **(25) Gross receipts from the sale of medicinal cannabis as defined in Section 1 of this**  
9 **Act.**

10 ➔Section 34. KRS 138.870 is amended to read as follows:

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

12 (1) "Marijuana" means marijuana, whether real or counterfeit, as defined in KRS  
13 218A.010 **and does not include medicinal cannabis as defined in Section 1 of this**  
14 **Act.**

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

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

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

1 quantity of a controlled substance is diluted if it consists of a detectable quantity of  
2 a pure controlled substance and any excipients or fillers.

3 (5) "Dosage unit" means a tablet, capsule, vial, or ampule of a controlled substance or,  
4 in cases of mass volume or diluted quantities, the proper dose or quantity of a  
5 controlled substance to be taken all at one (1) time or in fractional amounts within a  
6 given period, as defined and adopted by the United States Pharmacopeia.

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

11 ➔Section 35. KRS 216B.402 is amended to read as follows:

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

14 (a)~~(1)~~ The person shall be informed of available substance use disorder  
15 treatment services known to the hospital that are provided by that hospital,  
16 other local hospitals, the local community mental health center, and any other  
17 local treatment programs licensed pursuant to KRS 222.231;

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

24 (c)~~(3)~~ The local community mental health center may provide an on-call  
25 service in the hospital emergency department or hospital emergency room for  
26 the person who was treated for a drug overdose to provide information about  
27 services and connect the person to substance use disorder treatment, as funds

1 are available. These services, when provided on the grounds of a hospital,  
2 shall be coordinated with appropriate hospital staff.

3 **(2) When a person who is a registered qualified patient or a visiting qualified patient**  
4 **as defined in Section 1 of this Act is admitted to a hospital emergency department**  
5 **or a hospital emergency room for treatment of cannabinoid hyperemesis**  
6 **syndrome, the hospital shall notify the Department of Alcoholic Beverage and**  
7 **Cannabis Control within forty-eight (48) hours. Notification shall include the**  
8 **registered qualified patient's or a visiting qualified patient's name and registry**  
9 **identification card number, if available. The department shall record all cases of**  
10 **cannabinoid hyperemesis syndrome in the electronic monitoring system described**  
11 **in Section 28 of this Act.**

12 ➔Section 36. KRS 218A.010 is amended to read as follows:

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

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

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

19 (b) The patient or research subject at the direction and in the presence of the  
20 practitioner;

21 (2) "Anabolic steroid" means any drug or hormonal substance chemically and  
22 pharmacologically related to testosterone that promotes muscle growth and includes  
23 those substances classified as Schedule III controlled substances pursuant to KRS  
24 218A.020 but does not include estrogens, progestins, and anticosteroids;

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

26 (4) "Carfentanil" means any substance containing any quantity of carfentanil, or any of  
27 its salts, isomers, or salts of isomers;

- 1 (5) "Certified community based palliative care program" means a palliative care  
2 program which has received certification from the Joint Commission;
- 3 (6) "Child" means any person under the age of majority as specified in KRS 2.015;
- 4 (7) "Cocaine" means a substance containing any quantity of cocaine, its salts, optical  
5 and geometric isomers, and salts of isomers;
- 6 (8) "Controlled substance" means methamphetamine, or a drug, substance, or  
7 immediate precursor in Schedules I through V and includes a controlled substance  
8 analogue;
- 9 (9) (a) "Controlled substance analogue," except as provided in paragraph (b) of this  
10 subsection, means a substance:
- 11 1. The chemical structure of which is substantially similar to the structure  
12 of a controlled substance in Schedule I or II; and
- 13 2. Which has a stimulant, depressant, or hallucinogenic effect on the  
14 central nervous system that is substantially similar to or greater than the  
15 stimulant, depressant, or hallucinogenic effect on the central nervous  
16 system of a controlled substance in Schedule I or II; or
- 17 3. With respect to a particular person, which such person represents or  
18 intends to have a stimulant, depressant, or hallucinogenic effect on the  
19 central nervous system that is substantially similar to or greater than the  
20 stimulant, depressant, or hallucinogenic effect on the central nervous  
21 system of a controlled substance in Schedule I or II.
- 22 (b) Such term does not include:
- 23 1. Any substance for which there is an approved new drug application;
- 24 2. With respect to a particular person, any substance if an exemption is in  
25 effect for investigational use for that person pursuant to federal law to  
26 the extent conduct with respect to such substance is pursuant to such  
27 exemption; or

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

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

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

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

8 (a) By substitution:

- 9 1. At the 2-position of the 1-ethyl group with a phenyl, furan, thiophene, or  
10 ethyloxotetrazole ring system; and
- 11 2. Of the terminal amido hydrogen atom with an alkyl, alkoxy, cycloalkyl,  
12 or furanyl group; and

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

- 14 1. By substitution on the N-phenyl ring to any extent with alkyl, alkoxy,  
15 haloalkyl, hydroxyl, or halide substituents;
- 16 2. By substitution on the piperadine ring to any extent with alkyl, allyl,  
17 alkoxy, hydroxy, or halide substituents at the 2-, 3-, 5-, and/or 6-  
18 positions;
- 19 3. By substitution on the piperadine ring to any extent with a phenyl,  
20 alkoxy, or carboxylate ester substituent at the 4- position; or
- 21 4. By substitution on the 1-ethyl group to any extent with alkyl, alkoxy, or  
22 hydroxy substituents;

23 (18) "Good faith prior examination," as used in KRS Chapter 218A and for criminal  
24 prosecution only, means an in-person medical examination of the patient conducted  
25 by the prescribing practitioner or other health-care professional routinely relied  
26 upon in the ordinary course of his or her practice, at which time the patient is  
27 physically examined and a medical history of the patient is obtained. "In-person"



- 1 includes telehealth examinations. This subsection shall not be applicable to hospice  
2 providers licensed pursuant to KRS Chapter 216B;
- 3 (19) "Hazardous chemical substance" includes any chemical substance used or intended  
4 for use in the illegal manufacture of a controlled substance as defined in this section  
5 or the illegal manufacture of methamphetamine as defined in KRS 218A.1431,  
6 which:
- 7 (a) Poses an explosion hazard;
- 8 (b) Poses a fire hazard; or
- 9 (c) Is poisonous or injurious if handled, swallowed, or inhaled;
- 10 (20) "Heroin" means a substance containing any quantity of heroin, or any of its salts,  
11 isomers, or salts of isomers;
- 12 (21) "Hydrocodone combination product" means a drug with:
- 13 (a) Not more than three hundred (300) milligrams of dihydrocodeinone, or any of  
14 its salts, per one hundred (100) milliliters or not more than fifteen (15)  
15 milligrams per dosage unit, with a fourfold or greater quantity of an  
16 isoquinoline alkaloid of opium; or
- 17 (b) Not more than three hundred (300) milligrams of dihydrocodeinone, or any of  
18 its salts, per one hundred (100) milliliters or not more than fifteen (15)  
19 milligrams per dosage unit, with one (1) or more active, nonnarcotic  
20 ingredients in recognized therapeutic amounts;
- 21 (22) "Immediate precursor" means a substance which is the principal compound  
22 commonly used or produced primarily for use, and which is an immediate chemical  
23 intermediary used or likely to be used in the manufacture of a controlled substance  
24 or methamphetamine, the control of which is necessary to prevent, curtail, or limit  
25 manufacture;
- 26 (23) "Industrial hemp" has the same meaning as in KRS 260.850;
- 27 (24) "Industrial hemp products" has the same meaning as in KRS 260.850;

- 1 (25) "Intent to manufacture" means any evidence which demonstrates a person's  
2 conscious objective to manufacture a controlled substance or methamphetamine.  
3 Such evidence includes but is not limited to statements and a chemical substance's  
4 usage, quantity, manner of storage, or proximity to other chemical substances or  
5 equipment used to manufacture a controlled substance or methamphetamine;
- 6 (26) "Isomer" means the optical isomer, except the Cabinet for Health and Family  
7 Services may include the optical, positional, or geometric isomer to classify any  
8 substance pursuant to KRS 218A.020;
- 9 (27) "Manufacture," except as provided in KRS 218A.1431, means the production,  
10 preparation, propagation, compounding, conversion, or processing of a controlled  
11 substance, either directly or indirectly by extraction from substances of natural  
12 origin or independently by means of chemical synthesis, or by a combination of  
13 extraction and chemical synthesis, and includes any packaging or repackaging of  
14 the substance or labeling or relabeling of its container except that this term does not  
15 include activities:
- 16 (a) By a practitioner as an incident to his or her administering or dispensing of a  
17 controlled substance in the course of his or her professional practice;
- 18 (b) By a practitioner, or by his or her authorized agent under his supervision, for  
19 the purpose of, or as an incident to, research, teaching, or chemical analysis  
20 and not for sale; or
- 21 (c) By a pharmacist as an incident to his or her dispensing of a controlled  
22 substance in the course of his or her professional practice;
- 23 (28) "Marijuana" means all parts of the plant *Cannabis* sp., whether growing or not; the  
24 seeds thereof; the resin extracted from any part of the plant; and every compound,  
25 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin  
26 or any compound, mixture, or preparation which contains any quantity of these  
27 substances. The term "marijuana" does not include:

- 1 (a) Industrial hemp that is in the possession, custody, or control of a person who  
2 holds a license issued by the Department of Agriculture permitting that person  
3 to cultivate, handle, or process industrial hemp;
- 4 (b) Industrial hemp products that do not include any living plants, viable seeds,  
5 leaf materials, or floral materials;
- 6 (c) The substance cannabidiol, when transferred, dispensed, or administered  
7 pursuant to the written order of a physician practicing at a hospital or  
8 associated clinic affiliated with a Kentucky public university having a college  
9 or school of medicine;
- 10 (d) For persons participating in a clinical trial or in an expanded access program,  
11 a drug or substance approved for the use of those participants by the United  
12 States Food and Drug Administration;
- 13 (e) A cannabidiol product derived from industrial hemp, as defined in KRS  
14 260.850;
- 15 (f) For the purpose of conducting scientific research, a cannabinoid product  
16 derived from industrial hemp, as defined in KRS 260.850;~~or~~
- 17 (g) A cannabinoid product approved as a prescription medication by the United  
18 States Food and Drug Administration; or
- 19 **(h) Medicinal cannabis as defined in Section 1 of this Act;**
- 20 (29) "Medical history," as used in KRS Chapter 218A and for criminal prosecution only,  
21 means an accounting of a patient's medical background, including but not limited to  
22 prior medical conditions, prescriptions, and family background;
- 23 (30) "Medical order," as used in KRS Chapter 218A and for criminal prosecution only,  
24 means a lawful order of a specifically identified practitioner for a specifically  
25 identified patient for the patient's health-care needs. "Medical order" may or may  
26 not include a prescription drug order;
- 27 (31) "Medical record," as used in KRS Chapter 218A and for criminal prosecution only,

- 1 means a record, other than for financial or billing purposes, relating to a patient,  
2 kept by a practitioner as a result of the practitioner-patient relationship;
- 3 (32) "Methamphetamine" means any substance that contains any quantity of  
4 methamphetamine, or any of its salts, isomers, or salts of isomers;
- 5 (33) "Narcotic drug" means any of the following, whether produced directly or indirectly  
6 by extraction from substances of vegetable origin, or independently by means of  
7 chemical synthesis, or by a combination of extraction and chemical synthesis:
- 8 (a) Opium and opiate, and any salt, compound, derivative, or preparation of  
9 opium or opiate;
- 10 (b) Any salt, compound, isomer, derivative, or preparation thereof which is  
11 chemically equivalent or identical with any of the substances referred to in  
12 paragraph (a) of this subsection, but not including the isoquinoline alkaloids  
13 of opium;
- 14 (c) Opium poppy and poppy straw;
- 15 (d) Coca leaves, except coca leaves and extracts of coca leaves from which  
16 cocaine, ecgonine, and derivatives of ecgonine or their salts have been  
17 removed;
- 18 (e) Cocaine, its salts, optical and geometric isomers, and salts of isomers;
- 19 (f) Ecgonine, its derivatives, their salts, isomers, and salts of isomers; and
- 20 (g) Any compound, mixture, or preparation which contains any quantity of any of  
21 the substances referred to in paragraphs (a) to (f) of this subsection;
- 22 (34) "Opiate" means any substance having an addiction-forming or addiction-sustaining  
23 liability similar to morphine or being capable of conversion into a drug having  
24 addiction-forming or addiction-sustaining liability. It does not include, unless  
25 specifically designated as controlled under KRS 218A.020, the dextrorotatory  
26 isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). It does  
27 include its racemic and levorotatory forms;

- 1 (35) "Opium poppy" means the plant of the species *papaver somniferum* L., except its  
2 seeds;
- 3 (36) "Person" means individual, corporation, government or governmental subdivision  
4 or agency, business trust, estate, trust, partnership or association, or any other legal  
5 entity;
- 6 (37) "Physical injury" has the same meaning it has in KRS 500.080;
- 7 (38) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing;
- 8 (39) "Pharmacist" means a natural person licensed by this state to engage in the practice  
9 of the profession of pharmacy;
- 10 (40) "Practitioner" means a physician, dentist, podiatrist, veterinarian, scientific  
11 investigator, optometrist as authorized in KRS 320.240, advanced practice  
12 registered nurse as authorized under KRS 314.011, physician assistant as authorized  
13 under KRS 311.858, or other person licensed, registered, or otherwise permitted by  
14 state or federal law to acquire, distribute, dispense, conduct research with respect to,  
15 or to administer a controlled substance in the course of professional practice or  
16 research in this state. "Practitioner" also includes a physician, dentist, podiatrist,  
17 veterinarian, or advanced practice registered nurse authorized under KRS 314.011  
18 who is a resident of and actively practicing in a state other than Kentucky and who  
19 is licensed and has prescriptive authority for controlled substances under the  
20 professional licensing laws of another state, unless the person's Kentucky license  
21 has been revoked, suspended, restricted, or probated, in which case the terms of the  
22 Kentucky license shall prevail;
- 23 (41) "Practitioner-patient relationship," as used in KRS Chapter 218A and for criminal  
24 prosecution only, means a medical relationship that exists between a patient and a  
25 practitioner or the practitioner's designee, after the practitioner or his or her  
26 designee has conducted at least one (1) good faith prior examination;
- 27 (42) "Prescription" means a written, electronic, or oral order for a drug or medicine, or

1 combination or mixture of drugs or medicines, or proprietary preparation, signed or  
2 given or authorized by a medical, dental, chiropody, veterinarian, optometric  
3 practitioner, or advanced practice registered nurse, and intended for use in the  
4 diagnosis, cure, mitigation, treatment, or prevention of disease in man or other  
5 animals;

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

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

16 (45) "Production" includes the manufacture, planting, cultivation, growing, or harvesting  
17 of a controlled substance;

18 (46) "Recovery program" means an evidence-based, nonclinical service that assists  
19 individuals and families working toward sustained recovery from substance use and  
20 other criminal risk factors. This can be done through an array of support programs  
21 and services that are delivered through residential and nonresidential means;

22 (47) "Salvia" means *Salvia divinorum* or Salvinorin A and includes all parts of the plant  
23 presently classified botanically as *Salvia divinorum*, whether growing or not, the  
24 seeds thereof, any extract from any part of that plant, and every compound,  
25 manufacture, derivative, mixture, or preparation of that plant, its seeds, or its  
26 extracts, including salts, isomers, and salts of isomers whenever the existence of  
27 such salts, isomers, and salts of isomers is possible within the specific chemical

1 designation of that plant, its seeds, or extracts. The term shall not include any other  
2 species in the genus salvia;

3 (48) "Second or subsequent offense" means that for the purposes of this chapter an  
4 offense is considered as a second or subsequent offense, if, prior to his or her  
5 conviction of the offense, the offender has at any time been convicted under this  
6 chapter, or under any statute of the United States, or of any state relating to  
7 substances classified as controlled substances or counterfeit substances, except that  
8 a prior conviction for a nontrafficking offense shall be treated as a prior offense  
9 only when the subsequent offense is a nontrafficking offense. For the purposes of  
10 this section, a conviction voided under KRS 218A.275 or 218A.276 shall not  
11 constitute a conviction under this chapter;

12 (49) "Sell" means to dispose of a controlled substance to another person for  
13 consideration or in furtherance of commercial distribution;

14 (50) "Serious physical injury" has the same meaning it has in KRS 500.080;

15 (51) "Synthetic cannabinoids or piperazines" means any chemical compound which is  
16 not approved by the United States Food and Drug Administration or, if approved,  
17 which is not dispensed or possessed in accordance with state and federal law, that  
18 contains Benzylpiperazine (BZP); Trifluoromethylphenylpiperazine (TFMPP); 1,1-  
19 Dimethylheptyl-11-hydroxytetrahydrocannabinol (HU-210); 1-Butyl-3-(1-  
20 naphthoyl)indole; 1-Pentyl-3-(1-naphthoyl)indole; dexanabinol (HU-211); or any  
21 compound in the following structural classes:

22 (a) Naphthoylindoles: Any compound containing a 3-(1-naphthoyl)indole  
23 structure with substitution at the nitrogen atom of the indole ring by an alkyl,  
24 haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-  
25 piperidiny)methyl, or 2-(4-morpholinyl)ethyl group, whether or not further  
26 substituted in the indole ring to any extent and whether or not substituted in  
27 the naphthyl ring to any extent. Examples of this structural class include but

- 1 are not limited to JWH-015, JWH-018, JWH-019, JWH-073, JWH-081, JWH-  
2 122, JWH-200, and AM-2201;
- 3 (b) Phenylacetylindoles: Any compound containing a 3-phenylacetylindole  
4 structure with substitution at the nitrogen atom of the indole ring by an alkyl,  
5 haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-  
6 piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group whether or not further  
7 substituted in the indole ring to any extent and whether or not substituted in  
8 the phenyl ring to any extent. Examples of this structural class include but are  
9 not limited to JWH-167, JWH-250, JWH-251, and RCS-8;
- 10 (c) Benzoylindoles: Any compound containing a 3-(benzoyl)indole structure with  
11 substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl,  
12 alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-  
13 piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group whether or not further  
14 substituted in the indole ring to any extent and whether or not substituted in  
15 the phenyl ring to any extent. Examples of this structural class include but are  
16 not limited to AM-630, AM-2233, AM-694, Pravadoline (WIN 48,098), and  
17 RCS-4;
- 18 (d) Cyclohexylphenols: Any compound containing a 2-(3-  
19 hydroxycyclohexyl)phenol structure with substitution at the 5-position of the  
20 phenolic ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl,  
21 cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl  
22 group whether or not substituted in the cyclohexyl ring to any extent.  
23 Examples of this structural class include but are not limited to CP 47,497 and  
24 its C8 homologue (cannabicyclohexanol);
- 25 (e) Naphthylmethylindoles: Any compound containing a 1H-indol-3-yl-(1-  
26 naphthyl)methane structure with substitution at the nitrogen atom of the  
27 indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl,



- 1 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group whether  
2 or not further substituted in the indole ring to any extent and whether or not  
3 substituted in the naphthyl ring to any extent. Examples of this structural class  
4 include but are not limited to JWH-175, JWH-184, and JWH-185;
- 5 (f) Naphthoypyrroles: Any compound containing a 3-(1-naphthoyl)pyrrole  
6 structure with substitution at the nitrogen atom of the pyrrole ring by an alkyl,  
7 haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-  
8 piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group whether or not further  
9 substituted in the pyrrole ring to any extent and whether or not substituted in  
10 the naphthyl ring to any extent. Examples of this structural class include but  
11 are not limited to JWH-030, JWH-145, JWH-146, JWH-307, and JWH-368;
- 12 (g) Naphthylmethylindenes: Any compound containing a 1-(1-  
13 naphthylmethyl)indene structure with substitution at the 3-position of the  
14 indene ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl,  
15 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group whether  
16 or not further substituted in the indene ring to any extent and whether or not  
17 substituted in the naphthyl ring to any extent. Examples of this structural class  
18 include but are not limited to JWH-176;
- 19 (h) Tetramethylcyclopropanoylindoles: Any compound containing a 3-(1-  
20 tetramethylcyclopropoyl)indole structure with substitution at the nitrogen  
21 atom of the indole ring by an alkyl, haloalkyl, cycloalkylmethyl,  
22 cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl  
23 group, whether or not further substituted in the indole ring to any extent and  
24 whether or not further substituted in the tetramethylcyclopropyl ring to any  
25 extent. Examples of this structural class include but are not limited to UR-144  
26 and XLR-11;
- 27 (i) Adamantoylindoles: Any compound containing a 3-(1-adamantoyl)indole

1 structure with substitution at the nitrogen atom of the indole ring by an alkyl,  
2 haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-  
3 piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group, whether or not further  
4 substituted in the indole ring to any extent and whether or not substituted in  
5 the adamantyl ring system to any extent. Examples of this structural class  
6 include but are not limited to AB-001 and AM-1248; or

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

10 (52) "Synthetic cathinones" means any chemical compound which is not approved by  
11 the United States Food and Drug Administration or, if approved, which is not  
12 dispensed or possessed in accordance with state and federal law (not including  
13 bupropion or compounds listed under a different schedule) structurally derived from  
14 2-aminopropan-1-one by substitution at the 1-position with either phenyl, naphthyl,  
15 or thiophene ring systems, whether or not the compound is further modified in one  
16 (1) or more of the following ways:

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

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

25 (c) By substitution at the 2-amino nitrogen atom with alkyl, dialkyl, benzyl, or  
26 methoxybenzyl groups, or by inclusion of the 2-amino nitrogen atom in a  
27 cyclic structure. Examples of this class include but are not limited to

1 Dimethylcathinone, Ethcathinone, and  $\alpha$ -Pyrrolidinopropiophenone ( $\alpha$ -PPP);  
2 or

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

6 (53) "Synthetic drugs" means any synthetic cannabinoids or piperazines or any synthetic  
7 cathinones;

8 (54) "Telehealth" has the same meaning it has in KRS 311.550;

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

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

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

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

16 (56) "Traffic," except as provided in KRS 218A.1431, means to manufacture, distribute,  
17 dispense, sell, transfer, or possess with intent to manufacture, distribute, dispense,  
18 or sell a controlled substance;

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

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

25 ➔Section 37. KRS 218A.1421 is amended to read as follows:

26 (1) A person is guilty of trafficking in marijuana when he *or she* knowingly and  
27 unlawfully traffics in marijuana, *and the trafficking is not in compliance with, or*

1 *otherwise authorized by, Sections 1 to 30 of this Act.*

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

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

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

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

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

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

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

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

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

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

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

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

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

22 ➔Section 38. KRS 218A.1422 is amended to read as follows:

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

26 (2) Possession of marijuana is a Class B misdemeanor, except that, KRS Chapter 532  
27 to the contrary notwithstanding, the maximum term of incarceration shall be no

1 greater than forty-five (45) days.

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

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

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

7 ➔Section 39. KRS 218A.1423 is amended to read as follows:

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

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

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

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

16 (3) **Unless authorized by Sections 1 to 30 of this Act,** marijuana cultivation of fewer  
 17 than five (5) plants is:

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

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

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

24 **(5) This section does not apply to a cannabis business or a cannabis business agent,**  
 25 **as defined in Section 1 of this Act, when acting in compliance with Sections 1 to**  
 26 **30 of this Act.**

27 ➔Section 40. KRS 218A.500 is amended to read as follows:

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

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

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

- 10 (a) Kits used, intended for use, or designed for use in planting, propagating,  
11 cultivating, growing, or harvesting of any species of plant which is a  
12 controlled substance or from which a controlled substance can be derived;
- 13 (b) Kits used, intended for use, or designed for use in manufacturing,  
14 compounding, converting, producing, processing, or preparing controlled  
15 substances;
- 16 (c) Isomerization devices used, intended for use, or designed for use in increasing  
17 the potency of any species of plant which is a controlled substance;
- 18 (d) Testing equipment used, intended for use, or designed for use in identifying,  
19 or in analyzing the strength, effectiveness or purity of controlled substances;
- 20 (e) Scales and balances used, intended for use, or designed for use in weighing or  
21 measuring controlled substances;
- 22 (f) Diluents and adulterants, such as quinine hydrochloride, mannitol, mannite,  
23 dextrose and lactose, used, intended for use, or designed for use in cutting  
24 controlled substances;
- 25 (g) Separation gins and sifters used, intended for use, or designed for use in  
26 removing twigs and seeds from, or in otherwise cleaning or refining  
27 marijuana;

- 1 (h) Blenders, bowls, containers, spoons, and mixing devices used, intended for  
2 use, or designed for use in compounding controlled substances;
- 3 (i) Capsules, balloons, envelopes, and other containers used, intended for use, or  
4 designed for use in packaging small quantities of controlled substances;
- 5 (j) Containers and other objects used, intended for use, or designed for use in  
6 storing or concealing controlled substances;
- 7 (k) Hypodermic syringes, needles, and other objects used, intended for use, or  
8 designed for use in parenterally injecting controlled substances into the human  
9 body; and
- 10 (l) Objects used, intended for use, or designed for use in ingesting, inhaling, or  
11 otherwise introducing marijuana, cocaine, hashish, or hashish oil into the  
12 human body, such as: metal, wooden, acrylic, glass, stone, plastic, or ceramic  
13 pipes with or without screens, permanent screens, hashish heads, or punctured  
14 metal bowls; water pipes; carburetion tubes and devices; smoking and  
15 carburetion masks; roach clips which mean objects used to hold burning  
16 material, such as marijuana cigarettes, that have become too small or too short  
17 to be held in the hand; miniature cocaine spoons, and cocaine vials; chamber  
18 pipes; carburetor pipes; electric pipes; air-driven pipes; chillums; bongs; ice  
19 pipes or chillers.
- 20 (2) It is unlawful for any person to use, or to possess with intent to use, drug  
21 paraphernalia for the purpose of planting, propagating, cultivating, growing,  
22 harvesting, manufacturing, compounding, converting, producing, processing,  
23 preparing, testing, analyzing, packing, repacking, storing, containing, concealing,  
24 injecting, ingesting, inhaling, or otherwise introducing into the human body a  
25 controlled substance in violation of this chapter.
- 26 (3) It is unlawful for any person to deliver, possess with intent to deliver, or  
27 manufacture with intent to deliver, drug paraphernalia, knowing, or under

1 circumstances where one reasonably should know, that it will be used to plant,  
2 propagate, cultivate, grow, harvest, manufacture, compound, convert, produce,  
3 process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest,  
4 inhale, or otherwise introduce into the human body a controlled substance in  
5 violation of this chapter.

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

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

13 (b) To operate a substance abuse treatment outreach program under this  
14 subsection, the local health department shall have the consent, which may be  
15 revoked at any time, of the local board of health and:

16 1. The legislative body of the first or home rule class city in which the  
17 program would operate if located in such a city; and

18 2. The legislative body of the county, urban-county government, or  
19 consolidated local government in which the program would operate.

20 (c) Items exchanged at the program shall not be deemed drug paraphernalia under  
21 this section while located at the program.

22 (6) (a) Prior to searching a person, a person's premises, or a person's vehicle, a peace  
23 officer may inquire as to the presence of needles or other sharp objects in the  
24 areas to be searched that may cut or puncture the officer and offer to not  
25 charge a person with possession of drug paraphernalia if the person declares  
26 to the officer the presence of the needle or other sharp object. If, in response  
27 to the offer, the person admits to the presence of the needle or other sharp



1 object prior to the search, the person shall not be charged with or prosecuted  
2 for possession of drug paraphernalia for the needle or sharp object or for  
3 possession of a controlled substance for residual or trace drug amounts  
4 present on the needle or sharp object.

5 (b) The exemption under this subsection shall not apply to any other drug  
6 paraphernalia that may be present and found during the search or to controlled  
7 substances present in other than residual or trace amounts.

8 (7) (a) This section shall not prohibit the retail sale of hypodermic syringes and  
9 needles without a prescription in pharmacies.

10 (b) Hypodermic syringe and needle inventory of a pharmacy shall not be deemed  
11 drug paraphernalia under this section.

12 (8) Any person who violates any provision of this section shall be guilty of a Class A  
13 misdemeanor.

14 ➔Section 41. KRS 12.020 is amended to read as follows:

15 Departments, program cabinets and their departments, and the respective major  
16 administrative bodies that they include are enumerated in this section. It is not intended  
17 that this enumeration of administrative bodies be all-inclusive. Every authority, board,  
18 bureau, interstate compact, commission, committee, conference, council, office, or any  
19 other form of organization shall be included in or attached to the department or program  
20 cabinet in which they are included or to which they are attached by statute or statutorily  
21 authorized executive order; except in the case of the Personnel Board and where the  
22 attached department or administrative body is headed by a constitutionally elected  
23 officer, the attachment shall be solely for the purpose of dissemination of information and  
24 coordination of activities and shall not include any authority over the functions,  
25 personnel, funds, equipment, facilities, or records of the department or administrative  
26 body.

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

- 1 (1) The Governor.
  - 2 (2) Lieutenant Governor.
  - 3 (3) Department of State.
    - 4 (a) Secretary of State.
    - 5 (b) Board of Elections.
    - 6 (c) Registry of Election Finance.
  - 7 (4) Department of Law.
    - 8 (a) Attorney General.
  - 9 (5) Department of the Treasury.
    - 10 (a) Treasurer.
  - 11 (6) Department of Agriculture.
    - 12 (a) Commissioner of Agriculture.
    - 13 (b) Agricultural Development Board.
    - 14 (c) Kentucky Agricultural Finance Corporation.
  - 15 (7) Auditor of Public Accounts.
- 16 II. Program cabinets headed by appointed officers:
- 17 (1) Justice and Public Safety Cabinet:
    - 18 (a) Department of Kentucky State Police.
      - 19 1. Office of Administrative Services.
        - 20 a. Division of Operational Support.
        - 21 b. Division of Management Services.
      - 22 2. Office of Operations.
        - 23 a. Division of West Troops.
        - 24 b. Division of East Troops.
        - 25 c. Division of Special Enforcement.
        - 26 d. Division of Commercial Vehicle Enforcement.
      - 27 3. Office of Technical Services.

- 1 a. Division of Forensic Sciences.
- 2 b. Division of Information Technology.
- 3 (b) Department of Criminal Justice Training.
- 4 (c) Department of Corrections.
- 5 (d) Department of Juvenile Justice.
- 6 (e) Office of the Secretary.
- 7 (f) Office of Drug Control Policy.
- 8 (g) Office of Legal Services.
- 9 (h) Office of the Kentucky State Medical Examiner.
- 10 (i) Parole Board.
- 11 (j) Kentucky State Corrections Commission.
- 12 (k) Office of Legislative and Intergovernmental Services.
- 13 (l) Office of Human Resource Management.
  - 14 1. Division of Human Resource Administration.
  - 15 2. Division of Employee Management.
- 16 (m) Department of Public Advocacy.
- 17 (n) Office of Communications.
  - 18 1. Information Technology Services Division.
- 19 (o) Office of Financial Management Services.
  - 20 1. Division of Financial Management.
- 21 (p) Grants Management Division.
- 22 (2) Energy and Environment Cabinet:
  - 23 (a) Office of the Secretary.
    - 24 1. Office of Legislative and Intergovernmental Affairs.
    - 25 2. Office of Legal Services.
      - 26 a. Legal Division I.
      - 27 b. Legal Division II.

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

- 1                   2.    Division of Financial Management.
- 2                   3.    Division of Information Services.
- 3           (3)   Public Protection Cabinet.
- 4           (a)   Office of the Secretary.
- 5                1.    Office of Communications and Public Outreach.
- 6                2.    Office of Legal Services.
- 7                    a.   Insurance Legal Division.
- 8                    b.   Charitable Gaming Legal Division.
- 9                    c.   Alcoholic Beverage and Cannabis Control Legal Division.
- 10                  d.   Housing, Buildings and Construction Legal Division.
- 11                  e.   Financial Institutions Legal Division.
- 12                  f.   Professional Licensing Legal Division.
- 13                3.    Office of Administrative Hearings.
- 14                4.    Office of Administrative Services.
- 15                    a.   Division of Human Resources.
- 16                    b.   Division of Fiscal Responsibility.
- 17           (b)   Office of Claims and Appeals.
- 18                1.    Board of Tax Appeals.
- 19                2.    Board of Claims.
- 20                3.    Crime Victims Compensation Board.
- 21           (c)   Kentucky Boxing and Wrestling Commission.
- 22           (d)   Kentucky Horse Racing Commission.
- 23                1.    Office of Executive Director.
- 24                    a.   Division of Pari-mutuel Wagering and Compliance.
- 25                    b.   Division of Stewards.
- 26                    c.   Division of Licensing.
- 27                    d.   Division of Enforcement.

- 1 e. Division of Incentives and Development.
- 2 f. Division of Veterinary Services.
- 3 (e) Department of Alcoholic Beverage and Cannabis Control.
- 4 1. Division of Distilled Spirits.
- 5 2. Division of Malt Beverages.
- 6 3. Division of Medicinal Cannabis.
- 7 4. Division of Alcohol and Cannabis Enforcement.
- 8 (f) Department of Charitable Gaming.
- 9 1. Division of Licensing and Compliance.
- 10 2. Division of Enforcement.
- 11 (g) Department of Financial Institutions.
- 12 1. Division of Depository Institutions.
- 13 2. Division of Non-Depository Institutions.
- 14 3. Division of Securities.
- 15 (h) Department of Housing, Buildings and Construction.
- 16 1. Division of Fire Prevention.
- 17 2. Division of Plumbing.
- 18 3. Division of Heating, Ventilation, and Air Conditioning.
- 19 4. Division of Building Code Enforcement.
- 20 (i) Department of Insurance.
- 21 1. Division of Health and Life Insurance and Managed Care.
- 22 2. Division of Property and Casualty Insurance.
- 23 3. Division of Administrative Services.
- 24 4. Division of Financial Standards and Examination.
- 25 5. Division of Licensing.
- 26 6. Division of Insurance Fraud Investigation.
- 27 7. Division of Consumer Protection.

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

- 1                   1.   Office of Legal Services.
- 2                   2.   Department for Business Development.
- 3                   3.   Department for Financial Services.
- 4                   a.   Kentucky Economic Development Finance Authority.
- 5                   b.   Finance and Personnel Division.
- 6                   c.   IT and Resource Management Division.
- 7                   d.   Compliance Division.
- 8                   e.   Incentive Administration Division.
- 9                   f.   Bluegrass State Skills Corporation.
- 10                  4.   Office of Marketing and Public Affairs.
- 11                  a.   Communications Division.
- 12                  b.   Graphics Design Division.
- 13                  5.   Office of Workforce, Community Development, and Research.
- 14                  6.   Office of Entrepreneurship and Small Business Innovation.
- 15                  a.   Commission on Small Business Innovation and Advocacy.
- 16                  (6) Cabinet for Health and Family Services:
- 17                   (a) Office of the Secretary.
- 18                   1.   Office of the Ombudsman and Administrative Review.
- 19                   2.   Office of Public Affairs.
- 20                   3.   Office of Legal Services.
- 21                   4.   Office of Inspector General.
- 22                   5.   Office of Human Resource Management.
- 23                   6.   Office of Finance and Budget.
- 24                   7.   Office of Legislative and Regulatory Affairs.
- 25                   8.   Office of Administrative Services.
- 26                   9.   Office of Application Technology Services.
- 27                   10. Office of Data Analytics.



- 1 (b) Department for Public Health.
- 2 (c) Department for Medicaid Services.
- 3 (d) Department for Behavioral Health, Developmental and Intellectual
- 4 Disabilities.
- 5 (e) Department for Aging and Independent Living.
- 6 (f) Department for Community Based Services.
- 7 (g) Department for Income Support.
- 8 (h) Department for Family Resource Centers and Volunteer Services.
- 9 (i) Office for Children with Special Health Care Needs.
- 10 (7) Finance and Administration Cabinet:
- 11 (a) Office of the Secretary.
- 12 (b) Office of the Inspector General.
- 13 (c) Office of Legislative and Intergovernmental Affairs.
- 14 (d) Office of General Counsel.
- 15 (e) Office of the Controller.
- 16 (f) Office of Administrative Services.
- 17 (g) Office of Policy and Audit.
- 18 (h) Department for Facilities and Support Services.
- 19 (i) Department of Revenue.
- 20 (j) Commonwealth Office of Technology.
- 21 (k) State Property and Buildings Commission.
- 22 (l) Office of Equal Employment Opportunity and Contract Compliance.
- 23 (m) Kentucky Employees Retirement Systems.
- 24 (n) Commonwealth Credit Union.
- 25 (o) State Investment Commission.
- 26 (p) Kentucky Housing Corporation.
- 27 (q) Kentucky Local Correctional Facilities Construction Authority.

- 1 (r) Kentucky Turnpike Authority.
- 2 (s) Historic Properties Advisory Commission.
- 3 (t) Kentucky Higher Education Assistance Authority.
- 4 (u) Kentucky River Authority.
- 5 (v) Kentucky Teachers' Retirement System Board of Trustees.
- 6 (w) Executive Branch Ethics Commission.
- 7 (x) Office of Fleet Management.
- 8 (8) Tourism, Arts and Heritage Cabinet:
- 9 (a) Kentucky Department of Tourism.
- 10 1. Division of Tourism Services.
- 11 2. Division of Marketing and Administration.
- 12 3. Division of Communications and Promotions.
- 13 (b) Kentucky Department of Parks.
- 14 1. Division of Information Technology.
- 15 2. Division of Human Resources.
- 16 3. Division of Financial Operations.
- 17 4. Division of Purchasing.
- 18 5. Division of Facilities.
- 19 6. Division of Park Operations.
- 20 7. Division of Sales, Marketing, and Customer Service.
- 21 8. Division of Engagement.
- 22 9. Division of Food Services.
- 23 10. Division of Rangers.
- 24 (c) Department of Fish and Wildlife Resources.
- 25 1. Division of Law Enforcement.
- 26 2. Division of Administrative Services.
- 27 3. Division of Engineering, Infrastructure, and Technology.

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

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

- 1 (i) Office of Diversity, Equality, and Training.
- 2 (j) Office of Public Affairs.
- 3 (10) Education and Labor Cabinet:
- 4 (a) Office of the Secretary.
- 5 1. Office of Legal Services.
- 6 a. Workplace Standards Legal Division.
- 7 b. Workers' Claims Legal Division.
- 8 c. Workforce Development Legal Division.
- 9 2. Office of Administrative Services.
- 10 a. Division of Human Resources Management.
- 11 b. Division of Fiscal Management.
- 12 c. Division of Operations and Support Services.
- 13 3. Office of Technology Services.
- 14 a. Division of Information Technology Services.
- 15 4. Office of Policy and Audit.
- 16 5. Office of Legislative Services.
- 17 6. Office of Communications.
- 18 7. Office of the Kentucky Center for Statistics.
- 19 8. Board of the Kentucky Center for Statistics.
- 20 9. Early Childhood Advisory Council.
- 21 10. Governors' Scholars Program.
- 22 11. Governor's School for Entrepreneurs Program.
- 23 12. Foundation for Adult Education.
- 24 (b) Department of Education.
- 25 1. Kentucky Board of Education.
- 26 2. Kentucky Technical Education Personnel Board.
- 27 3. Education Professional Standards Board.

- 1 (c) Board of Directors for the Center for School Safety.
- 2 (d) Department for Libraries and Archives.
- 3 (e) Kentucky Environmental Education Council.
- 4 (f) Kentucky Educational Television.
- 5 (g) Kentucky Commission on the Deaf and Hard of Hearing.
- 6 (h) Department of Workforce Development.
  - 7 1. Career Development Office.
  - 8 2. Office of Vocational Rehabilitation.
    - 9 a. Division of Kentucky Business Enterprise.
    - 10 b. Division of the Carl D. Perkins Vocational Training Center.
    - 11 c. Division of Blind Services.
    - 12 d. Division of Field Services.
    - 13 e. Statewide Council for Vocational Rehabilitation.
    - 14 f. Employment First Council.
  - 15 3. Office of Employer and Apprenticeship Services.
    - 16 a. Division of Apprenticeship.
    - 17 4. Kentucky Apprenticeship Council.
    - 18 5. Division of Technical Assistance.
    - 19 6. Office of Adult Education.
    - 20 7. Office of the Kentucky Workforce Innovation Board.
- 21 (i) Department of Workplace Standards.
  - 22 1. Division of Occupational Safety and Health Compliance.
  - 23 2. Division of Occupational Safety and Health Education and  
24 Training.
  - 25 3. Division of Wages and Hours.
- 26 (j) Office of Unemployment Insurance.
- 27 (k) Kentucky Unemployment Insurance Commission.

- 1 (l) Department of Workers' Claims.
- 2 1. Division of Workers' Compensation Funds.
- 3 2. Office of Administrative Law Judges.
- 4 3. Division of Claims Processing.
- 5 4. Division of Security and Compliance.
- 6 5. Division of Specialist and Medical Services.
- 7 6. Workers' Compensation Board.
- 8 (m) Workers' Compensation Funding Commission.
- 9 (n) Kentucky Occupational Safety and Health Standards Board.
- 10 (o) State Labor Relations Board.
- 11 (p) Employers' Mutual Insurance Authority.
- 12 (q) Kentucky Occupational Safety and Health Review Commission.
- 13 (r) Workers' Compensation Nominating Committee.
- 14 (s) Office of Educational Programs.
- 15 (t) Kentucky Workforce Innovation Board.
- 16 (u) Kentucky Commission on Proprietary Education.
- 17 (v) Kentucky Work Ready Skills Advisory Committee.
- 18 (w) Kentucky Geographic Education Board.
- 19 III. Other departments headed by appointed officers:
- 20 (1) Council on Postsecondary Education.
- 21 (2) Department of Military Affairs.
- 22 (3) Department for Local Government.
- 23 (4) Kentucky Commission on Human Rights.
- 24 (5) Kentucky Commission on Women.
- 25 (6) Department of Veterans' Affairs.
- 26 (7) Kentucky Commission on Military Affairs.
- 27 (8) Office of Minority Empowerment.

1 (9) Governor's Council on Wellness and Physical Activity.

2 (10) Kentucky Communications Network Authority.

3 ➔Section 42. KRS 12.252 is amended to read as follows:

4 (1) There is established within the Public Protection Cabinet a Department of Financial  
5 Institutions, a Department of Insurance, a Department of Housing, Buildings and  
6 Construction, a Department of Charitable Gaming, a Department of Professional  
7 Licensing, and a Department of Alcoholic Beverage and Cannabis Control. Each  
8 department shall be headed by a commissioner appointed by the Governor as  
9 required by KRS 12.040 and, where appropriate, by KRS 238.510, 241.015, and  
10 304.2-020. Commissioners shall be directly responsible to the secretary and shall  
11 perform the functions, powers, and duties provided by law and prescribed by the  
12 secretary.

13 (2) The secretary of the Public Protection Cabinet shall be appointed by the Governor  
14 in accordance with KRS 12.255. The Office of the Secretary shall contain the  
15 following entities:

16 (a) The Office of Communications and Public Outreach, which shall be headed  
17 by an executive director appointed by the secretary with the approval of the  
18 Governor in accordance with KRS 12.050;

19 (b) The Office of Legal Services, which shall be headed by an executive director  
20 appointed by the secretary with the approval of the Governor in accordance  
21 with KRS 12.050 and 12.210;

22 (c) The Office of Administrative Hearings, which shall be headed by an executive  
23 director appointed by the secretary with the approval of the Governor in  
24 accordance with KRS 12.050 and 12.210; and

25 (d) The Office of Administrative Services, which shall be headed by an executive  
26 director appointed by the secretary with the approval of the Governor in  
27 accordance with KRS 12.050.



- 1 (3) There is established within the Public Protection Cabinet the Office of Claims and  
2 Appeals pursuant to KRS 49.010.
- 3 (4) The Kentucky Horse Racing Commission is attached to the Public Protection  
4 Cabinet for administrative purposes only, except as provided in KRS 131.330.
- 5 (5) There is established within the Public Protection Cabinet the Kentucky Boxing and  
6 Wrestling Commission, which shall be headed by an executive director appointed  
7 by the secretary with the approval of the Governor as required by KRS 12.050. The  
8 executive director shall be directly responsible to the secretary and shall perform  
9 the functions, powers, and duties provided by law and prescribed by the secretary.
- 10 ➔Section 43. KRS 15.300 is amended to read as follows:
- 11 (1) As used in this section, "consent order" means the consent order of December 21,  
12 1998, agreed to in Commonwealth of Kentucky v. Philip Morris Inc. et al., Docket  
13 Number 98-CI-01579, Franklin Circuit Court.
- 14 (2) There is created the Tobacco Master Settlement Agreement Compliance Advisory  
15 Board in the Department of Law. The board shall be composed of six (6) members  
16 as follows:
- 17 (a) The Attorney General, or the Attorney General's designee;
- 18 (b) The secretary of the Cabinet for Health and Family Services, or the secretary's  
19 designee;
- 20 (c) The Commissioner of Agriculture, or the Commissioner's designee;
- 21 (d) The secretary of the Public Protection Cabinet, or the secretary's designee;
- 22 and
- 23 (e) Two (2) citizens at large appointed by the Attorney General.
- 24 (3) The citizen members of the board shall serve for terms of one (1) year and until  
25 their successors are appointed. The citizen members shall be eligible for successive  
26 terms on the board.
- 27 (4) The board shall annually elect a member to serve as its chair and shall meet at least

1           quarterly on a date set by the board. Board members shall be reimbursed for  
2           necessary expenses incurred in serving on the board.

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

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

8           (a) Enter into a memorandum of agreement with the Department of Public Health  
9                 of the Cabinet for Health and Family Services, the Department of Alcoholic  
10                Beverage and Cannabis Control in the Public Protection Cabinet, and the  
11                Department of Agriculture to identify and report possible violations of the  
12                consent order;

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

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

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

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

24          (b) Determine eligible compliance training costs and seek reimbursement for the  
25                costs; and

26          (c) Notify the appropriate tobacco manufacturer, in writing, of any alleged  
27                violation of the consent order and request a response and, if applicable, a

1           corrective action plan within thirty (30) days from the date of the notice. If the  
2           manufacturer fails to respond or to satisfactorily resolve the matter, the board  
3           shall review the matter at its next meeting and may refer the matter to the  
4           Office of the Attorney General for enforcement action, if warranted.

5           ➔Section 44. KRS 15.380 is amended to read as follows:

- 6           (1) The following officers employed or appointed as full-time, part-time, or auxiliary  
7           officers, whether paid or unpaid, shall be certified:
- 8           (a) Department of Kentucky State Police officers, but for the commissioner of the  
9           Department of Kentucky State Police;
  - 10           (b) City, county, and urban-county police officers;
  - 11           (c) Court security officers and deputy sheriffs, except those identified in KRS  
12           70.045 and 70.263(3);
  - 13           (d) State or public university police officers appointed pursuant to KRS 164.950;
  - 14           (e) School resource officers as defined in KRS 158.441 and employed or  
15           appointed under KRS 158.4414;
  - 16           (f) Airport safety and security officers appointed under KRS 183.880;
  - 17           (g) Department of Alcoholic Beverage and Cannabis Control investigators  
18           appointed under KRS 241.090;
  - 19           (h) Division of Insurance Fraud Investigation investigators appointed under KRS  
20           304.47-040;
  - 21           (i) Fire investigators appointed or employed under KRS 95A.100 or 227.220; and
  - 22           (j) County detectives appointed in accordance with KRS 69.360 after July 1,  
23           2019.
- 24           (2) The requirements of KRS 15.380 to 15.404 for certification may apply to all state  
25           peace officers employed pursuant to KRS Chapter 18A and shall, if adopted, be  
26           incorporated by the Personnel Cabinet for job specifications.
- 27           (3) Additional training in excess of the standards set forth in KRS 15.380 to 15.404 for

1 all peace officers possessing arrest powers who have specialized law enforcement  
2 responsibilities shall be the responsibility of the employing agency.

3 (4) The following officers may, upon request of the employing agency, be certified by  
4 the council:

- 5 (a) Deputy coroners;
- 6 (b) Deputy constables;
- 7 (c) Deputy jailers;
- 8 (d) Deputy sheriffs under KRS 70.045 and 70.263(3);
- 9 (e) Officers appointed under KRS 61.360;
- 10 (f) Officers appointed under KRS 61.902, except those who are school resource  
11 officers as defined in KRS 158.441 and who shall be certified under  
12 subsection (1)(e) of this section;
- 13 (g) Private security officers;
- 14 (h) Employees of a correctional services division created pursuant to KRS  
15 67A.028 and employees of a metropolitan correctional services department  
16 created pursuant to KRS 67B.010 to 67B.080; and
- 17 (i) Investigators employed by the Department of Charitable Gaming in  
18 accordance with KRS 238.510; and
- 19 (j) Commonwealth detectives employed under KRS 69.110 and county  
20 detectives employed under KRS 69.360.

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

- 23 (a) Sheriffs;
- 24 (b) Coroners;
- 25 (c) Constables;
- 26 (d) Jailers;
- 27 (e) Kentucky Horse Racing Commission security officers employed under KRS

1           230.240; and

2           (f) Commissioner of the State Police.

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

4           (7) Local alcoholic beverage control investigators appointed under KRS Chapter 241  
5           on or after April 1, 2019, shall be certified by the council if all minimum standards  
6           set forth in KRS 15.380 to 15.404 have been met. Local alcoholic beverage control  
7           investigators appointed under KRS Chapter 241 before April 1, 2019, shall be  
8           exempt from this requirement.

9           ➔Section 45. KRS 15.398 is amended to read as follows:

10          The following Kentucky Revised Statutes and any administrative regulations  
11          promulgated thereunder affecting those peace officers required to be certified pursuant to  
12          KRS 15.380 to 15.404 shall not be superseded by the provisions of KRS 15.380 to  
13          15.404, and in all instances the provisions of all statutes specified below shall prevail:

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

15          (2) KRS Chapter 70, relating to sheriffs, and deputy sheriffs;

16          (3) KRS Chapter 78, relating to county police;

17          (4) KRS Chapters 15 and 95, except for KRS 95.955, relating to city and urban-county  
18          police;

19          (5) KRS Chapter 183, relating to airport safety and security officers;

20          (6) KRS Chapter 164, relating to State Universities and Colleges; Regional Education  
21          and Archaeology officers;

22          (7) KRS Chapter 18A, relating to all state peace officers;

23          (8) KRS 241.090, relating to Department of Alcoholic Beverage and Cannabis Control  
24          investigators;

25          (9) KRS 304.47-040, relating to Division of Insurance Fraud Investigators; and

26          (10) Any other statutes affecting peace officers not specifically cited herein.

27          ➔Section 46. KRS 15.420 is amended to read as follows:

1 As used in KRS 15.410 to 15.510, unless the context otherwise requires:

2 (1) "Cabinet" means the Justice and Public Safety Cabinet;

3 (2) (a) "Police officer" means:

4 1. A local officer, limited to:

5 a. A full-time:

6 i. Member of a lawfully organized police department of  
7 county, urban-county, or city government; or

8 ii. Sheriff or full-time deputy sheriff, including any sheriff  
9 providing court security or appointed under KRS 70.030;

10 b. A school resource officer as defined in KRS 158.441; or

11 c. One (1) of the following who is otherwise eligible for an annual  
12 supplement established in accordance with KRS 15.460, but who  
13 does not receive one:

14 i. An officer serving on a joint task force;

15 ii. A detective employed by a county attorney;

16 iii. A process server for juvenile courts within a consolidated  
17 local government; and

18 iv. A local alcoholic beverage control investigator appointed  
19 pursuant to KRS Chapter 241; and

20 2. A state officer, limited to:

21 a. A public university police officer;

22 b. A Kentucky state trooper;

23 c. A Kentucky State Police arson investigator;

24 d. A Kentucky State Police hazardous device investigator;

25 e. A Kentucky State Police legislative security specialist;

26 f. A Kentucky vehicle enforcement officer;

27 g. A Kentucky Horse Park mounted patrol officer, subject to KRS

- 1                   15.460(1)(f);
- 2                   h.    A Kentucky state park ranger, subject to KRS 15.460(1)(f);
- 3                   i.    An agriculture investigator;
- 4                   j.    A charitable gaming investigator;
- 5                   k.    An alcoholic beverage and cannabis control investigator;
- 6                   l.    An insurance fraud investigator;
- 7                   m.    An Attorney General investigator;
- 8                   n.    A Kentucky Department of Fish and Wildlife Resources
- 9                   conservation officer, subject to KRS 15.460(1)(e); and
- 10                  o.    Any detective for a Commonwealth's attorney who would
- 11                   otherwise be eligible for a supplement established in accordance
- 12                   with KRS 15.460, but who does not receive one;
- 13                   who is responsible for the prevention and detection of crime and the
- 14                   enforcement of the general criminal laws of the state;
- 15                  (b) "Police officer" does not include any sheriff who earns the maximum
- 16                   constitutional salary for this office, any special deputy sheriff appointed under
- 17                   KRS 70.045, any constable, deputy constable, district detective, deputy
- 18                   district detective, special local peace officer, auxiliary police officer, or any
- 19                   other peace officer not specifically authorized in KRS 15.410 to 15.510;
- 20                  (3) "Police department" means the employer of a police officer;
- 21                  (4) "Retirement plan" means a defined benefit plan consisting of required employer
- 22                   contributions pursuant to KRS 61.565, 61.702, or any other provision of law;
- 23                  (5) "Unit of government" means any city, county, combination of cities and counties,
- 24                   public university, state agency, local school district, or county sheriff's office of the
- 25                   Commonwealth; and
- 26                  (6) "Validated job task analysis" means the core job description that describes the
- 27                   minimum entry level requirements, qualifications, and training requirements for

1 peace officers in the Commonwealth, and that is based upon an actual survey and  
2 study of police officer duties and responsibilities conducted by an entity recognized  
3 by the council as being competent to conduct such a study.

4 ➔Section 47. KRS 15A.340 is amended to read as follows:

- 5 (1) As used in this section and KRS 15A.342 and 15A.344, "KY-ASAP" means the  
6 Kentucky Agency for Substance Abuse Policy.
- 7 (2) The Office of Drug Control Policy shall administer an endowment from interest  
8 generated through funds appropriated or gifts, donations, or funds received from  
9 any source. The Office of Drug Control Policy may expend endowment principal, if  
10 necessary in its discretion, to carry out the purposes of this section and KRS  
11 15A.342 and 15A.344. These expenditures from the endowment principal are  
12 hereby appropriated for this purpose.
- 13 (3) (a) The Office of Drug Control Policy shall oversee the activities specified in this  
14 section and KRS 15A.342 and 15A.344 and provide administrative support to  
15 the seventeen (17) member KY-ASAP Board, which is created to oversee the  
16 activities of KY-ASAP. Membership of the board shall be appointed by the  
17 Governor and shall consist of the following:
- 18 1. One (1) member representing the Kentucky Family Resource Youth  
19 Services Coalition, or a designee;
  - 20 2. One (1) member representing the Kentucky Health Department  
21 Association, or a designee;
  - 22 3. The secretary of the Cabinet for Health and Family Services, or  
23 designee;
  - 24 4. The secretary of the Justice and Public Safety Cabinet, or a designee;
  - 25 5. One (1) member representing the Division of Behavioral Health within  
26 the Department for Behavioral Health, Developmental and Intellectual  
27 Disabilities, Cabinet for Health and Family Services, or a designee;



- 1           6. The commissioner of the Department for Public Health, Cabinet for  
2           Health and Family Services, or a designee;
- 3           7. The commissioner of the Department of Alcoholic Beverage ***and***  
4           *Cannabis* Control, or a designee;
- 5           8. The commissioner of the Department of Education;
- 6           9. The director of the Administrative Office of the Courts, or a designee;
- 7           10. One (1) member representing the Kentucky Association of Regional  
8           Programs, or a designee;
- 9           11. One (1) member representing the Kentucky Heart Association, or a  
10          designee;
- 11          12. One (1) member representing the Kentucky Lung Association, or a  
12          designee;
- 13          13. One (1) member representing the Kentucky Cancer Society, or a  
14          designee;
- 15          14. Two (2) members representing local tobacco addiction and substance  
16          abuse advisory and coordination boards; and
- 17          15. Two (2) members representing private community-based organizations,  
18          whether for-profit or nonprofit, with experience in programs involving  
19          smoking cessation or prevention or alcohol or substance abuse  
20          prevention and treatment.
- 21          (b) Members shall serve for a term of four (4) years, may be reappointed, and  
22          may serve no more than two (2) consecutive terms. Members shall not be  
23          compensated but shall receive reimbursement for expenses incurred while  
24          performing board business.
- 25          (c) The board shall meet at least quarterly. A quorum of nine (9) members shall  
26          be required for the transaction of business. Meetings shall be held at the call  
27          of the chair, or upon the written request of two (2) members to the chair.

- 1 (d) The board shall:
- 2 1. Oversee deposits and expenditures from the endowment;
- 3 2. Request, in its discretion, an audit relating to the expenditure of
- 4 endowment funds;
- 5 3. Receive quarterly reports from the commissioner of the Department of
- 6 Alcoholic Beverage and Cannabis Control regarding KY-ASAP's
- 7 activities;
- 8 4. Progress toward development and implementation of the strategic plan;
- 9 5. Recommend to KY-ASAP the most efficient means for using public
- 10 funds to coordinate, supplement, and support high quality and ongoing
- 11 programs of all public agencies and private service providers related to
- 12 smoking cessation and prevention and alcohol and substance abuse
- 13 prevention and treatment;
- 14 6. Recommend matters for review and analysis by KY-ASAP; and
- 15 7. Perform other duties as necessary for the oversight of KY-ASAP.
- 16 (4) The Office of Drug Control Policy and KY-ASAP shall promote the
- 17 implementation of research-based strategies that target Kentucky's youth and adult
- 18 populations.
- 19 (5) The Office of Drug Control Policy and KY-ASAP shall vigorously pursue the
- 20 philosophy that tobacco in the hands of Kentucky's youth is a drug abuse problem
- 21 because of the addictive qualities of nicotine, and because tobacco is the most
- 22 prevalent gateway drug that leads to later and escalated drug and alcohol abuse.
- 23 ➔Section 48. KRS 61.592 (Effective April 1, 2023) is amended to read as
- 24 follows:
- 25 (1) (a) "Hazardous position" for employees participating in the Kentucky Employees
- 26 Retirement System means:
- 27 1. Any position whose principal duties involve active law enforcement,

1 including the positions of probation and parole officer and  
2 Commonwealth detective, active fire suppression or prevention, or other  
3 positions, including but not limited to pilots of the Transportation  
4 Cabinet and paramedics and emergency medical technicians, with duties  
5 that require frequent exposure to a high degree of danger or peril and  
6 also require a high degree of physical conditioning;

7 2. Positions in the Department of Corrections in state correctional  
8 institutions and the Kentucky Correctional Psychiatric Center with  
9 duties that regularly and routinely require face-to-face contact with  
10 inmates; and

11 3. Positions of employees who elect coverage under KRS 196.167(3)(b)2.  
12 and who continue to provide educational services and support to inmates  
13 as a Department of Corrections employee.

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

19 (2) Each employer may request of the board hazardous duty coverage for those  
20 positions as defined in subsection (1) of this section. Upon request, each employer  
21 shall certify to the system, in the manner prescribed by the board, the names of all  
22 employees working in a hazardous position as defined in subsection (1) of this  
23 section for which coverage is requested. The certification of the employer shall bear  
24 the approval of the agent or agency responsible for the budget of the department or  
25 county indicating that the required employer contributions have been provided for  
26 in the budget of the employing department or county. The system shall determine  
27 whether the employees whose names have been certified by the employer are

1 working in positions meeting the definition of a hazardous position as provided by  
2 subsection (1) of this section. This process shall not be required for employees who  
3 elect coverage under KRS 196.167(3)(b)2.

4 (3) (a) An employee who elects coverage under KRS 196.167(3)(b)2., and an  
5 employee participating in the Kentucky Employees Retirement System who is  
6 determined by the system to be working in a hazardous position in accordance  
7 with subsection (2) of this section, shall contribute, for each pay period for  
8 which he or she receives compensation, eight percent (8%) of his or her  
9 creditable compensation.

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

15 (c) If the employer participated in the system prior to electing hazardous duty  
16 coverage, the employer may pay to the system the cost of converting the  
17 nonhazardous service to hazardous service from the date of participation to  
18 the date the payment is made, or the employer may establish a payment  
19 schedule for payment of the cost of the hazardous service above that which  
20 would be funded within the existing employer contribution rate. The employer  
21 may extend the payment schedule to a maximum of thirty (30) years.  
22 Payments made by the employer under this subsection shall be deposited to  
23 the retirement allowance account of the proper retirement system and these  
24 funds shall not be considered accumulated contributions of the individual  
25 members. If the employer elects not to make the additional payment, the  
26 employee may pay the cost of converting the service and provide payment for  
27 the cost as provided by KRS 61.552(9). Payments made by the employee

1 under this subsection shall not be picked up, as described in KRS 61.560(4),  
2 by the employer. If neither the employer nor employee makes the payment,  
3 the service prior to hazardous coverage shall remain nonhazardous. The  
4 provisions of this paragraph shall not apply to members who begin  
5 participating in the systems administered by Kentucky Retirement Systems on  
6 or after January 1, 2014.

7 (4) The normal retirement age, retirement allowance, hybrid cash balance plans except  
8 as provided by KRS 16.583(2)(b)2. and 16.584, other benefits, eligibility  
9 requirements, rights, and responsibilities of a member in a hazardous position, as  
10 prescribed by subsections (1), (2), and (3) of this section, and the responsibilities,  
11 rights, and requirements of his or her employer shall be as prescribed for a member  
12 and employer participating in the State Police Retirement System as provided for by  
13 KRS 16.505 to 16.652.

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

18 (6) If doubt exists regarding the benefits payable to a hazardous position employee  
19 under this section, the board shall determine the benefits payable under KRS 61.510  
20 to 61.705 or 16.505 to 16.652.

21 ➔Section 49. KRS 62.160 is amended to read as follows:

22 (1) The state officers elected by the voters of the state at large, except the Governor and  
23 the Lieutenant Governor, the heads of departments, offices, and cabinets of the state  
24 government, the adjutant general, the members of the Public Service Commission,  
25 the members of the State Fair Board and Fish and Wildlife Resources Commission,  
26 and the members of the Board of Tax Appeals, Board of Claims, Crime Victims  
27 Compensation Board, and the Alcoholic Beverage Control Board, shall each give

1 bond. The amounts of the bonds shall be fixed by the Governor, which amounts as  
 2 to those offices set forth in subsection (2) of this section shall be not less than the  
 3 amounts set forth for the respective offices. At any time when it appears to be to the  
 4 interest of the Commonwealth, the Governor may increase the penal sum of any  
 5 bond or require a renewal of the bond with other or additional surety.

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

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

1 Commissioner of vehicle regulation .....10,000

2 Commissioner of fish and wildlife resources .....5,000

3 Secretary for health and family services .....20,000

4 Commissioner of environmental protection .....10,000

5 Secretary of public protection .....10,000

6 Secretary of tourism, arts and heritage .....25,000

7 Commissioner for community based services .....20,000

8 Member of the Public Service Commission .....10,000

9 Member of State Fair Board .....10,000

10 Member of Fish and Wildlife Resources Commission .....1,000

11 Member of Board of Tax Appeals .....10,000

12 Member of Board of Claims .....10,000

13 Member of Crime Victims Compensation Board .....10,000

14 Associate member of Alcoholic Beverage Control Board .....5,000

15 Commissioner of local government .....100,000

16 ➔Section 50. KRS 131.1815 is amended to read as follows:

17 (1) Whenever it is determined that a taxpayer, who holds a license under KRS Chapter  
18 243, is a delinquent taxpayer as defined in subsection (2) of this section, the  
19 department may, after giving notice as provided in subsection (3) of this section,  
20 submit the name of the taxpayer to the Department of Alcoholic Beverage ***and***  
21 ***Cannabis*** Control for revocation of any license issued under KRS Chapter 243.

22 (2) Any of the following situations shall be sufficient to cause a taxpayer to be  
23 classified as a "delinquent taxpayer" for purposes of this section:

24 (a) When a taxpayer has an overdue state tax liability arising directly or indirectly  
25 from the manufacture, sale, transportation, or distribution of alcoholic  
26 beverages, for which all protest and appeal rights granted by law have  
27 expired, and the taxpayer has been contacted by the department concerning

1 the overdue tax liability. This does not include a taxpayer who is making  
2 current timely installment payments on the overdue tax liability under  
3 agreement with the department;

4 (b) When a taxpayer has not filed a required tax return as of ninety (90) days after  
5 the due date or after the extended due date, and the taxpayer has been  
6 contacted by the department concerning the delinquent return; or

7 (c) When an owner, partner, or corporate officer of a proprietorship, partnership,  
8 or corporation holding a license under KRS Chapter 243 held a similar  
9 position in a business whose license was revoked as a "delinquent taxpayer,"  
10 and the tax liability remains unpaid as of ninety (90) days after the due date.

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

19 ➔Section 51. KRS 211.285 is amended to read as follows:

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

26 (2) The malt beverage educational fund shall be established in the State Treasury as a  
27 trust and revolving account under KRS 45.253. Moneys in the account shall be



1 distributed by the State Treasurer to the Malt Beverage Educational Corporation, a  
2 nonprofit organization that is organized under the laws of this state, upon the  
3 authorization of the secretary of the Cabinet for Health and Family Services. The  
4 moneys shall be awarded to the corporation solely to fund educational programs to  
5 deter or eliminate underage drinking.

6 (3) The secretary of the Cabinet for Health and Family Services shall authorize that  
7 moneys from the fund be disbursed to the corporation upon the secretary's receipt of  
8 a certification from the corporation showing the moneys the corporation has  
9 received from malt beverage distributors, microbreweries, and other private sources  
10 since the last certification. The moneys disbursed from the fund shall be equal to  
11 the contributions that the corporation has received from its members and other  
12 private sources during that period. The moneys in the fund shall be disbursed in  
13 accordance with a schedule established by the secretary, and shall be disbursed until  
14 the moneys in the fund are exhausted or until the moneys in the fund lapse in  
15 accordance with subsection (4) of this section, whichever comes first.

16 (4) Moneys that are credited to the fund and not issued to the corporation shall lapse at  
17 the end of the fiscal year and shall be returned to the general fund.

18 (5) As a condition of receiving the governmental funds, the corporation's board of  
19 directors shall include the following among its directors:

20 (a) The Governor or his or her designee;

21 (b) The Attorney General or his or her designee;

22 (c) The President of the Senate or his or her designee;

23 (d) The Speaker of the House or his or her designee;

24 (e) The secretary of the Cabinet for Health and Family Services or his or her  
25 designee; and

26 (f) The commissioner of the Department of Alcoholic Beverage and Cannabis  
27 Control or his or her designee.

- 1 (6) All expenditures of moneys from the fund shall be approved by a majority of those  
2 persons set out in subsection (5)(a) to (f) of this section. If the moneys from the  
3 fund are not expended in their entirety, any moneys that remain unused by the  
4 corporation at the end of the fiscal year shall be returned to the general fund.
- 5 (7) Any moneys from the fund that are not expended shall be returned to the general  
6 fund upon the dissolution of the corporation.
- 7 (8) Any high school in the Commonwealth of Kentucky that was registered with the  
8 Department of Education as of July 1, 1997, may make an application to the Malt  
9 Beverage Education Corporation by February 28 of each year and shall be granted a  
10 minimum of five hundred dollars (\$500) annually from the funds contributed by the  
11 malt beverage educational fund for the single purpose of supporting "Project  
12 Graduation" events.

13 ➔Section 52. KRS 241.010 is amended to read as follows:

14 As used in KRS Chapters 241 to 244, unless the context requires otherwise:

- 15 (1) "Alcohol" means ethyl alcohol, hydrated oxide of ethyl or spirit of wine, from  
16 whatever source or by whatever process it is produced;
- 17 (2) "Alcoholic beverage" means every liquid, solid, powder, or crystal, whether  
18 patented or not, containing alcohol in an amount in excess of more than one percent  
19 (1%) of alcohol by volume, which is fit for beverage purposes. It includes every  
20 spurious or imitation liquor sold as, or under any name commonly used for,  
21 alcoholic beverages, whether containing any alcohol or not. It does not include the  
22 following products:
- 23 (a) Medicinal preparations manufactured in accordance with formulas prescribed  
24 by the United States Pharmacopoeia, National Formulary, or the American  
25 Institute of Homeopathy;
- 26 (b) Patented, patent, and proprietary medicines;
- 27 (c) Toilet, medicinal, and antiseptic preparations and solutions;

- 1 (d) Flavoring extracts and syrups;
- 2 (e) Denatured alcohol or denatured rum;
- 3 (f) Vinegar and preserved sweet cider;
- 4 (g) Wine for sacramental purposes; and
- 5 (h) Alcohol unfit for beverage purposes that is to be sold for legitimate external
- 6 use;
- 7 (3) (a) "Alcohol vaporizing device" or "AWOL device" means any device, machine,
- 8 or process that mixes liquor, spirits, or any other alcohol product with pure
- 9 oxygen or by any other means produces a vaporized alcoholic product used
- 10 for human consumption;
- 11 (b) "Alcohol vaporizing device" or "AWOL device" does not include an inhaler,
- 12 nebulizer, atomizer, or other device that is designed and intended by the
- 13 manufacturer to dispense a prescribed or over-the-counter medication or a
- 14 device installed and used by a licensee under this chapter to demonstrate the
- 15 aroma of an alcoholic beverage;
- 16 (4) "Automobile race track" means a facility primarily used for vehicle racing that has a
- 17 seating capacity of at least thirty thousand (30,000) people;
- 18 (5) "Barrel-aged and batched cocktail" means an alcoholic beverage that is:
- 19 (a) Composed of:
- 20 1. Distilled spirits that have been dispensed from their original sealed
- 21 container; and
- 22 2. Other ingredients or alcoholic beverages;
- 23 (b) Placed into a barrel or container on the premises of a retail licensee; and
- 24 (c) Dispensed from the barrel or container as a retail sale by the drink;
- 25 (6) "Bed and breakfast" means a one (1) family dwelling unit that:
- 26 (a) Has guest rooms or suites used, rented, or hired out for occupancy or that are
- 27 occupied for sleeping purposes by persons not members of the single-family

- 1 unit;
- 2 (b) Holds a permit under KRS Chapter 219; and
- 3 (c) Has an innkeeper who resides on the premises or property adjacent to the
- 4 premises during periods of occupancy;
- 5 (7) "Board" means the State Alcoholic Beverage Control Board created by KRS
- 6 241.030;
- 7 (8) "Bottle" means any container which is used for holding alcoholic beverages for the
- 8 use and sale of alcoholic beverages at retail;
- 9 (9) "Brewer" means any person who manufactures malt beverages or owns, occupies,
- 10 carries on, works, or conducts any brewery, either alone or through an agent;
- 11 (10) "Brewery" means any place or premises where malt beverages are manufactured for
- 12 sale, and includes all offices, granaries, mash rooms, cooling rooms, vaults, yards,
- 13 and storerooms connected with the premises; or where any part of the process of the
- 14 manufacture of malt beverages is carried on; or where any apparatus connected with
- 15 manufacture is kept or used; or where any of the products of brewing or
- 16 fermentation are stored or kept;
- 17 (11) "Building containing licensed premises" means the licensed premises themselves
- 18 and includes the land, tract of land, or parking lot in which the premises are
- 19 contained, and any part of any building connected by direct access or by an
- 20 entrance which is under the ownership or control of the licensee by lease holdings
- 21 or ownership;
- 22 (12) "Caterer" means a person operating a food service business that prepares food in a
- 23 licensed and inspected commissary, transports the food and alcoholic beverages to
- 24 the caterer's designated and inspected banquet hall or to an agreed location, and
- 25 serves the food and alcoholic beverages pursuant to an agreement with another
- 26 person;
- 27 (13) "Charitable organization" means a nonprofit entity recognized as exempt from

- 1 federal taxation under section 501(c) of the Internal Revenue Code (26 U.S.C. sec.  
2 501(c)) or any organization having been established and continuously operating  
3 within the Commonwealth of Kentucky for charitable purposes for three (3) years  
4 and which expends at least sixty percent (60%) of its gross revenue exclusively for  
5 religious, educational, literary, civic, fraternal, or patriotic purposes;
- 6 (14) "Cider" means any fermented fruit-based beverage containing seven percent (7%)  
7 or more alcohol by volume and includes hard cider and perry cider;
- 8 (15) "City administrator" means city alcoholic beverage control administrator;
- 9 (16) "Commercial airport" means an airport through which more than five hundred  
10 thousand (500,000) passengers arrive or depart annually;
- 11 (17) (a) "Commercial quadricycle" means a vehicle equipped with a minimum of ten  
12 (10) pairs of fully operative pedals for propulsion by means of human  
13 muscular power and which:
- 14 1. Has four (4) wheels;
  - 15 2. Is operated in a manner similar to that of a bicycle;
  - 16 3. Is equipped with a minimum of thirteen (13) seats for passengers;
  - 17 4. Has a unibody design;
  - 18 5. Is equipped with a minimum of four (4) hydraulically operated brakes;
  - 19 6. Is used for commercial tour purposes;
  - 20 7. Is operated by the vehicle owner or an employee of the owner; and
  - 21 8. Has an electrical assist system that shall only be used when traveling to  
22 or from its storage location while not carrying passengers.
- 23 (b) A "commercial quadricycle" is not a motor vehicle as defined in KRS 186.010  
24 or 189.010;
- 25 (18) "Commissioner" means the commissioner of the Department of Alcoholic Beverage  
26 and Cannabis Control;
- 27 (19) "Consumer" means a person, persons, or business organization who purchases

- 1 alcoholic beverages and who:
- 2 (a) Does not hold a license or permit issued by the department;
- 3 (b) Purchases the alcoholic beverages for personal consumption only and not for  
4 resale;
- 5 (c) Is of lawful drinking age; and
- 6 (d) Receives the alcoholic beverages in territory where the alcoholic beverages  
7 may be lawfully sold or received;
- 8 (20) "Convention center" means any facility which, in its usual and customary business,  
9 provides seating for a minimum of one thousand (1,000) people and offers  
10 convention facilities and related services for seminars, training and educational  
11 purposes, trade association meetings, conventions, or civic and community events  
12 or for plays, theatrical productions, or cultural exhibitions;
- 13 (21) "Convicted" and "conviction" means a finding of guilt resulting from a plea of  
14 guilty, the decision of a court, or the finding of a jury, irrespective of a  
15 pronouncement of judgment or the suspension of the judgment;
- 16 (22) "County administrator" means county alcoholic beverage control administrator;
- 17 (23) "Department" means the Department of Alcoholic Beverage and Cannabis Control;
- 18 (24) "Dining car" means a railroad passenger car that serves meals to consumers on any  
19 railroad or Pullman car company;
- 20 (25) "Discount in the usual course of business" means price reductions, rebates, refunds,  
21 and discounts given by wholesalers to distilled spirits and wine retailers pursuant to  
22 an agreement made at the time of the sale of the merchandise involved and are  
23 considered a part of the sales transaction, constituting reductions in price pursuant  
24 to the terms of the sale, irrespective of whether the quantity discount was:
- 25 (a) Prorated and allowed on each delivery;
- 26 (b) Given in a lump sum after the entire quantity of merchandise purchased had  
27 been delivered; or

- 1 (c) Based on dollar volume or on the quantity of merchandise purchased;
- 2 (26) "Distilled spirits" or "spirits" means any product capable of being consumed by a  
3 human being which contains alcohol in excess of the amount permitted by KRS  
4 Chapter 242 obtained by distilling, mixed with water or other substances in  
5 solution, except wine, hard cider, and malt beverages;
- 6 (27) "Distiller" means any person who is engaged in the business of manufacturing  
7 distilled spirits at any distillery in the state and is registered in the Office of the  
8 Collector of Internal Revenue for the United States at Louisville, Kentucky;
- 9 (28) "Distillery" means any place or premises where distilled spirits are manufactured  
10 for sale, and which are registered in the office of any collector of internal revenue  
11 for the United States. It includes any United States government bonded warehouse;
- 12 (29) "Distributor" means any person who distributes malt beverages for the purpose of  
13 being sold at retail;
- 14 (30) "Dry" means a territory in which a majority of the electorate voted to prohibit all  
15 forms of retail alcohol sales through a local option election held under KRS Chapter  
16 242;
- 17 (31) "Election" means:
- 18 (a) An election held for the purpose of taking the sense of the people as to the  
19 application or discontinuance of alcoholic beverage sales under KRS Chapter  
20 242; or
- 21 (b) Any other election not pertaining to alcohol;
- 22 (32) "Horse racetrack" means a facility licensed to conduct a horse race meeting under  
23 KRS Chapter 230;
- 24 (33) "Hotel" means a hotel, motel, or inn for accommodation of the traveling public,  
25 designed primarily to serve transient patrons;
- 26 (34) "Investigator" means any employee or agent of the department who is regularly  
27 employed and whose primary function is to travel from place to place for the

1 purpose of visiting licensees, and any employee or agent of the department who is  
2 assigned, temporarily or permanently, by the commissioner to duty outside the main  
3 office of the department at Frankfort, in connection with the administration of  
4 alcoholic beverage statutes;

5 (35) "License" means any license issued pursuant to KRS Chapters 241 to 244;

6 (36) "Licensee" means any person to whom a license has been issued, pursuant to KRS  
7 Chapters 241 to 244;

8 (37) "Limited restaurant" means:

9 (a) A facility where the usual and customary business is the preparation and  
10 serving of meals to consumers, which has a bona fide kitchen facility, which  
11 receives at least seventy percent (70%) of its food and alcoholic beverage  
12 receipts from the sale of food, which maintains a minimum seating capacity of  
13 fifty (50) persons for dining, which has no open bar, which requires that  
14 alcoholic beverages be sold in conjunction with the sale of a meal, and which  
15 is located in a wet or moist territory under KRS 242.1244; or

16 (b) A facility where the usual and customary business is the preparation and  
17 serving of meals to consumers, which has a bona fide kitchen facility, which  
18 receives at least seventy percent (70%) of its food and alcoholic beverage  
19 receipts from the sale of food, which maintains a minimum seating capacity of  
20 one hundred (100) persons of dining, and which is located in a wet or moist  
21 territory under KRS 242.1244;

22 (38) "Local administrator" means a city alcoholic beverage administrator, county  
23 alcoholic beverage administrator, or urban-county alcoholic beverage control  
24 administrator;

25 (39) "Malt beverage" means any fermented undistilled alcoholic beverage of any name  
26 or description, manufactured from malt wholly or in part, or from any substitute for  
27 malt, and includes weak cider;



- 1 (40) "Manufacture" means distill, rectify, brew, bottle, and operate a winery;
- 2 (41) "Manufacturer" means a winery, distiller, rectifier, or brewer, and any other person  
3 engaged in the production or bottling of alcoholic beverages;
- 4 (42) "Minor" means any person who is not twenty-one (21) years of age or older;
- 5 (43) "Moist" means a territory in which a majority of the electorate voted to permit  
6 limited alcohol sales by any one (1) or a combination of special limited local option  
7 elections authorized by KRS Chapter 242;
- 8 (44) "Population" means the population figures established by the federal decennial  
9 census for a census year or the current yearly population estimates prepared by the  
10 Kentucky State Data Center, Urban Studies Center of the University of Louisville,  
11 Louisville, Kentucky, for all other years;
- 12 (45) "Premises" means the land and building in and upon which any business regulated  
13 by alcoholic beverage statutes is operated or carried on. "Premises" shall not  
14 include as a single unit two (2) or more separate businesses of one (1) owner on the  
15 same lot or tract of land, in the same or in different buildings if physical and  
16 permanent separation of the premises is maintained, excluding employee access by  
17 keyed entry and emergency exits equipped with crash bars, and each has a separate  
18 public entrance accessible directly from the sidewalk or parking lot. Any licensee  
19 holding an alcoholic beverage license on July 15, 1998, shall not, by reason of this  
20 subsection, be ineligible to continue to hold his or her license or obtain a renewal,  
21 of the license;
- 22 (46) "Primary source of supply" or "supplier" means the distiller, winery, brewer,  
23 producer, owner of the commodity at the time it becomes a marketable product,  
24 bottler, or authorized agent of the brand owner. In the case of imported products,  
25 the primary source of supply means either the foreign producer, owner, bottler, or  
26 agent of the prime importer from, or the exclusive agent in, the United States of the  
27 foreign distiller, producer, bottler, or owner;

- 1 (47) "Private club" means a nonprofit social, fraternal, military, or political organization,  
2 club, or nonprofit or for-profit entity maintaining or operating a club room, club  
3 rooms, or premises from which the general public is excluded;
- 4 (48) "Private selection event" means a private event with a licensed distiller during  
5 which participating consumers, retail licensees, wholesalers, distributors, or a  
6 distillery's own representatives select a single barrel or a blend of barrels of the  
7 distiller's products to be specially packaged for the participants;
- 8 (49) "Private selection package" means a bottle of distilled spirits sourced from the  
9 barrel or barrels selected by participating consumers, retail licensees, wholesalers,  
10 distributors, microbreweries that hold a quota retail drink or quota retail package  
11 license, or a distillery's own representatives during a private selection event;
- 12 (50) "Public nuisance" means a condition that endangers safety or health, is offensive to  
13 the senses, or obstructs the free use of property so as to interfere with the  
14 comfortable enjoyment of life or property by a community or neighborhood or by  
15 any considerable number of persons;
- 16 (51) "Qualified historic site" means:
- 17 (a) A contributing property with dining facilities for at least fifty (50) persons at  
18 tables, booths, or bars where food may be served within a commercial district  
19 listed in the National Register of Historic Places;
- 20 (b) A site that is listed as a National Historic Landmark or in the National  
21 Register of Historic Places with dining facilities for at least fifty (50) persons  
22 at tables, booths, or bars where food may be served;
- 23 (c) A distillery which is listed as a National Historic Landmark and which  
24 conducts souvenir retail package sales under KRS 243.0305; or
- 25 (d) A not-for-profit or nonprofit facility listed on the National Register of Historic  
26 Places;
- 27 (52) "Rectifier" means any person who rectifies, purifies, or refines distilled spirits,

1 malt, or wine by any process other than as provided for on distillery premises, and  
2 every person who, without rectifying, purifying, or refining distilled spirits by  
3 mixing alcoholic beverages with any materials, manufactures any imitations of or  
4 compounds liquors for sale under the name of whiskey, brandy, gin, rum, wine,  
5 spirits, cordials, bitters, or any other name;

6 (53) "Repackaging" means the placing of alcoholic beverages in any retail container  
7 irrespective of the material from which the container is made;

8 (54) "Restaurant" means a facility where the usual and customary business is the  
9 preparation and serving of meals to consumers, that has a bona fide kitchen facility,  
10 and that receives at least fifty percent (50%) of its food and alcoholic beverage  
11 receipts from the sale of food at the premises;

12 (55) "Retail container" means any bottle, can, barrel, or other container which, without a  
13 separable intermediate container, holds alcoholic beverages and is suitable and  
14 destined for sale to a retail outlet, whether it is suitable for delivery or shipment to  
15 the consumer or not;

16 (56) "Retail sale" means any sale of alcoholic beverages to a consumer, including those  
17 transactions taking place in person, electronically, online, by mail, or by telephone;

18 (57) "Retailer" means any licensee who sells and delivers any alcoholic beverage to  
19 consumers, except for manufacturers with limited retail sale privileges and direct  
20 shipper licensees;

21 (58) "Riverboat" means any boat or vessel with a regular place of mooring in this state  
22 that is licensed by the United States Coast Guard to carry one hundred (100) or  
23 more passengers for hire on navigable waters in or adjacent to this state;

24 (59) "Sale" means any transfer, exchange, or barter for consideration, and includes all  
25 sales made by any person, whether principal, proprietor, agent, servant, or  
26 employee, of any alcoholic beverage;

27 (60) "Service bar" means a bar, counter, shelving, or similar structure used for storing or

- 1 stocking supplies of alcoholic beverages that is a workstation where employees  
2 prepare alcoholic beverage drinks to be delivered to customers away from the  
3 service bar;
- 4 (61) "Sell" includes solicit or receive an order for, keep or expose for sale, keep with  
5 intent to sell, and the delivery of any alcoholic beverage;
- 6 (62) "Small farm winery" means a winery whose wine production is not less than two  
7 hundred fifty (250) gallons and not greater than five hundred thousand (500,000)  
8 gallons in a calendar year;
- 9 (63) "Souvenir package" means a special package of distilled spirits available from a  
10 licensed retailer that is:
- 11 (a) Available for retail sale at a licensed Kentucky distillery where the distilled  
12 spirits were produced or bottled; or
- 13 (b) Available for retail sale at a licensed Kentucky distillery but produced or  
14 bottled at another of that distiller's licensed distilleries in Kentucky;
- 15 (64) "State administrator" or "administrator" means the distilled spirits administrator or  
16 the malt beverages administrator, or both, as the context requires;
- 17 (65) "State park" means a state park that has a:
- 18 (a) Nine (9) or eighteen (18) hole golf course; or
- 19 (b) Full-service lodge and dining room;
- 20 (66) "Supplemental bar" means a bar, counter, shelving, or similar structure used for  
21 serving and selling distilled spirits or wine by the drink for consumption on the  
22 licensed premises to guests and patrons from additional locations other than the  
23 main bar;
- 24 (67) "Territory" means a county, city, district, or precinct;
- 25 (68) "Urban-county administrator" means an urban-county alcoholic beverage control  
26 administrator;
- 27 (69) "Valid identification document" means an unexpired, government-issued form of

1 identification that contains the photograph and date of birth of the individual to  
2 whom it is issued;

3 (70) "Vehicle" means any device or animal used to carry, convey, transport, or otherwise  
4 move alcoholic beverages or any products, equipment, or appurtenances used to  
5 manufacture, bottle, or sell these beverages;

6 (71) "Vintage distilled spirit" means:

7 (a) A private selection package; or

8 (b) A package or packages of distilled spirits that:

- 9 1. Are in their original manufacturer's unopened container;
- 10 2. Are not owned by a distillery; and
- 11 3. Are not otherwise available for purchase from a licensed wholesaler  
12 within the Commonwealth;

13 (72) (a) "Vintage distilled spirits seller" means a nonlicensed person at least twenty-  
14 one (21) years of age who is:

- 15 1. An administrator, executor, receiver, or other fiduciary who receives and  
16 sells vintage distilled spirits in execution of the person's fiduciary  
17 capacity;
- 18 2. A creditor who receives or takes possession of vintage distilled spirits as  
19 security for, or in payment of, debt, in whole or in part;
- 20 3. A public officer or court official who levies on vintage distilled spirits  
21 under order or process of any court or magistrate to sell the vintage  
22 distilled spirits in satisfaction of the order or process; or
- 23 4. Any other person not engaged in the business of selling alcoholic  
24 beverages.

25 (b) "Vintage distilled spirits seller" does not mean:

- 26 1. A person selling alcoholic beverages as part of an approved KRS  
27 243.630 transfer; or

1           2.    A person selling alcoholic beverages as authorized by KRS 243.540;

2   (73) "Warehouse" means any place in which alcoholic beverages are housed or stored;

3   (74) "Weak cider" means any fermented fruit-based beverage containing more than one  
4   percent (1%) but less than seven percent (7%) alcohol by volume;

5   (75) "Wet" means a territory in which a majority of the electorate voted to permit all  
6   forms of retail alcohol sales by a local option election under KRS 242.050 or  
7   242.125 on the following question: "Are you in favor of the sale of alcoholic  
8   beverages in (name of territory)?";

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

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

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

20   (79) "Winery" means any place or premises in which wine is manufactured from any  
21   fruit, or brandies are distilled as a by-product of wine or other fruit, or cordials are  
22   compounded, except a place or premises that manufactures wine for sacramental  
23   purposes exclusively.

24       ➔Section 53. KRS 241.015 is amended to read as follows:

25   There is created a Department of Alcoholic Beverage and Cannabis Control, which shall  
26   constitute a statutory administrative department of the state government within the  
27   meaning of KRS Chapter 12. The department consists of the commissioner of alcoholic

1 beverage and cannabis control, ~~and~~ the Alcoholic Beverage Control Board, the  
 2 Division of Medicinal Cannabis, and the Division of Alcohol and Cannabis  
 3 Enforcement. The commissioner shall head the department, shall be its executive officer,  
 4 and shall have charge of the administration of the department and perform all functions of  
 5 the department not specifically assigned to the board or division. The Governor shall  
 6 appoint as commissioner a person with administrative experience in the field of alcoholic  
 7 beverage or cannabis control.

8       ➔Section 54. KRS 241.030 is amended to read as follows:

9 The Alcoholic Beverage Control Board shall consist of the commissioner ~~of alcoholic~~  
 10 ~~beverage control~~ and two (2) persons appointed by the secretary of the Public Protection  
 11 Cabinet with the approval of the Governor, who shall be persons with administrative  
 12 experience in the field of alcoholic beverage or cannabis control. One (1) of these  
 13 persons shall serve as administrator of the Division of Distilled Spirits, and the other shall  
 14 serve as administrator of the Division of Malt Beverages. The commissioner shall be  
 15 chairman of the board.

16       ➔Section 55. KRS 243.025 is amended to read as follows:

17 (1) All of the fees paid into the State Treasury for state licenses shall be credited to a  
 18 revolving trust and agency account, as provided in KRS 45.253, for the Department  
 19 of Alcoholic Beverage and Cannabis Control.

20 (2) All fees associated with the department's server training program shall be collected  
 21 on a cost recovery basis and shall be credited to the revolving trust and agency  
 22 account established under subsection (1) of this section.

23 (3) These moneys shall be used solely for the administration and enforcement of KRS  
 24 Chapters 241 to 244. The moneys in the account shall not lapse at the close of the  
 25 fiscal year.

26       ➔Section 56. KRS 243.0307 is amended to read as follows:

27 (1) A sampling license may be issued to the holder of:

- 1 (a) A quota retail drink license;
- 2 (b) A quota retail package license;
- 3 (c) A nonquota retail malt beverage package license;
- 4 (d) An NQ1 license;
- 5 (e) An NQ2 license;
- 6 (f) An NQ4 retail malt beverage drink license; or
- 7 (g) A distiller's license.
- 8 (2) A sampling license shall authorize the licensee to allow customers to sample, free
- 9 of charge, distilled spirits, wine, and malt beverages under the following conditions:
- 10 (a) Sampling shall be permitted only on licensed premises and by licensees
- 11 holding a sampling license, during regular business hours;
- 12 (b) A distillery shall provide samples as authorized by KRS 243.0305;
- 13 (c) All other licensees shall limit a customer to:
- 14 1. One (1) ounce of distilled spirits samples per day;
- 15 2. Six (6) ounces of wine samples per day; or
- 16 3. Twelve (12) ounces of malt beverage samples per day; and
- 17 (d) A brewer, microbrewery, or out-of-state malt beverage supplier may conduct
- 18 a sampling of malt beverages as permitted by this section at the licensed
- 19 premises of a retailer licensee holding a sampling license.
- 20 (3) Retailers holding a sampling license shall:
- 21 (a) Notify the Department of Alcoholic Beverage and Cannabis Control at least
- 22 seven (7) days in advance of conducting a free sampling event; and
- 23 (b) Limit a sampling event to a period not to exceed four (4) consecutive hours
- 24 between 12 noon and 8 p.m.
- 25 (4) In addition to free sampling, a quota retail package licensee holding a sampling
- 26 license may also sell sample distilled spirits and wine under the following
- 27 conditions:



- 1 (a) Paid samples may be sold only on licensed premises and by licensees holding  
2 a sampling license, during regular business hours; and
- 3 (b) A licensee shall limit a customer to purchased samples totaling no more than:  
4 1. Two (2) ounces of distilled spirits per day; and  
5 2. Nine (9) ounces of wine per day.
- 6 (5) A quota retail package licensee holding both a sampling license and a nonquota  
7 retail malt beverage package license may also sell samples of malt beverages under  
8 the following conditions:
- 9 (a) Paid samples may be sold only on licensed premises and by licensees holding  
10 a sampling license, during regular business hours;
- 11 (b) A licensee shall limit a customer to no more than sixteen (16) ounces of malt  
12 beverages per day; and
- 13 (c) The retail price of a sample shall not be less than a licensee's purchase cost of  
14 the sample.
- 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) Free and paid samples provided under this section shall not constitute drink sales.
- 20 ➔Section 57. KRS 243.038 is amended to read as follows:
- 21 (1) The Department of Alcoholic Beverage and Cannabis Control shall not issue a  
22 license to an applicant authorized to apply for a license to sell alcoholic beverages  
23 by the drink under KRS 243.039 unless the applicant and the golf course, if  
24 different from the applicant, agree to voluntarily comply with the provisions of  
25 KRS Chapter 344, whether or not the applicant and the golf course would otherwise  
26 be covered by the provisions of KRS Chapter 344.
- 27 (2) The department shall revoke or suspend any license issued under KRS 243.039 if

1 the department or the Kentucky Commission on Human Rights makes a finding that  
2 the applicant or the golf course, if different from the applicant, has violated a  
3 requirement specified in this section.

4 ➔Section 58. KRS 243.090 is amended to read as follows:

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

12 (2) (a) Except for licenses listed in paragraph (b) of this subsection, all licenses  
13 issued after January 1, 2017, by a local administrator shall be valid for a  
14 period of no more than a year and shall be renewable upon the date  
15 established by the department for the expiration of state licenses issued for  
16 premises located in that county or city. During the first year following July  
17 15, 2016, if the new date for renewal for the licensee does not occur on the  
18 date established by the department for the expiration of the licensee's state  
19 license, the local administrator shall either:

- 20 1. Prorate the cost of the renewed license by proportionally reducing the  
21 cost of the renewed license if the new date for the renewal occurs prior  
22 to the expiration of a previous license; or
- 23 2. Provide a prorated provisional local license to cover any period of time  
24 between the expiration of the previous license and the new date for  
25 renewal if the new date for renewal occurs after the expiration of the  
26 licensee's previous license.

27 (b) Paragraph (a) of this subsection shall not apply to licenses issued by a

1 consolidated local government, special event licenses, temporary licenses, or  
2 licenses listed in subsection (5) of this section.

3 (3) When any person applies for a new license authorized under KRS Chapters 241 to  
4 244, the person shall be charged, if the license is issued, the full fee for the  
5 respective license if six (6) months or more remain before the license is due to be  
6 renewed and one-half (1/2) the fee if less than six (6) months remain before the  
7 license is due to be renewed. No abatement of license fees shall be permitted to any  
8 person who held a license of the same kind for the same premises in the preceding  
9 license period and who was actually doing business under the license during the last  
10 month of the preceding license period.

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

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

16 (6) The department may deny license renewal if the licensee is a delinquent taxpayer as  
17 defined in KRS 131.1815.

18 ➔Section 59. KRS 243.360 is amended to read as follows:

19 (1) All persons shall, before applying for a license, advertise by publication their  
20 intention to apply for a license in the newspaper for legal notices under KRS  
21 424.120 for the county or city whose local administrator has local jurisdiction over  
22 the proposed premises. This requirement shall not apply to an applicant for the  
23 same license for the same premises, or an applicant for any of the following  
24 licenses:

- 25 (a) Out-of-state malt beverage supplier's license;
- 26 (b) Limited out-of-state malt beverage supplier's license;
- 27 (c) Out-of-state distilled spirits and wine supplier's license;

- 1 (d) Limited out-of-state distilled spirits and wine supplier's license;
- 2 (e) Supplemental bar license;
- 3 (f) Extended hours supplemental license;
- 4 (g) Special agent or solicitor's license;
- 5 (h) Special nonbeverage alcohol license;
- 6 (i) Transporter's license;
- 7 (j) Special Sunday drink license;
- 8 (k) Hotel in-room license;
- 9 (l) Sampling license;
- 10 (m) Direct shipper license; or
- 11 (n) Special temporary drink license.
- 12 (2) The notice shall contain the following information:
- 13 (a) The notice shall state: the name and address of the applicant and the name and
- 14 address of each principal owner, partner, member, officer, and director if the
- 15 applicant is a partnership, limited partnership, limited liability company,
- 16 corporation, governmental agency, or other business entity recognized by law;
- 17 (b) The notice shall specifically state the location of the premises for which the
- 18 license is sought, the type of business, and the type of license being requested;
- 19 and
- 20 (c) The notice shall state the date the application will be filed and shall contain
- 21 the following statement: "Any person may protest the approval of the license
- 22 by writing the Department of Alcoholic Beverage and Cannabis Control
- 23 within thirty (30) days of the date of legal publication."
- 24 (3) Any protest received after the thirty (30) day period has expired shall not be
- 25 considered a valid legal protest by the board.
- 26 (4) Substantial compliance with the information listed in subsection (2) of this section
- 27 shall be sufficient to comply with this section.

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

- 2       (1) No person shall sell or cause to be sold any tobacco product, alternative nicotine  
3       product, or vapor product at retail to any person under the age of twenty-one (21),  
4       or solicit any person under the age of twenty-one (21) to purchase any tobacco  
5       product, alternative nicotine product, or vapor product at retail.
- 6       (2) Any person who sells tobacco products, alternative nicotine products, or vapor  
7       products at retail shall cause to be posted in a conspicuous place in his or her  
8       establishment a notice stating that it is illegal to sell tobacco products, alternative  
9       nicotine products, or vapor products to persons under age twenty-one (21).
- 10      (3) Any person selling tobacco products, alternative nicotine products, or vapor  
11      products shall require proof of age from a prospective buyer or recipient if the  
12      person has reason to believe that the prospective buyer or recipient is under the age  
13      of twenty-one (21).
- 14      (4) A person who violates subsection (1) or (2) of this section shall be subject to a fine  
15      of not less than one hundred dollars (\$100) nor more than five hundred dollars  
16      (\$500) for a first violation and a fine of not less than five hundred dollars (\$500)  
17      nor more than one thousand dollars (\$1,000) for any subsequent violation. The fine  
18      shall be administered by the Department of Alcoholic Beverage and Cannabis  
19      Control using a civil enforcement procedure.

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

- 21      (1) Except for the provisions of KRS 438.330, it shall be unlawful for a person who has  
22      not attained the age of twenty-one (21) years to purchase or accept receipt of or to  
23      attempt to purchase or accept receipt of a tobacco product, alternative nicotine  
24      product, or vapor product, or to present or offer to any person any purported proof  
25      of age which is false, fraudulent, or not actually his or her own, for the purpose of  
26      purchasing or receiving any tobacco product, alternative nicotine product, or vapor  
27      product. It shall not be unlawful for such a person to accept receipt of a tobacco

1 product, alternative nicotine product, or vapor product from an employer when  
2 required in the performance of the person's duties.

3 (2) All peace officers with general law enforcement authority and employees of the  
4 Department of Alcoholic Beverage and Cannabis Control may confiscate the  
5 tobacco product, alternative nicotine product, or vapor product of a person under  
6 the age of twenty-one (21) who has violated this section. Notwithstanding any  
7 provision of law to the contrary, no other penalty shall apply to a person under the  
8 age of twenty-one (21) for a violation of this section.

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

10 (1) No wholesaler, retailer, or manufacturer of cigarettes, tobacco products, alternative  
11 nicotine products, or vapor products may distribute cigarettes, tobacco products,  
12 alternative nicotine products, or vapor products, including samples thereof, free of  
13 charge or otherwise, to any person under the age of twenty-one (21).

14 (2) Any person who distributes cigarettes, tobacco products, alternative nicotine  
15 products, or vapor products, including samples thereof, free of charge or otherwise  
16 shall require proof of age from a prospective buyer or recipient if the person has  
17 reason to believe that the prospective purchaser or recipient is under the age of  
18 twenty-one (21).

19 (3) Any person who violates the provisions of this section shall be fined not less than  
20 one thousand dollars (\$1,000) nor more than two thousand five hundred dollars  
21 (\$2,500) for each offense. The fine shall be administered by the Department of  
22 Alcoholic Beverage and Cannabis Control using a civil enforcement procedure for  
23 persons eighteen (18) years of age or older.

24 (4) All peace officers with general law enforcement authority and employees of the  
25 Department of Alcoholic Beverage and Cannabis Control may issue a uniform  
26 citation, but may not make an arrest, or take a child into custody, for a violation of  
27 this section.

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

- 2       (1) The sale of tobacco products, alternative nicotine products, or vapor products  
3           dispensed through a vending machine is prohibited to any person under the age of  
4           twenty-one (21) years.
- 5       (2) The purchase of tobacco products, alternative nicotine products, or vapor products  
6           dispensed through a vending machine is prohibited to any person under the age of  
7           twenty-one (21) years.
- 8       (3) Except for vending machines located in factories or vending machines located in  
9           bars or taverns to which minors are not permitted access, any vending machine  
10           from which tobacco products, alternative nicotine products, or vapor products are  
11           dispensed shall be located in the line of sight of the cashier for the retail  
12           establishment.
- 13       (4) Any owner of a retail establishment violating this section shall be subject to a fine  
14           of not less than one hundred dollars (\$100) nor more than five hundred dollars  
15           (\$500) for each violation. The fine shall be administered by the Department of  
16           Alcoholic Beverage and Cannabis Control using a civil enforcement procedure for  
17           persons eighteen (18) years of age or older.
- 18       (5) All peace officers with general law enforcement authority and employees of the  
19           Department of Alcoholic Beverage and Cannabis Control may issue a uniform  
20           citation, but may not make an arrest, or take a child into custody, for a violation of  
21           this section.

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

- 23       (1) No person shall sell or cause to be sold at retail cigarettes packaged in units of  
24           fewer than twenty (20) cigarettes.
- 25       (2) No resident wholesaler, nonresident wholesaler, or subjobber shall make available  
26           to a retail establishment cigarettes packaged for retail sale in units of less than  
27           twenty (20) cigarettes.

1 (3) Any person violating subsection (1) of this section shall be subject to a fine of not  
2 less than one hundred dollars (\$100) nor more than five hundred dollars (\$500).  
3 Any person violating subsection (2) of this section shall be fined not less than one  
4 thousand dollars (\$1,000) nor more than two thousand five hundred dollars  
5 (\$2,500). These penalties shall be enforced by the Department of Alcoholic  
6 Beverage and Cannabis Control through civil enforcement procedures.

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

8 Each resident wholesaler, nonresident wholesaler, or subjobber making tobacco products  
9 available to a retail establishment for sale or distribution shall report the name and  
10 address of the owner of the retail establishment to the Department of Alcoholic Beverage  
11 and Cannabis Control in a manner specified by administrative regulations promulgated  
12 pursuant to KRS Chapter 13A.

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

14 (1) Each owner of a retail establishment selling or distributing tobacco products,  
15 alternative nicotine products, or vapor products shall notify each individual  
16 employed in the retail establishment as a retail sales clerk that the sale of tobacco  
17 products, alternative nicotine products, or vapor products to any person under the  
18 age of twenty-one (21) years and the purchase of tobacco products, alternative  
19 nicotine products, or vapor products by any person under the age of twenty-one (21)  
20 years are prohibited.

21 (2) Each owner of a retail establishment selling or distributing tobacco products,  
22 alternative nicotine products, or vapor products shall notify each individual  
23 employed in the retail establishment as a retail sales clerk that proof of age is  
24 required from a prospective buyer or recipient if the person has reason to believe  
25 that the prospective purchaser or recipient is under the age of twenty-one (21).

26 (3) The notice to employees that is required in subsection (1) of this section shall be  
27 provided before the person commences work as a retail sales clerk, or, in the case of



1 a person employed as a retail sales clerk on March 26, 2020, within thirty (30) days  
2 of that date. The employee shall signify receipt of the notice required by this section  
3 by signing a form that states as follows:

4 "I understand that under the law of the Commonwealth of Kentucky it is illegal to  
5 sell or distribute tobacco products, alternative nicotine products, or vapor products  
6 to persons under the age of twenty-one (21) years and that it is illegal for persons  
7 under the age of twenty-one (21) years to purchase tobacco products, alternative  
8 nicotine products, or vapor products."

9 (4) The owner of the retail establishment shall maintain the signed notice that is  
10 required pursuant to subsection (3) of this section in a place and in a manner so as  
11 to be easily accessible to any employee of the Department of Alcoholic Beverage  
12 and Cannabis Control or the Department of Agriculture conducting an inspection  
13 of the retail establishment for the purpose of monitoring compliance in limiting the  
14 sale or distribution of tobacco products, alternative nicotine products, or vapor  
15 products to persons under the age of twenty-one (21) as provided in KRS 438.305  
16 to 438.340.

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

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

23 (1) The Department of Alcoholic Beverage and Cannabis Control and the Department  
24 of Agriculture shall carry out annually conducted random, unannounced inspections  
25 of retail establishments where tobacco products, alternative nicotine products, or  
26 vapor products are sold or distributed for the purpose of enforcing the provisions of  
27 KRS 438.305 to 438.340. The inspections shall be conducted to the extent

1 necessary to assure that the Commonwealth remains in compliance with Public Law  
2 102-321 and applicable federal regulations. The Department of Alcoholic Beverage  
3 and Cannabis Control and the Department of Agriculture shall also ensure that  
4 targeted inspections are conducted at those retail establishments where, and at those  
5 times when, persons under the age of twenty-one (21) years are most likely to  
6 purchase tobacco products, alternative nicotine products, or vapor products. Persons  
7 under the age of twenty-one (21) years may be used to test compliance with the  
8 provisions of KRS 438.305 to 438.340 only if the testing is conducted under the  
9 direct supervision of the Department of Alcoholic Beverage and Cannabis Control,  
10 sheriff, or chief of police, or their employees, and written parental consent has been  
11 obtained. The Department of Alcoholic Beverage and Cannabis Control shall  
12 prepare annually, for submission by the Governor to the Secretary of the United  
13 States Department of Health and Human Services, the report required by Section  
14 1926 of Subpart 1 of Part B of Title XIX of the Federal Public Health Service Act.

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

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

19 (1) The Department of Alcoholic Beverage and Cannabis Control shall carry out the  
20 enforcement provisions of KRS 438.305 to 438.340.

21 (2) The Department of Alcoholic Beverage and Cannabis Control shall be entitled to  
22 the revenue produced by one-twentieth of one cent (\$0.0005) of the three-cent  
23 (\$0.03) per pack revenue collected by the Finance and Administration Cabinet from  
24 the state excise tax on the sale of cigarettes as imposed by KRS 138.140 to be  
25 deposited in a trust and agency account created in the State Treasury, and to keep  
26 fifty percent (50%) of any fines collected under KRS 438.305 to 438.340 to offset  
27 the costs of enforcement of KRS 438.305 to 438.340.

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

4 (4) The Department of Alcoholic Beverage and Cannabis Control shall devise a plan  
5 and time frame for enforcement to determine by random inspection if the  
6 percentage of retailers or distributors making illegal sales to persons under the age  
7 of twenty-one (21) does or does not exceed federal guidelines preventing tobacco  
8 sales to persons under the age of twenty-one (21).

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

10 The Department of Alcoholic Beverage and Cannabis Control and the Department of  
11 Agriculture are authorized to promulgate administrative regulations pursuant to KRS  
12 Chapter 13A as necessary to implement and carry out the provisions of KRS 438.305 to  
13 438.340.

14 ➔Section 70. KRS 241.020 is amended to read as follows:

15 (1) The department shall administer statutes relating to, and regulate traffic in,  
16 alcoholic beverages, except that the collection of taxes shall be administered by the  
17 Department of Revenue. The department is charged with the implementation,  
18 operation, oversight, and regulation of the medicinal cannabis program  
19 established in Sections 1 to 30 of this Act. The department may issue advisory  
20 opinions and declaratory rulings related to KRS Chapters 241 to 244 and the  
21 administrative regulations promulgated under those chapters.

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

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

26 (4) A Division of Medicinal Cannabis shall consist of a director and the necessary  
27 staff to fill its statewide regulatory responsibilities under Sections 1 to 30 of this

1        Act.

2        (5) A Division of Alcohol and Cannabis Enforcement shall be headed by a director,  
3        who shall be responsible for the detection, investigation, and enforcement of  
4        infractions of administrative regulations and laws associated with Sections 1 to  
5        30 of this Act.

6        ➔Section 71. There is hereby appropriated to the Department of Alcoholic  
7        Beverage and Cannabis Control Restricted Funds in the amount of \$1,500,000 in fiscal  
8        year 2022-2023 for the creation of the Division of Medicinal Cannabis and the Division  
9        of Alcoholic Beverage and Cannabis Enforcement and for the initial development and  
10       operation of the state's medicinal cannabis program.

11       ➔Section 72. Section 2, Sections 4 to 8, Section 11, Sections 13 to 15, Sections  
12       18 to 25, Section 30, and Sections 33 to 40 of this Act take effect July 1, 2024.