

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 the 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 therapeutic and*
11 *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 a cultivator, dispensary, processor, producer, or a*
19 *safety compliance facility licensed under this chapter;*

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 registry*
27 *identification card, or its equivalent, that was issued pursuant to the laws of*

1 another state, district, territory, commonwealth, or insular possession of the
2 United States that allows the person to use cannabis for medicinal purposes
3 in the jurisdiction of issuance;

4 (5) "Cultivator" means an entity licensed under this chapter that cultivates, harvests,
5 and delivers raw plant material to another cultivator, dispensary, processor,
6 producer, or safety compliance facility;

7 (6) "Cultivator agent" means a principal officer, board member, employee,
8 volunteer, or agent of a cultivator;

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

11 (8) "Designated caregiver" means a person who has registered as such with the
12 department as required by this chapter;

13 (9) "Dispensary" means an entity licensed under this chapter that acquires,
14 possesses, delivers, transfers, transports, sells, supplies, or dispenses medicinal
15 cannabis to cardholders;

16 (10) "Dispensary agent" means a principal officer, board member, employee,
17 volunteer, or agent of a dispensary;

18 (11) "Disqualifying felony offense" means:

19 (a) A felony offense that would classify the person as a violent offender under
20 KRS 439.3401; or

21 (b) A violation of a state or federal controlled substance law that was classified
22 as a felony in the jurisdiction where the person was convicted, except:

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

26 2. An offense that consisted of conduct for which Sections 1 to 30 of this
27 Act would likely have prevented a conviction, but the conduct either

1 occurred prior to the enactment of Sections 1 to 30 of this Act or was
2 prosecuted by an authority other than the Commonwealth of
3 Kentucky;

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

9 (13) "Gross receipts" means all amounts received in money, credits, property, or other
10 money's worth in any form, by a cannabis business;

11 (14) "Growth area" means the same as an enclosed, locked facility;

12 (15) "Marijuana" has the same meaning as in KRS 218A.010;

13 (16) "Medicinal cannabis" means marijuana as defined in KRS 218A.010 when
14 cultivated, harvested, processed, produced, transported, dispensed, distributed,
15 sold, possessed, or used in accordance with Sections 1 to 30 of this Act. The term
16 "medicinal cannabis" includes medicinal cannabis products and raw plant
17 material;

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

22 (18) "Medicinal cannabis product" means any compound, manufacture, salt,
23 derivative, mixture, or preparation of any part of the plant Cannabis sp., its seeds
24 or its resin; or any compound, mixture, or preparation which contains any
25 quantity of these substances when cultivated, harvested, processed, produced,
26 transported, dispensed, distributed, sold, possessed, or used in accordance with
27 Sections 1 to 30 of this Act;

- 1 (19) "Minor" means a person less than eighteen (18) years of age;
- 2 (20) "Pharmacist" means the same as in KRS 315.010;
- 3 (21) "Practitioner" means a physician or an advanced practice registered nurse who
4 is authorized to prescribe controlled substances under KRS 314.042, who is
5 authorized by a state licensing board to provide written certifications pursuant to
6 Section 9 of this Act;
- 7 (22) "Processor" means an entity licensed under this chapter that acquires raw plant
8 material from a cultivator in order to prepare, trim, manipulate, blend,
9 manufacture, or otherwise modify the raw plant material, and package products
10 containing or derived from the raw plant material for sale to a licensed
11 dispensary;
- 12 (23) "Processor agent" means a principal officer, board member, employee,
13 volunteer, or agent of a processor;
- 14 (24) "Producer" means an entity licensed under this chapter that is permitted to
15 operate as and engage in the permitted activities of both a cultivator and
16 processor;
- 17 (25) "Producer agent" means a principal officer, board member, employee, volunteer,
18 or agent of a producer;
- 19 (26) "Qualified patient" means a person who has obtained a written certification from
20 a practitioner with whom he or she has a bona fide practitioner-patient
21 relationship;
- 22 (27) "Raw plant material" means the trichome-covered part of the female plant
23 Cannabis sp. or any mixture of shredded leaves, stems, seeds, and flowers of the
24 Cannabis sp. plant;
- 25 (28) "Registered qualified patient" means a qualified patient who has applied for,
26 obtained, and possesses a valid registry identification card or provisional
27 licensure receipt issued by the department;

- 1 (29) "Registry identification card" means a document issued by the department that
2 identifies a person as a qualified patient, visiting qualified patient, or designated
3 caregiver;
- 4 (30) "Safety compliance facility" means an entity licensed under this chapter that
5 provides at least one (1) of the following services:
6 (a) Testing medicinal cannabis produced by a cannabis business licensed under
7 this chapter; or
8 (b) Training cardholders and cannabis business agents;
- 9 (31) "Safety compliance facility agent" means a principal officer, board member,
10 employee, volunteer, or agent of a safety compliance facility;
- 11 (32) "Seedling" means a cannabis plant that has no flowers and is taller than eight
12 (8) inches;
- 13 (33) "Smoking" means the inhalation of smoke produced from the combustion of raw
14 plant material when ignited by a flame;
- 15 (34) "State licensing board" means any of the following:
16 (a) The Kentucky Board of Medical Licensure; and
17 (b) The Kentucky Board of Nursing;
- 18 (35) "Use of medicinal cannabis" or "medicinal use of cannabis" includes the
19 acquisition, administration, possession, transfer, transportation, or consumption
20 of medicinal cannabis or medicinal cannabis accessories by a cardholder in
21 accordance with Sections 1 to 30 of this Act. The terms "use of medicinal
22 cannabis" and "medicinal use of cannabis" do not include:
23 (a) Cultivation of marijuana by a cardholder; or
24 (b) The use or consumption of marijuana by smoking;
- 25 (36) "Visiting qualified patient" means a person who has registered as such through
26 the department as required under this chapter or who possesses a valid registry
27 identification card, or an equivalent document, that was issued pursuant to the

1 laws of another state, district, territory, commonwealth, or insular possession of
 2 the United States that allows the person to use medicinal cannabis in the
 3 jurisdiction of issuance; and

4 (37) "Written certification" means a document dated and signed by a practitioner,
 5 that:

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

9 (b) Specifies the medical condition or conditions for which the practitioner
 10 believes that the patient may receive therapeutic or palliative benefit; and

11 (c) Affirms that the practitioner has a bona fide practitioner-patient
 12 relationship with the patient.

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

15 Notwithstanding any provisions to the contrary:

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

19 (2) A registered qualified patient or visiting qualified patient shall not be considered
 20 to be under the influence of cannabis solely because of the presence of
 21 metabolites or components of cannabis that appear in insufficient concentration
 22 to cause impairment;

23 (3) The acquisition, blending, cultivation, delivery, distribution, manufacturing,
 24 manipulation, packaging for sale, preparation, possession, sale, testing,
 25 transportation, or transfer of medicinal cannabis or medicinal cannabis
 26 accessories by a cannabis business or cannabis business agent shall be
 27 considered lawful if done in accordance with Sections 1 to 30 of this Act and any

1 administrative regulations promulgated thereunder;

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

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

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

22 (7) No person shall be subject to arrest, prosecution, or penalty in any manner, or
23 denied any right or privilege, including but not limited to a civil penalty or
24 disciplinary action by an occupational or professional licensing board, for
25 providing assistance or services, including but not limited to accounting services,
26 security services, or business consulting services, to any individual or cannabis
27 business related to activity that is no longer subject to criminal penalties under

1 state law pursuant to Sections 1 to 30 of this Act.

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

4 (1) The Department of Alcoholic Beverage and Cannabis Control is hereby charged
5 with the implementation, operation, oversight, and regulation of the medicinal
6 cannabis program established in Sections 1 to 30 of this Act, and there is hereby
7 created within the department a Division of Medicinal Cannabis. The Division of
8 Medicinal Cannabis shall consist of a director and the necessary staff to fulfill its
9 statewide regulatory responsibilities.

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

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

18 (b) The board shall consist of:

19 1. Seven (7) physicians or surgeons who are knowledgeable about the
20 medicinal use of cannabis and certified by the appropriate board in
21 one (1) of the following specialties:

22 a. Addiction medicine;

23 b. Anesthesiology;

24 c. Gastroenterology;

25 d. Obstetrics and gynecology;

26 e. Ophthalmology;

27 f. Optometry;

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- g. Infectious disease;
- h. Neurology;
- i. Oncology;
- j. Pain management;
- k. Pain medicine;
- l. Pediatrics;
- m. Physical Medicine and Rehabilitation; or
- n. Psychiatry;

- 2. One (1) advanced practice registered nurse who is authorized to prescribe controlled substances under KRS 314.042;
- 3. One (1) pharmacist licensed by the Kentucky Board of Pharmacy; and
- 3. Four (4) patient advocates.

(c) The commissioner of the department shall appoint members to the board. Seven (7) of the members first appointed shall serve for a term of three (3) years, and six (6) of the members first appointed shall serve for a term of four (4) years. Thereafter, members of the board shall serve for a term of four (4) years and shall be eligible for reappointment. A member of the board whose term has expired may continue to serve until a successor has been appointed. The commissioner and the director of the Division of Medicinal Cannabis shall serve as nonvoting ex officio members of the board. The commissioner shall select a chairperson from among the physicians and surgeons appointed to the board.

(d) The board shall:

- 1. Review and recommend to the department protocols for determining the amount of medicinal cannabis that shall constitute daily supply, an uninterrupted ten (10) day supply, and an uninterrupted thirty (30) day supply, as well as the amount of raw plant material that medicinal

- 1 cannabis products are considered equivalent to;
- 2 2. Review and recommend to the department protocols, evolving
- 3 continuous quality improvement metrics, and minimal performance
- 4 standards for the biennial accreditation process of licensed cannabis
- 5 businesses;
- 6 3. Review relevant scientific data related to the delta-9
- 7 tetrahydrocannabinol content limits established in subsection (2)(b) of
- 8 Section 19 of this Act and make recommendations to the General
- 9 Assembly regarding revisions to the limits as the board deems
- 10 appropriate;
- 11 4. Review relevant scientific data related to the various methods of use
- 12 and consumption of medicinal cannabis and make recommendations
- 13 to the General Assembly to approve or restrict certain methods as the
- 14 board deems appropriate; and
- 15 5. Perform other duties related to the medicinal use of cannabis upon
- 16 request by the commissioner of the department or the director of the
- 17 Division of Medicinal Cannabis.
- 18 (4) No later than December 1 of each year beginning in 2022, the department, in
- 19 consultation with the University of Kentucky, College of Medicine shall submit
- 20 an annual report to the Legislative Research Commission. The report submitted
- 21 by the department shall, at a minimum, include:
- 22 (a) The number of applications and renewals received by the department for
- 23 registry identification cards for registered qualified patients, visiting
- 24 qualified patients, and designated caregivers, individually and collectively;
- 25 (b) The number of applications and renewals for registry identification cards
- 26 that were approved and denied by the department;
- 27 (c) The number of registry identification cards revoked by the department for

- 1 misconduct and the nature of the misconduct;
- 2 (d) The number of practitioners authorized to provide written certifications;
- 3 (e) The number of pharmacists authorized to provide consultation to
- 4 cardholders;
- 5 (f) The nature of the medical conditions for which practitioners have provided
- 6 written certifications;
- 7 (g) The number of applications and renewals received by the department for
- 8 cannabis business licenses; the number of cannabis business licenses issued
- 9 for each business type and tier; and the number of cannabis business
- 10 license applications and renewals that were denied by the department;
- 11 (h) The number of cannabis business agents employed by each type of cannabis
- 12 business;
- 13 (i) An assessment of:
- 14 1. The ability of cardholders in all areas of the state to obtain timely
- 15 affordable access to medicinal cannabis;
- 16 2. The evolving continuous quality improvement metrics and minimal
- 17 performance standards for the biennial accreditation process of
- 18 licensed cannabis businesses;
- 19 3. The effectiveness of the cultivators, processors, and producers licensed
- 20 under this chapter, individually and collectively, in serving the needs
- 21 of processors, dispensaries, and cardholders, the reasonableness of
- 22 their fees, whether they are generating any complaints or security
- 23 problems, and the sufficiency of the number operating to serve
- 24 processors, dispensaries, and cardholders in the Commonwealth;
- 25 4. The effectiveness of the dispensaries licensed under this chapter,
- 26 individually and collectively, in serving the needs of cardholders,
- 27 including the provision of educational and support services, the

- 1 reasonableness of their fees, whether they are generating any
2 complaints or security problems, and the sufficiency of the number
3 operating to serve cardholders in the Commonwealth; and
4 5. The effectiveness of the licensed safety compliance facilities licensed
5 under this chapter, individually and collectively, in serving the needs
6 of other cannabis businesses, including the provision of testing and
7 training services, the reasonableness of their fees, whether they are
8 generating any complaints or security problems, and the sufficiency of
9 the number operating to serve other cannabis businesses and
10 cardholders in the Commonwealth;
11 (j) The profits and expenditures by cannabis businesses, individually and
12 collectively;
13 (k) The amount of medicinal cannabis sold per month in the Commonwealth;
14 (l) The total amount of revenue generated from cannabis business licensure
15 and cardholder fees for each calendar year and aggregated by prior years;
16 (m) The total amount of revenue generated by the excise tax established in
17 Section 33 of this Act;
18 (n) The total cost of enforcement for the medicinal cannabis program at the
19 time of the report, by city, county, and overall;
20 (o) The sufficiency of the regulatory and security safeguards contained in
21 Sections 1 to 30 of this Act and adopted by the department through
22 administrative regulations to ensure that access to and use of medicinal
23 cannabis cultivated and processed in this state is provided only to
24 cardholders;
25 (p) Any recommended additions or revisions to Sections 1 to 30 of this Act or
26 administrative regulations promulgated thereunder, including those
27 relating to security, safe handling, labeling, and nomenclature;

1 (q) The results of any scientific research studies regarding the health effects of
2 cannabis; and

3 (r) Any other data requested by the Legislative Research Commission relating
4 to the medicinal cannabis program and Sections 1 to 30 of this Act.

5 (5) The department shall provide the University of Kentucky, College of Medicine
6 with all information necessary to allow collaboration with the department on the
7 preparation of this report. The University of Kentucky, College of Medicine may
8 also produce its own report regarding the medicinal cannabis program
9 established in Sections 1 to 30 of this Act which, if produced, shall be submitted
10 to the Legislative Research Commission upon completion.

11 (6) The information contained in the report described in subsection (4) of this section
12 shall be presented in a manner that does not disclose any identifying information
13 about cardholders or licensed cannabis businesses.

14 (7) Nothing in Sections 1 to 30 of this Act shall require the department to assume
15 duties in relation to the medicinal cannabis program that are more than
16 administrative in nature if federal law or a current and clear directive from the
17 federal government indicates that duties assumed by the department that are
18 more than administrative could result in federal prosecution or invalidation of
19 the medicinal cannabis program established in Sections 1 to 30 of this Act.

20 (8) If the department makes a determination that it is required by Sections 1 to 30 of
21 this Act to conduct duties that are more than administrative in nature, then it
22 shall continue to conduct duties that are administrative in nature and designate
23 or enter into a contract with a qualified nongovernmental entity to conduct any
24 duties required by Sections 1 to 30 of this Act that are more than administrative
25 in nature. The department may reimburse the state for any costs involved in
26 working with outside consultants to implement the program.

27 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 218A IS CREATED TO

1 READ AS FOLLOWS:

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

1 uninterrupted ten (10) day supply on his or her person.

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

5 (a) Assisting a registered qualified patient to whom the designated caregiver is
6 connected through the department's registration process with the use of
7 medicinal cannabis if the designated caregiver does not possess more than:

8 1. An amount of medicinal cannabis determined by the department to
9 constitute an uninterrupted thirty (30) day supply at his or her
10 residence for each registered qualified patient to whom the caregiver
11 is connected through the department's registration process;

12 2. An amount of medicinal cannabis in excess of a thirty (30) day supply
13 at his or her residence for each registered qualified patient to whom
14 the caregiver is connected through the department's registration
15 process, in accordance with administrative regulations promulgated
16 pursuant to Section 28(1)(c)6. of this Act; or

17 3. An amount of medicinal cannabis determined by the department to
18 constitute an uninterrupted ten (10) day supply on his or her person
19 for each registered qualified patient to whom the caregiver is
20 connected through the department's registration process, except that
21 an amount greater than a ten (10) day supply may be transported by a
22 designated caregiver from a dispensary to his or her residence if the
23 medicinal cannabis is contained in a sealed package that requires at
24 least a two (2) step process for initial opening; or

25 (b) Receiving compensation for reasonable costs associated with assisting a
26 registered qualified patient in the use of medicinal cannabis if the
27 designated caregiver is connected to the registered qualified patient through

1 the department's registration process.

2 (5) (a) All medicinal cannabis possessed by a cardholder in accordance with
3 subsections (1), (3), and (4) of this section shall be kept in the original
4 container in which the cardholder received the medicinal cannabis from a
5 dispensary.

6 (b) An individual who violates paragraph (a) of this subsection may be a fined
7 up to one hundred dollars (\$100) per violation.

8 (6) Notwithstanding subsections (1), (3), and (4) of this section and except as
9 provided in administrative regulations promulgated pursuant to Section
10 28(1)(c)6. of this Act:

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

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

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

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

- 1 (a) Possession of cannabis that is incidental to the use of medicinal cannabis;
 2 (b) Possession of medicinal cannabis accessories; or
 3 (c) Transferring medicinal cannabis to a safety facility for testing.
- 4 (8) No person shall be subject to arrest, prosecution, or denial of any right or
 5 privilege, including but not limited to a civil penalty or disciplinary action by a
 6 court or occupational or professional licensing board, for:
- 7 (a) Selling medicinal cannabis accessories to a cardholder, who is over
 8 eighteen (18) years of age, upon presentation of a valid registry
 9 identification card issued by the department in accordance with Sections 11,
 10 12, and 13 of this Act, or its equivalent issued pursuant to the laws of
 11 another state, district, territory, commonwealth, or insular possession of the
 12 United States that allows the person to use medicinal cannabis in the
 13 jurisdiction of issuance;
- 14 (b) Being in the presence or vicinity of the use of medicinal cannabis as
 15 allowed under Sections 1 to 30 of this Act; or
- 16 (c) Assisting a registered qualified patient or visiting qualified patient with
 17 using or administering medicinal cannabis. For purposes of illustration and
 18 not limitation, this includes preparing raw plant material or brewing tea for
 19 a registered qualified patient or visiting qualified patient. It does not include
 20 providing medicinal cannabis to a patient that the patient did not already
 21 possess.

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

- 24 (1) (a) Any medicinal cannabis, medicinal cannabis accessories, lawful property,
 25 or interest in lawful property that is possessed, owned, or used in connection
 26 with the medicinal use of cannabis or acts incidental to that use, shall not
 27 be seized or forfeited.

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

8 (2) Possession of, or application for, a registry identification card or cannabis
9 business license shall not constitute probable cause or reasonable suspicion, nor
10 shall it be used to support the search of the person, property, or home of the
11 person possessing or applying for the registry identification card or cannabis
12 business license. The possession of, or application for, a registry identification
13 card or cannabis business license shall not preclude the existence of probable
14 cause if probable cause exists on other grounds.

15 (3) (a) There shall be a presumption that a cardholder is engaged in the medicinal
16 use of cannabis, or in the case of a designated caregiver, assisting with the
17 medicinal use of cannabis, if the cardholder:

18 1. Possesses a valid registry identification card or, in the case of a
19 visiting qualified patient, an equivalent document issued pursuant to
20 the laws of another state, district, territory, commonwealth, or insular
21 possession of the United States that allows the person to use medicinal
22 cannabis in the jurisdiction of issuance; and

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

27 (b) The presumption may be rebutted by evidence that conduct was unrelated to

1 the medicinal use of cannabis or was otherwise in violation of Sections 1 to
2 30 of this Act.

3 (4) No law enforcement officer employed by an agency which receives state or local
4 government funds shall expend any state or local resources, including the
5 officer's time, to effect any arrest or seizure of medicinal cannabis, or conduct
6 any investigation, on the sole basis of activity the officer believes to constitute a
7 violation of the federal Controlled Substances Act, 21 U.S.C. secs. 801 et seq., if
8 the officer should have reason to believe that such activity is in compliance with
9 Sections 1 to 30 of this Act.

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

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

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

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

25 (c) Possessing medicinal cannabis that is within the operator's arm's reach or
26 requires less than a two (2) step process to access while operating,
27 navigating, or being in actual physical control of an aircraft, vehicle, vessel,

- 1 or any other device known, or hereafter invented, that is powered by
2 machinery and that is or may be used to transport persons or property;
- 3 (d) Undertaking any task under the influence of medicinal cannabis, when
4 doing so would constitute negligence or professional malpractice;
- 5 (e) Possessing medicinal cannabis, or otherwise engaging in the use of
6 medicinal cannabis:
- 7 1. On the grounds of any preschool or primary or secondary school,
8 except as permitted in accordance with policies enacted pursuant to
9 subsection (4)(c) of Section 8 of this Act;
- 10 3. In any correctional facility; or
- 11 4. On any property of the federal government;
- 12 (f) Using marijuana, if that person is not a registered qualified patient or
13 visiting qualified patient;
- 14 (g) Using or consuming marijuana by smoking; or
- 15 (h) Cultivating marijuana unless that person is licensed by the department as a
16 cannabis cultivator or cannabis producer pursuant to Sections 16, 17, and
17 18 of this Act or is a cultivator or producer agent.
- 18 (2) The penalty for a violation of subsection (1)(a) or (b) of this section shall be the
19 same as those established for operating a motor vehicle under the influence of
20 alcohol or any other substance in KRS 189A.010.
- 21 (3) (a) An individual who violates subsection (1)(g) of this section shall not be
22 considered to be in possession of medicinal cannabis or engaged in the use
23 of medicinal cannabis and shall not benefit from the legal protections
24 afforded by Sections 1 to 30 of this Act.
- 25 (b) The odor or smell of cannabis shall not constitute evidence of use or
26 consumption of cannabis by smoking.
- 27 (c) If an individual uses or consumes marijuana by smoking while on any form

1 of public transportation, in any public place as defined in KRS 525.010, or
 2 in any place of public accommodation, resort, or amusement as defined in
 3 KRS 344.130:

4 1. The department may revoke the individual's registry identification
 5 card; and

6 2. The individual may be subject to prosecution under Section 38 of this
 7 Act.

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

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

17 (5) As used in this section:

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

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

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

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

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

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

27 (b) Prohibit an employer from implementing policies promoting workplace

1 health and safety by:

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

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

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

10 (d) Permit a cause of action against an employer for wrongful discharge or
 11 discrimination;

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

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

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

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

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

- 1 (1) A registered qualified patient or visiting qualified patient who uses medicinal
2 cannabis shall be afforded all the same rights under state and local law,
3 including those guaranteed under KRS Chapter 344, as the individual would
4 have been afforded if he or she were solely prescribed pharmaceutical
5 medications, as they pertain to drug testing required by any state or local law.
- 6 (2) A cardholder otherwise entitled to custody of or visitation time or parenting time
7 with a minor child shall not be denied that right, and there shall be no
8 presumption of abuse, neglect, or dependency, for conduct permitted under
9 Sections 1 to 30 of this Act unless the person's actions in relation to medicinal
10 cannabis created an unreasonable danger to the safety of the minor child as
11 established by clear and convincing evidence.
- 12 (3) (a) For the purposes of medical care, including organ transplants, a patient's
13 authorized use of medicinal cannabis is the equivalent of the authorized use
14 of any other medication used at the direction of a practitioner, and shall not
15 constitute the use of an illicit substance or otherwise disqualify a patient
16 from needed medical care.
- 17 (b) A health facility as defined in KRS 216B.015 may develop regulations to
18 allow a patient who is a registered qualified patient or visiting qualified
19 patient to use medicinal cannabis on the premises of the health facility.
- 20 (4) (a) A school shall not refuse to enroll, or otherwise penalize, a person solely for
21 his or her status as a cardholder, unless failing to do so would violate
22 federal law or regulations and cause the school to lose a monetary or
23 licensing-related benefit under federal law or regulations.
- 24 (b) A school shall not be penalized or denied any benefit under state law for
25 enrolling a cardholder.
- 26 (c) The board of each local public school district shall establish policies and
27 regulations to permit a pupil who is a registered qualified patient to

1 consume medicinal cannabis on school property as deemed necessary by the
2 pupil's parent or legal guardian. Policies and regulations enacted pursuant
3 to this paragraph shall require medicinal cannabis be administered by a
4 school nurse or under the supervision of appropriate school staff.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (7) A practitioner shall not:

26 (a) Dispense medicinal cannabis; or

27 (b) Provide a written certification for the use of medicinal cannabis to a family

1 member or for himself or herself.

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

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

6 (b) Issuing a written certification to a patient with whom the practitioner does
7 not have a bona fide practitioner-patient 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.

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

16 (10) The state licensing boards shall:

17 (a) No later than January 1, 2022, promulgate administrative regulations to
18 carry out this section, including but not limited to:

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

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

23 3. The process and procedures for renewing authorization to provide
24 written certifications;

25 4. Continuing education requirements for practitioners who are
26 authorized to provide written certifications;

27 5. The reasons for which authorization to provide written certifications

1 for the use of medicinal cannabis may be suspended or revoked; and
 2 6. The minimal standards of care when providing written certifications;
 3 (b) On a regular basis, provide the department with the names of all
 4 practitioners authorized by the state licensing board to provide written
 5 certifications; and
 6 (c) Immediately provide the department with the name of any practitioner
 7 whose authorization to provide written certifications is suspended or
 8 revoked.

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

15 (a) A research protocol;
 16 (b) A clinical trial;
 17 (c) An investigational new drug application; or
 18 (d) An expanded access submission.

19 (12) As used in this section, "telehealth" has the same meaning as in KRS 304.17A-
 20 005.

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

23 (1) Except as provided in subsection (2) of this section, prior to making an initial
 24 purchase of medicinal cannabis in this state and at least annually thereafter, a
 25 cardholder shall be required to complete a consultation with a pharmacist who is
 26 authorized by the Kentucky Board of Pharmacy to provide medicinal cannabis
 27 consultation services to cardholders. The consultation shall at a minimum cover

1 the possible risk and side effects of medicinal cannabis and any potential drug
2 interactions between medicinal cannabis and any other drug that the registered
3 qualified patient or visiting qualified patient is taking.

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

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

12 (4) The Kentucky Board of Pharmacy shall promulgate administrative regulations
13 to:

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

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

20 (c) Define the standards of care for medicinal cannabis consultation services;
21 and

22 (d) Define the nature and scope of a collaborative agreement between a
23 pharmacist and a dispensary, including the process by which a pharmacist
24 and dispensary shall establish a collaborative agreement. The nature and
25 scope of the collaborative agreement shall not require a pharmacist to be
26 present at a dispensary.

27 (5) The department shall promulgate administrative regulations to establish:

1 (a) A fee for medicinal cannabis consultation services which shall not exceed
 2 forty dollars (\$40) per consultation; and

3 (b) A fee for collaborative agreements between a dispensary and a pharmacist.

4 (6) Members of the Kentucky Board of Pharmacy, its agents, its employees, and any
 5 pharmacist authorized by the board to provide medicinal cannabis consultation
 6 services to cardholders or to enter into a collaborative agreement with
 7 dispensaries shall be immune from suit in any action, civil, or criminal, which is
 8 based upon any act that is conducted in accordance with this section and
 9 administrative regulations promulgated thereunder.

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

12 (1) Except as provided in subsection (5) of this section, no person shall possess,
 13 purchase, acquire, or otherwise engage or assist in the use of medicinal cannabis
 14 in Kentucky without first applying for and receiving a registry identification card
 15 for registered qualified patients, designated caregivers, or visiting qualified
 16 patients issued by the department.

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

22 (3) A person shall be eligible to apply for a registry identification card as a
 23 designated caregiver if he or she is a resident of Kentucky, is at least twenty-one
 24 (21) years of age, has not been convicted of a disqualifying felony offense, and
 25 has agreed to assist no more than three (3) registered qualified patients with the
 26 use of medicinal cannabis.

27 (4) A person shall be eligible to apply for a registry identification card as a visiting

1 qualified patient if he or she is not a resident of Kentucky or has been a resident
2 of Kentucky for less than thirty (30) days, is at least twenty-one (21) years of age,
3 has not been convicted of a disqualifying felony offense, and possesses a valid
4 registry identification card, or an equivalent document, issued pursuant to the
5 laws of another state, district, territory, commonwealth, or insular possession of
6 the United States that allows the person to use medicinal cannabis in the
7 jurisdiction of issuance.

8 (5) A person with a valid registry identification card, or its equivalent, that was
9 issued pursuant to the laws of another state, district, territory, commonwealth, or
10 insular possession of the United States that allows the person to use medicinal
11 cannabis in the jurisdiction of issuance may use that registry identification card,
12 or its equivalent, for all purposes established in Sections 1 to 30 of this Act and
13 shall not be required to apply for or receive a visiting qualified patient registry
14 identification card from the department.

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

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

21 (b) A written certification issued by a practitioner within ninety (90) days
22 immediately preceding the date of an application;

23 (c) The name, address, and telephone number of the qualified patient's
24 practitioner;

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

- 1 (e) A statement, signed by the qualified patient, pledging not to divert medicinal
2 cannabis to anyone who is not permitted to possess medicinal cannabis
3 pursuant to Sections 1 to 30 of this Act. The statement shall contain a
4 listing of potential penalties, including criminal prosecution, for diverting
5 medicinal cannabis;
- 6 (f) A statement, signed by the individuals chosen by the qualified patient to be
7 designated as a caregiver, if any, agreeing to be designated as the patient's
8 designated caregiver and pledging not to divert medicinal cannabis to
9 anyone other than the registered qualified patient to whom the caregiver is
10 connected through the department's registration process. The statement
11 shall contain a listing of potential penalties, including criminal prosecution,
12 for diverting medicinal cannabis; and
- 13 (g) The application or renewal fee for a registry identification card for a
14 qualified patient and the application or renewal fee for a registry
15 identification card for any designated caregiver chosen by the qualified
16 patient.
- 17 (7) To apply for or renew a registry identification card, a qualified patient who is
18 under eighteen (18) years of age shall, in addition to the information required
19 under subsection (6) of this section, submit a statement signed by the custodial
20 parent or legal guardian with responsibility for health care decisions for the
21 qualified patient attesting to the fact that the custodial parent or legal guardian
22 agrees to:
- 23 (a) Allow the qualified patient to use medicinal cannabis;
24 (b) Serve as the qualified patient's designated caregiver; and
25 (c) Control the acquisition, dosage, and frequency of use of medicinal cannabis
26 by the qualified patient.
- 27 (8) To apply for or renew a registry identification card, a visiting qualified patient

1 shall submit the following, in accordance with administrative regulations
2 promulgated by the department:

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

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

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

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

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

20 (10) A registered qualified patient applying to renew a registry identification card
21 issued by the department shall be required to submit to the department a written
22 certification issued by a practitioner within ninety (90) days immediately
23 preceding the date of a renewal application.

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

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

1 designated caregivers.

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

3 (a) The name of the cardholder;

4 (b) A designation of whether the cardholder is a registered qualified patient,
5 visiting qualified patient, or designated caregiver;

6 (c) The date of issuance and expiration date of the registry identification card;

7 (d) A random alphanumeric identification number of at least ten (10)
8 characters, containing at least four (4) numbers and at least four (4) letters,
9 that is unique to the cardholder;

10 (e) A bar code or other marking that can be scanned electronically;

11 (f) A photograph of the cardholder, if the department's administrative
12 regulations require one;

13 (g) The telephone number and Web site address for the electronic verification
14 system developed by the department pursuant to subsection (1)(a) of Section
15 28 of this Act;

16 (h) If the cardholder is a designated caregiver, the random alphanumeric
17 identification number of the registered qualified patient the designated
18 caregiver is receiving the registry identification card to assist; and

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

22 (3) (a) Except as provided in this subsection, the expiration date for registry
23 identification cards shall be one (1) year after the date of issuance.

24 (b) If a practitioner states in the written certification that the qualified patient
25 would benefit from the use of medicinal cannabis until a specified earlier
26 date, then the registry identification card shall expire on 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 licensure number;

23 2. A barcode 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 certifying practitioner.

9 (b) The licensure receipt system shall be designed so that this provisional
10 licensure receipt shall be produced by the application Web site upon
11 completion of an application that includes a practitioner recommendation
12 and payment of the cardholder fee. To reduce application errors and
13 processing time, a recommending practitioner or a dispensary may offer a
14 service that allows an applicant to use a computer and printer on the
15 premises of the practitioner's office or dispensary to complete an
16 application and receive a provisional licensure receipt pursuant to this
17 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 within fifteen (15) days of receipt,
4 and approve or deny an application or renewal within thirty (30) days of
5 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 by
 10 registered or certified mail at the address given in the application or supplement.
 11 The applicant may, within thirty (30) days after the date of the mailing of the
 12 department's notice, file a written request for an administrative hearing on the
 13 application. The hearing shall be conducted on the application in compliance
 14 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 Circuit Court of the county in which the appealing party resides.

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

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

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

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

27 (c) A registered qualified patient shall notify the department if he or she wishes

1 to terminate a designated caregiver relationship with an individual who has
2 been designated as his or her caregiver;

3 (d) A designated caregiver shall notify the department within thirty (30) days if
4 he or she becomes aware that a registered qualified patient to whom the
5 caregiver is connected through the department's registration process has
6 died or has ceased to suffer from the medical condition for which a
7 practitioner provided a written certification; and

8 (e) If a cardholder loses his or her registry identification card, he or she shall
9 notify the department within ten (10) days of becoming aware the card has
10 been lost.

11 (2) When a cardholder notifies the department of items listed in paragraphs (b) or (d)
12 of subsection (1) of this section, the cardholder shall, within ten (10) days of
13 notification, return any unused medicinal cannabis products to a licensed
14 dispensary for destruction.

15 (3) When a cardholder notifies the department of items listed in subsection (1) of this
16 section, but remains eligible under Sections 1 to 30 of this Act, the department
17 shall issue the cardholder a new registry identification card with a new random
18 ten (10) character alphanumeric identification number. If the department issues
19 a new registry identification card to a registered qualified patient, the department
20 shall also issue a new registry identification card with a new ten (10) character
21 alphanumeric number to the registered qualified patient's designated caregiver.
22 New registry identification cards issued under this subsection shall be issued by
23 the department within ten (10) days of receiving the updated information and a
24 twenty dollar (\$20) fee for each new registry identification card to be issued.

25 (4) If a registered qualified patient ceases to be a registered qualified patient or
26 changes his or her designated caregiver, the department shall promptly notify the
27 designated caregiver in writing. The designated caregiver's protections under

1 Sections 1 to 30 of this Act as to that registered qualified patient shall expire
2 fifteen (15) days after notification by the department.

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

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

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

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

25 (2) The department may revoke the registry identification card of any cardholder
26 who knowingly commits multiple violations or a serious violation of Sections 1 to
27 30 of this Act.

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

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

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

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

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

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

19 1. Tier I, for which the initial licensing fee shall be five thousand dollars
 20 (\$5,000);

21 2. Tier II, for which the initial licensing fee shall be ten thousand dollars
 22 (\$10,000);

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

25 4. Tier IV, for which the initial licensing fee shall be fifty thousand
 26 dollars (\$50,000);

27 (b) A cannabis dispensary, for which the initial licensing fee shall be ten

- 1 thousand dollars (\$10,000);
- 2 (c) A cannabis processor, for which the initial licensing fee shall be twenty
- 3 thousand dollars (\$20,000);
- 4 (d) A cannabis producer, for which the initial licensing fee shall be seventy-five
- 5 thousand dollars (\$75,000); or
- 6 (e) A cannabis safety compliance facility, for which the initial licensing fee
- 7 shall be two thousand five hundred dollars (\$2,500).
- 8 (3) (a) Except as provided in paragraph (b) of this subsection, a cannabis business
- 9 shall be required to apply for and obtain from the department a separate
- 10 license for each location it intends to operate.
- 11 (b) A cannabis business licensed as a producer may operate cultivation and
- 12 processing activities at separate locations, but shall not operate more than
- 13 one (1) cultivation and one (1) processing facility.
- 14 (4) (a) A cannabis business license issued under this section and Sections 17 and
- 15 18 of this Act shall be valid for one (1) year from the date of issuance. The
- 16 department shall notify each licensee ninety (90) days prior to the date the
- 17 license expires to allow the licensee to begin the renewal procedure
- 18 promulgated by the department pursuant to Section 28 of this Act.
- 19 (b) The renewal of a cannabis business license shall be contingent upon
- 20 successful achievement of minimal performance standards established by
- 21 the department as part of the biennial accreditation process established by
- 22 the department pursuant to Section 3 of this Act.
- 23 (c) Cannabis business licensure renewal fees shall be:
- 24 1. Five hundred dollars (\$500) plus one percent (1%) of all gross receipts
- 25 during the previous calendar year for a cannabis business that, upon
- 26 applying for renewal of a cannabis business license, had no more than
- 27 two million dollars (\$2,000,000) of gross receipts during the previous

1 calendar year;

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

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

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

15 (6) The department shall approve a license holder's sale of a license issued pursuant
 16 to this section and Sections 17 and 18 of this Act if the purchaser and any new
 17 facilities meet the requirements of Sections 1 to 30 of this Act.

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

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

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

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

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

27 (c) The name, address, and date of birth of each principal officer and board

1 member of the cannabis business;

2 (d) Any instances in which a business or not-for-profit entity that any of the
 3 prospective board members managed or served on the board of was
 4 convicted, fined, censured, or had a registration or license suspended or
 5 revoked in any administrative or judicial proceeding;

6 (e) Any information required by the department to evaluate the applicant
 7 pursuant to the competitive application process described in Section 18 of
 8 this Act; and

9 (f) A nonrefundable licensure application fee of one hundred dollars (\$100).

10 (3) The application fee required under subsection (2) of this section shall be applied
 11 to the initial licensing fee if the license is approved; otherwise it shall be retained
 12 by the department for administrative purposes.

13 (4) If a cannabis business license application is approved:

14 (a) The cannabis business shall, before it begins operations:

15 1. Submit the initial license fee established in Section 16 of this Act,
 16 minus the one hundred dollars (\$100) application fee, to the
 17 department; and

18 2. If a physical address or the global positioning system coordinates for
 19 any cultivation activities had not been finalized when it applied, it
 20 shall submit its complete physical address and the global positioning
 21 system coordinates for any cultivation activities; and

22 (b) The department shall issue a copy of the license that includes the business's
 23 identification number. The department shall also provide each licensed
 24 dispensary with contact and access information for the cardholder
 25 verification system.

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

1 (1) The department shall:

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

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

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

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

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

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

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

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

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

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

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

24 4. Is a practitioner who has been authorized by a state licensing board to
25 provide patients with a written certification; or

26 (f) 1. For a safety compliance facility, one (1) or more of the prospective
27 principal officers or board members is a principal officer or board

1 member of a cultivator, processor, producer, or dispensary licensed to
2 operate in Kentucky; or

3 2. For a cultivator, processor, producer, or dispensary, one (1) or more
4 of the prospective principal officers or board members is a principal
5 officer or board member of a safety compliance facility licensed to
6 operate in Kentucky.

7 (3) (a) The department shall not be required to issue more cannabis business
8 licenses than market pressures dictate, except that the department shall not
9 place a limit on the number of licenses issued for safety compliance
10 facilities.

11 (b) If the department receives a greater number of cannabis business license
12 applications in any cannabis business category than it deems necessary to
13 meet the demonstrated or anticipated needs for current or anticipated
14 cardholders, the department shall use an impartial and numerically scored
15 competitive application process developed by the department to evaluate
16 cannabis business license applications. The competitive application process
17 shall, at a minimum, consider the following criteria:

18 1. The suitability of the proposed location or locations, including
19 compliance with any local zoning laws and the geographic
20 convenience to patients throughout the Commonwealth should the
21 applicant be approved;

22 2. The principal officers' and board members' relevant experience,
23 including any training or professional licensing related to medicine,
24 pharmaceuticals, natural treatments, botany, or medicinal cannabis
25 cultivation and preparation, and their experience running any other
26 business or not-for-profit entity;

27 3. The proposed cannabis business's plan for operations and services,

- 1 including:
- 2 a. Staffing and training plans;
- 3 b. A plan to provide employees with a safe, healthy, and
- 4 economically sustainable working environment;
- 5 c. Whether it has sufficient capital to operate; and
- 6 d. The ability to assist with the provision of an adequate supply of
- 7 medicinal cannabis to the cardholders in its locality, area
- 8 development district, or the state;
- 9 4. The sufficiency of the applicant's plans for recordkeeping;
- 10 5. The sufficiency of the applicant's plans for safety, security, and the
- 11 prevention of diversion, including proposed locations and security
- 12 devices employed;
- 13 6. The applicant's plan for making medicinal cannabis available on an
- 14 affordable basis to registered qualified patients who are veterans, or
- 15 who are enrolled in Medicaid or receiving Supplemental Security
- 16 Income or Social Security disability insurance;
- 17 7. The applicant's plan for safe and accurate packaging and labeling of
- 18 medicinal cannabis, including the applicant's plan for ensuring that
- 19 all medicinal cannabis is free of contaminants; and
- 20 8. The absence of violations by the applicant or one (1) or more of its
- 21 principal officers of any local, state, or federal tax, criminal, public
- 22 safety, food safety, discrimination, workplace safety, employment, or
- 23 other laws relevant to the operation of its business.
- 24 (4) Notwithstanding subsection (1)(b) of this section, if the department utilizes the
- 25 competitive application process described in subsection (3) of this section, the
- 26 department shall provide notification to the cannabis business license applicant
- 27 as to whether the application for a cannabis business license has been approved

1 or denied within ninety (90) days of receiving a completed application.

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

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

6 1. Approve and issue at least:

7 a. Fifteen (15) cannabis cultivator licenses;

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

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

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

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

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

21 (6) The department shall notify the applicant in writing of a license denial and
22 reasons by registered or certified mail at the address given in the application or
23 supplement. Except for license denials based upon subsection (3)(a) of this
24 section, the applicant may, within thirty (30) days after the mailing of the
25 department's notice, file a written request for an administrative hearing on the
26 application. The hearing shall be conducted on the application in compliance
27 with the requirements of KRS Chapter 13B.

1 (7) Final orders of the department after administrative hearings shall be subject to
 2 judicial review as provided in KRS 13B.140. Jurisdiction and venue for judicial
 3 review are vested in the Circuit Court of the county in which the applicant's
 4 business would be located.

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

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

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

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

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

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

17 (c) Implement appropriate security measures to deter and prevent the theft of
 18 medicinal cannabis and unauthorized entrance into areas containing
 19 medicinal cannabis;

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

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

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

25 1. For the purposes of distributing medicinal cannabis to cardholders
 26 who possess a valid registry identification card issued by the
 27 department, or for visiting qualified patients, an equivalent document

- 1 issued in another jurisdiction; and
- 2 2. From a cannabis business licensed under this chapter.
- 3 (2) A cannabis business licensed under this chapter shall not:
- 4 (a) Be located within one thousand (1,000) feet of an existing elementary or
- 5 secondary school or a day-care center;
- 6 (b) Acquire, possess, cultivate, process, manufacture, deliver, transfer,
- 7 transport, supply, dispense, or sell:
- 8 1. Raw plant material with a delta-9 tetrahydrocannabinol content of
- 9 more than thirty-five percent (35%);
- 10 2. Medicinal cannabis products intended for oral consumption as an
- 11 edible, oil, or tincture with more than ten (10) milligrams of delta-9
- 12 tetrahydrocannabinol per serving;
- 13 3. Any medicinal cannabis product not described in subparagraph 1. or
- 14 2. of this paragraph with a delta-9 tetrahydrocannabinol content of
- 15 more than seventy percent (70%); or
- 16 4. Any medicinal cannabis product that contains vitamin E acetate;
- 17 (c) Permit a person under eighteen (18) years of age to enter or remain on the
- 18 premises of a cannabis business;
- 19 (d) Permit a person who is not a cardholder to enter or remain on the premises
- 20 of a cannabis business, except in accordance with subsection (6) of this
- 21 section;
- 22 (e) Employ, have as a board member, or be owned by, in part or in whole, a
- 23 practitioner who has been authorized by a state licensing board to provide
- 24 patients with a written certification; or
- 25 (f) Advertise medicinal cannabis sales in print, broadcast, online, by paid in-
- 26 person solicitation of customers, or by any other advertising device as
- 27 defined in KRS 177.830, except that this paragraph shall not prevent

1 appropriate signs on the property of a licensed cannabis business, listings in
2 business directories including phone books, listings in trade or medical
3 publications, or sponsorship of health or not-for-profit charity or advocacy
4 events.

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

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

10 (a) A copy of the cannabis business license for the business that employs the
11 agent;

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

14 (c) The cannabis business license number and telephone number of any other
15 cannabis business receiving or otherwise involved in the transportation of
16 the medicinal cannabis.

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

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

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

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

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

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

9 **(2) Except as provided in Section 22 of this Act, the department may issue a civil fine**
10 **of up to three thousand dollars (\$3,000) to a cannabis business for a violation of**
11 **Sections 1 to 30 of this Act or any administrative regulations promulgated**
12 **thereunder. All fines collected pursuant to this section shall be forwarded to the**
13 **medicinal cannabis trust fund established in Section 31 of this Act.**

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

21 **(4) The department shall provide notice of suspension, revocation, fine, or other**
22 **penalty, as well as the required notice of the hearing, by mailing, via certified**
23 **mail, the same in writing to the cannabis business at the address on the license.**
24 **The cannabis business may, within thirty (30) days after the date of the mailing**
25 **of the department's notice, file a written request for an administrative hearing**
26 **regarding the suspension, revocation, fine, or other penalty. The hearing shall be**
27 **conducted in compliance with the requirements of KRS Chapter 13B.**

- 1 (5) Final orders of the department after administrative hearings shall be subject to
2 judicial review. Jurisdiction and venue for judicial review are vested in the
3 Circuit Court of the county in which the cannabis business is physically located.
- 4 (6) A cultivator may continue to cultivate and possess cannabis plants during a
5 suspension, but it shall not transfer or sell medicinal cannabis during a
6 suspension.
- 7 (7) A dispensary may continue to possess its existing medicinal cannabis inventory
8 during a suspension, but it shall not acquire additional medicinal cannabis, or
9 dispense, transfer, or sell medicinal cannabis during a suspension.
- 10 (8) A processor may continue to process and possess its existing medicinal cannabis
11 inventory during a suspension, but it shall not acquire additional medicinal
12 cannabis, or dispense, transfer, or sell medicinal cannabis products during a
13 suspension.
- 14 (9) A producer may continue to cultivate, process, and possess cannabis plants and
15 its existing medicinal cannabis inventory during a suspension, but it shall not
16 acquire additional medicinal cannabis, or dispense, transfer, or sell medicinal
17 cannabis during a suspension.
- 18 (10) A safety compliance facility may continue to possess medicinal cannabis during a
19 suspension, but it shall not receive any new medicinal cannabis, test or otherwise
20 analyze medicinal cannabis, or transfer or transport medicinal cannabis during a
21 suspension.

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

- 24 (1) A cultivator or cultivator agent acting on behalf of a cultivator shall not be
25 subject to prosecution under state or local law, to search or inspection except by
26 the department pursuant to Section 20 of this Act, or to seizure or penalty in any
27 manner, or be denied any right or privilege, including but not limited to civil

1 penalty or disciplinary action by a court or business licensing board, for acting
2 pursuant to Sections 1 to 30 of this Act and the department's administrative
3 regulations for:

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

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

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

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

12 (a) Only deliver raw plant material to a licensed processor, licensed producer,
13 licensed safety compliance facility, or licensed dispensary for fair market
14 value;

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

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

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

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

26 (b) A Tier II cultivator shall not exceed an indoor growth area of ten thousand
27 (10,000) square feet.

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

3 (d) A Tier IV cultivator shall not exceed an growth area of fifty thousand
4 (50,000) square feet.

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

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

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

16 (b) Acquiring or possessing medicinal cannabis accessories or educational
17 material;

18 (c) Supplying, selling, dispensing, distributing, or delivering medicinal
19 cannabis, medicinal cannabis accessories, and educational material to
20 cardholders or other dispensaries;

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

23 (e) Acquiring, accepting, or receiving medicinal cannabis products from a
24 cardholder, except that a dispensary may not offer anything of monetary
25 value in return for medicinal cannabis received from a cardholder. Any
26 medicinal cannabis received by a dispensary under this paragraph or
27 pursuant to Section 14 of this Act shall be destroyed by the dispensary or its

1 agents and shall not be sold, dispensed, or distributed to another
2 cardholder.

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

4 (a) Maintain records that include specific notations of the amount of medicinal
5 cannabis being dispensed to a cardholder and whether it was dispensed
6 directly to a registered qualified patient or visiting qualified patient, or to a
7 registered qualified patient's designated caregiver. Each entry shall include
8 the date and time the medicinal cannabis was dispensed. The data required
9 to be recorded by this paragraph shall be entered into the electronic system
10 developed by the department pursuant to subsection (1)(a) of Section 28 of
11 this Act in accordance with administrative regulations promulgated by the
12 department for the record of medicinal cannabis dispensing;

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

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

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

24 2. That the person presenting the registry identification card, or its
25 equivalent for a visiting qualified patient, is at least eighteen (18)
26 years of age and is the person identified on the registry identification
27 card, or its equivalent, by examining at least one (1) other form of

- 1 government-issued photo identification;
- 2 3. That the person presenting the registry identification card, or its
- 3 equivalent for a visiting qualified patient, has consulted with a
- 4 pharmacist as required by Section 10 of this Act; and
- 5 4. The amount of medicinal cannabis the person is legally permitted to
- 6 purchase at the time of verification pursuant to subsection (4) of
- 7 Section 4 of this Act by checking the electronic system developed by
- 8 the department pursuant to subsection (1)(a) of Section 28 of this Act,
- 9 if it is operational, or other department-designated databases;
- 10 (d) Not acquire, possess, dispense, sell, offer for sale, transfer, or transport:
- 11 1. Raw plant material with a delta-9 tetrahydrocannabinol content of
- 12 more than thirty-five percent (35%);
- 13 2. Medicinal cannabis products intended for oral consumption as an
- 14 edible, oil, or tincture with more than ten (10) milligrams of delta-9
- 15 tetrahydrocannabinol per serving;
- 16 3. Any medicinal cannabis product not described in subparagraph 1. or
- 17 2. of this paragraph with a delta-9 tetrahydrocannabinol content of
- 18 more than seventy percent (70%); or
- 19 4. Any medicinal cannabis product that contains vitamin E acetate;
- 20 (e) Not acquire medicinal cannabis from any person other than a cannabis
- 21 business licensed under this chapter, or an agent thereof, a registered
- 22 qualified patient, or a designated caregiver;
- 23 (f) Not sell or dispense medicinal cannabis products intended for consumption
- 24 by vaporizing to a cardholder who is less than twenty-one (21) years of age;
- 25 (g) Not dispense or sell medicinal cannabis to a minor;
- 26 (h) Not dispense or sell more medicinal cannabis to a cardholder than he or she
- 27 is legally permitted to purchase at the time of the transaction; and

1 (i) Not rent office space to a practitioner.

2 (3) A dispensary shall be required to establish and maintain a collaborative
3 agreement, as described in Section 10 of this Act, with a pharmacist authorized
4 by the Kentucky Board of Pharmacy to engage in a collaborative agreement with
5 a dispensary.

6 (4) (a) A dispensary may operate a delivery service for cardholders and may deliver
7 medicinal cannabis, medicinal cannabis accessories, and educational
8 material to cardholders at the address identified on the cardholder's registry
9 identification.

10 (b) All delivery services operated or offered by a dispensary shall comply with
11 administrative regulations promulgated by the department pursuant to this
12 section and Section 28 of this Act.

13 (5) If a dispensary fails to comply with subsection (2)(c) of this section, the
14 department may issue the dispensary a civil fine of up to fifty thousand dollars
15 (\$50,000), except that the fine shall be one hundred thousand dollars (\$100,000)
16 if the person purchasing or attempting to purchase medicinal cannabis is a
17 minor. All fines collected pursuant to this subsection shall be forwarded to the
18 medicinal cannabis trust fund established in Section 31 of this Act.

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

27 ➔SECTION 23. A NEW SECTION OF KRS CHAPTER 218A IS CREATED

1 TO READ AS FOLLOWS:

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

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

11 (b) Possessing, processing, preparing, manufacturing, manipulating, blending,
12 preparing, or packaging medicinal cannabis;

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

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

17 (2) A processor 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 24. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
2 TO READ AS FOLLOWS:

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

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

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

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

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

19 (e) Possessing, processing, preparing, manufacturing, manipulating, blending,
20 preparing, or packaging medicinal cannabis;

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

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

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

1 regulations promulgated by the department;

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

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

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

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

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

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

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

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

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

26 (1) Acquiring or possessing medicinal cannabis obtained from cardholders or
27 cannabis businesses in this state;

- 1 (2) Returning the medicinal cannabis to cardholders or cannabis businesses in this
2 state;
- 3 (3) Transporting medicinal cannabis that was produced by cannabis businesses in
4 this state;
- 5 (4) The production or sale of approved educational materials related to the use of
6 medicinal cannabis;
- 7 (5) The production, sale, or transportation of equipment or materials other than
8 medicinal cannabis, including but not limited to lab equipment and packaging
9 materials that are used by cannabis businesses and cardholders, to cardholders or
10 cannabis businesses licensed under this chapter;
- 11 (6) Testing of medicinal cannabis produced in this state, including testing for
12 cannabinoid content, pesticides, mold, contamination, vitamin E acetate, and
13 other prohibited additives;
- 14 (7) Training cardholders and cannabis business agents. Training may include but
15 need not be limited to:
- 16 (a) The safe and efficient cultivation, harvesting, packaging, labeling, and
17 distribution of medicinal cannabis;
- 18 (b) Security and inventory accountability procedures; and
- 19 (c) Up-to-date scientific and medical research findings related to medicinal use
20 of cannabis;
- 21 (8) Receiving compensation for actions allowed under this section; and
- 22 (9) Engaging in any non-cannabis-related business activities that are not otherwise
23 prohibited or restricted by state law.
- 24 ➔SECTION 26. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
25 TO READ AS FOLLOWS:
- 26 (1) For the purposes of this section, "local government" means a city, county,
27 urban-county government, consolidated local government, charter county

1 government, or unified local government.

2 (2) A local government may:

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

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

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

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

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

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

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

- 1 (5) A public question that is initiated by petition and is authorized by subsection (4)
2 of this section shall be submitted to the voters within the affected territory at the
3 next regular election by complying with the following requirements:
- 4 (a) Before a petition for submission of the proposal may be presented for
5 signatures, an intent to circulate the petition, including a copy of the
6 unsigned petition, shall be filed with the county clerk of the affected
7 territory by any person or group of persons seeking the submission of the
8 public question. The statement of intent shall include the addresses of the
9 person or group of persons and shall specify the person or group of persons,
10 as well as the address, to whom all notices are to be sent. Within ten (10)
11 days after the intent to circulate the petition is filed, the county clerk shall
12 deliver a copy of the intent to circulate the petition, including a copy of the
13 unsigned petition, to the legislative body of the affected territory;
- 14 (b) The petition shall set out in full the following question: "Are you in favor of
15 the sale of medicinal cannabis at a licensed dispensary and the operation of
16 other cannabis businesses in (affected territory)?";
- 17 (c) The petition for the submission of the proposal shall be signed by a number
18 of constitutionally qualified voters of the territory to be affected equal to five
19 percent (5%) of registered voters for the affected territory;
- 20 (d) Each signature shall be executed in ink or indelible pencil and shall be
21 followed by the legibly printed name of each voter, followed by the voter's
22 residence address, year of birth, and the correct date upon which the voter's
23 name was signed;
- 24 (e) No petition for the submission of the proposal shall be circulated for more
25 than six (6) months prior to its filing;
- 26 (f) After a petition for the submission of the proposal has received no fewer
27 than the number of qualifying signatures required by paragraph (c) of this

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

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

18 (h) Within thirty (30) days after the petition is filed, the county clerk shall
19 complete a certificate as to its sufficiency or, if it is insufficient, specifying
20 the particulars of the insufficiency, and shall send a copy to the person or
21 persons specified in the statement of intent to receive all notices and to the
22 legislative body of the affected territory, all by registered mail. A petition
23 certified insufficient for lack of the required number of valid signatures
24 may be amended once by filing a supplemental petition upon additional
25 sheets within thirty (30) days after receiving the certificate of insufficiency.
26 The supplemental petition shall comply with the requirements applicable to
27 the original petition and, within ten (10) days after it is filed, the county

1 clerk shall complete a certificate as to the sufficiency of the petition as
2 amended and promptly send a copy of the certificate to the person or
3 persons specified to receive all notices and to the legislative body of the
4 affected territory by registered mail;

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

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

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

26 (7) If the question submitted to the voters under subsection (3) or (5) of this section
27 passes, medicinal cannabis sales and cannabis business operations may be

1 conducted in the affected territory, notwithstanding any local government
 2 ordinances which prohibit all cannabis business operations within its territory.

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

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

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

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

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

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

- 1 (1) The department shall maintain a confidential list of the persons to whom the
2 department has issued registry identification cards and their addresses, telephone
3 numbers, and registry identification numbers.
- 4 (2) The department shall, only at a cardholder's request, confirm his or her status as
5 a registered qualified patient, visiting qualified patient, or designated caregiver to
6 a third party, such as a landlord, employer, school, medical professional, or
7 court.
- 8 (3) The following information received and records kept pursuant to the
9 department's administrative regulations promulgated for purposes of
10 administering Sections 1 to 30 of this Act shall be confidential and exempt from
11 the Open Records Act, KRS 61.870 to 61.884, and shall not be subject to
12 disclosure to any individual or public or private entity, except as necessary for
13 authorized employees of the department to perform official duties pursuant to
14 Sections 1 to 30 of this Act:
- 15 (a) Applications and renewals, their contents, and supporting information
16 submitted by qualified patients, visiting qualified patients, and designated
17 caregivers in compliance with Section 11 of this Act, including information
18 regarding their designated caregivers and practitioners;
- 19 (b) The individual names and other information identifying persons to whom
20 the department has issued registry identification cards;
- 21 (c) Any dispensing information required to be kept under Section 22 of this Act
22 or the department's administrative regulations which shall only identify
23 cardholders by their registry identification numbers and shall not contain
24 names or other personal identifying information; and
- 25 (d) Any department hard drives or other data-recording media that are no
26 longer in use and that contain cardholder information. These hard drives
27 and other media shall be destroyed after a reasonable time or after the data

1 is otherwise stored.

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

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

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

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

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

22 (d) Verification by the department of registry identification cards issued
23 pursuant to Sections 11, 12, and 13 of this Act; and

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

26 (5) It shall be a misdemeanor punishable by up to one hundred eighty (180) days in
27 jail and a one thousand dollar (\$1,000) fine for any person, including an

1 employee or official of the department or another state agency or local
 2 government, to knowingly breach the confidentiality of information obtained
 3 pursuant to Sections 1 to 30 of this Act.

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

6 (1) No later than January 1, 2022, the department shall:

7 (a) Establish, maintain, and operate an electronic system for monitoring the
 8 medicinal cannabis program. The electronic system established pursuant to
 9 this paragraph shall be designed to enable:

10 1. Practitioners to record the issuance of written certifications to
 11 qualified patients, as required by Section 9 of this Act;

12 2. Pharmacists to perform and record the completion of consultations
 13 with cardholders as required under Section 10 of this Act;

14 3. The department and state licensing board to monitor the issuance of
 15 written certifications by practitioners to qualified patients;

16 4. Department personnel, law enforcement personnel, and dispensary
 17 agents to verify the validity of registry identification cards issued by
 18 the department by entering a registry identification number to
 19 determine whether or not the identification number corresponds with
 20 a current, valid registry identification card. The system shall only
 21 disclose whether the identification card is valid and whether the
 22 cardholder is a registered qualified patient, visiting qualified patient,
 23 or designated caregiver;

24 5. Law enforcement personnel and dispensary agents to access medicinal
 25 cannabis sales data record by dispensary agents pursuant to Section
 26 22 of this Act;

27 6. Dispensary agents to record the amount of medicinal cannabis that is

- 1 dispensed to a cardholder during each transaction as required by
2 Section 22 of this Act; and
- 3 7. The sharing of dispensing data recorded by dispensary agents
4 pursuant to Section 22 of this Act with all dispensaries in real time;
- 5 (b) Establish, maintain, and operate an electronic inventory tracking system
6 that is capable of tracking medicinal cannabis from the point of cultivation
7 to the point of sale to cardholders; and
- 8 (c) Promulgate administrative regulations to establish:
- 9 1. Procedures for the issuance, renewal, suspension, and revocation of
10 registry identification cards, including the creation of a standardized
11 written certification form and a uniform application form;
- 12 2. Procedures for the issuance and revocation of registry identification
13 cards;
- 14 3. Procedures for the issuance, renewal, suspension, and revocation of
15 cannabis business licenses, including the creation of a uniform
16 licensure application form and the competitive application process
17 described in Section 18 of this Act, with all such procedures subject to
18 the requirements of KRS Chapters 13A and 13B;
- 19 4. A convenience fee to be assessed and collected by dispensaries for
20 visiting qualified patients who do not possess a valid registry
21 identification card issued by the department and who purchase
22 medicinal cannabis with a registry identification card or its equivalent
23 issued pursuant to the laws of another state, district, territory,
24 commonwealth, or insular possession of the United States that allows
25 the person to use medicinal cannabis in the jurisdiction of issuance.
26 The convenience fee established pursuant to this subparagraph shall
27 not exceed fifteen dollars (\$15) per transaction;

- 1 5. In collaboration with the Board of Physicians, as required by Section
2 3 of this Act:
- 3 a. A definition of the amount of medicinal cannabis or delta-9
4 tetrahydrocannabinol that constitutes a daily supply, a ten (10)
5 day supply, and a thirty (30) day supply; and
- 6 b. The amount of raw plant material that medicinal cannabis
7 products are considered to be equivalent to;
- 8 6. A process by which a practitioner may recommend, and a registered
9 qualified patient or his or her designated caregiver may legally
10 purchase and possess, an amount of medicinal cannabis in excess of
11 the thirty (30) day supply of medicinal cannabis, if the practitioner
12 reasonably believes that the standard thirty (30) supply would be
13 insufficient in providing the patient with uninterrupted therapeutic or
14 palliative relief;
- 15 7. Provisions governing the following matters related to cannabis
16 businesses with the goal of protecting against diversion and theft,
17 without imposing any undue burden that would make cannabis
18 business operations unreasonable or impractical on cannabis
19 businesses or compromising the confidentiality of cardholders:
- 20 a. Recordkeeping and inventory control requirements, including
21 the use of the electronic systems developed by the department
22 pursuant to paragraphs (a) and (b) of this subsection;
- 23 b. Procedures for the verification and validation of a registry
24 identification card, or its equivalent, that was issued pursuant to
25 the laws of another state, district, territory, commonwealth, or
26 insular possession of the United States that allows for the use of
27 medicinal cannabis in the jurisdiction of issuance;

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

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

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

9 a. Requirements for equipment;

10 b. Personnel qualifications; and

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

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

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

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

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

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

27 e. A nutritional fact panel;

- 1 f. Opaque, child-resistant packaging;
- 2 g. A requirement that all raw plant material packaged or sold in
- 3 this state be marked or labeled as "NOT INTENDED FOR
- 4 CONSUMPTION BY SMOKING";
- 5 h. A requirement that medicinal cannabis products be clearly
- 6 marked with an identifiable and standardized symbol indicating
- 7 that the product contains cannabis;
- 8 i. A requirement that all medicinal cannabis product packaging
- 9 include an expiration date; and
- 10 j. A requirement that medicinal cannabis products and their
- 11 packaging not be visually reminiscent of major brands of edible
- 12 noncannabis products or otherwise present an attractive
- 13 nuisance to minors;
- 14 14. Health and safety requirements for the processing of medicinal
- 15 cannabis and the indoor cultivation of medicinal cannabis by
- 16 licensees;
- 17 15. Restrictions on:
- 18 a. Additives to medicinal cannabis that are toxic, including vitamin
- 19 E acetate, or increase the likelihood of addiction; and
- 20 b. Pesticides, fertilizers, and herbicides used during medicinal
- 21 cannabis cultivation which pose a threat to human health and
- 22 safety;
- 23 16. Standards for the safe processing of medicinal cannabis products
- 24 created by extracting or concentrating compounds from raw plant
- 25 material;
- 26 17. Standards for determining the amount of unprocessed raw plant
- 27 material that medicinal cannabis products are considered the

1 equivalent to;

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

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

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

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

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

21 (3) Except as provided in subsection (1)(g) of Section 6 of this Act, subsection (2)(b)
22 of Section 19 of this Act, subsection (2)(d) of Section 22 of this Act, subsection (2)
23 of Section 23 of this Act, subsection (3) of Section 24 of this Act, and subsection
24 (1)(c)10., 13., 15., and 16. of this section, the department shall not restrict or limit
25 methods of delivery, use, or consumption of medicinal cannabis or the types of
26 products that may be acquired, produced, processed, possessed, sold, or
27 distributed by a cannabis business.

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

9 (5) When promulgating administrative regulations under this section, the
 10 department shall consider standards, procedures, and restrictions that have been
 11 found to be best practices relative to the use and regulation of medicinal
 12 cannabis.

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

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

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

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

23 (1) Any amount of medicinal cannabis that is necessary or reasonably necessary for
 24 use of a license or registry identification card issued pursuant to Sections 1 to 30
 25 of this Act; or

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

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

3 (1) The medicinal cannabis trust fund is hereby created within the State Treasury.

4 The fund shall consist of funds collected from registration fees, licensing fees,
5 fines, and penalties established pursuant to Sections 1 to 30 of this Act, excluding
6 Section 27 of this Act, and any administrative regulations promulgated
7 thereunder, a portion of the excise taxes imposed under Section 33 of this Act,
8 and any proceeds from grants, contributions, appropriations, or other moneys
9 made available for purposes of this fund.

10 (2) The medicinal cannabis trust fund shall be administered by the Finance and
11 Administration Cabinet.

12 (3) The Finance and Administration Cabinet shall, no later than the fifteenth
13 calendar day of each calendar quarter, distribute the funds deposited into the
14 medicinal cannabis trust fund during the previous calendar quarter. Trust fund
15 moneys shall be distributed as follows:

16 (a) Sixty percent (60%) shall be transferred to the Department of Alcoholic
17 Beverage and Cannabis Control to offset the department's actual cost and
18 expenses for operating the medicinal cannabis program and enforcement
19 activities established in Sections 1 to 30 of this Act;

20 (b) Two and one-half percent (2.5%) shall be transferred to the Department of
21 Alcoholic Beverage and Cannabis Control for the purpose of developing,
22 implementing, and administering a grant program to further education and
23 scientific and clinical research on the medicinal use of cannabis;

24 (c) Thirteen and three-quarters percent (13.75%) shall be transferred to the
25 Office of Drug Control Policy, as established in KRS 15A.020, for the
26 purpose of developing, implementing, and administering a grant program
27 for city and county law enforcement agencies to enforce medicinal cannabis

1 laws, hire and train additional drug recognition experts (DRE), and provide
2 advanced roadside impaired driving enforcement (ARIDE) training;

3 (d) Thirteen and three-quarters percent (13.75%) shall be returned equally to
4 dispensaries for the use of indigent persons who are registered qualified
5 patients enrolled in Medicaid, receiving Supplemental Security Income or
6 Social Security disability insurance, or veterans of the United States Armed
7 Forces; and

8 (e) The remaining ten percent (10%) shall be retained by the Finance and
9 Administration Cabinet in the fund to cover any additional administrative
10 costs that the Department of Alcoholic Beverage and Cannabis Control may
11 incur related to its operational and enforcement responsibilities as
12 established in Sections 1 to 30 of this Act. If the department is able to
13 demonstrate to the Finance and Administration Cabinet a need for any
14 portion of the retained funds, the Finance and Administration Cabinet shall
15 distribute the additional funds for which the department has demonstrated
16 need no later than the fifteenth calendar day of the next calendar quarter. If
17 the department cannot demonstrate a need for the additional funding
18 described in this paragraph, the retained funds shall be equally divided
19 between the grant programs and the indigent patient program described in
20 paragraphs (b), (c), and (d) of this subsection at the close of each fiscal
21 year.

22 (4) Notwithstanding KRS 45.229, moneys in the fund not expended at the close of the
23 fiscal year shall not lapse but shall be equally divided between the grant
24 programs and the indigent patient program described in subsection (3)(b), (c),
25 and (d) of this section.

26 (5) Any interest earnings of the trust fund shall become part of the fund and shall
27 not lapse.

1 (6) Moneys transferred to the fund are hereby appropriated for the purposes set forth
2 in this section.

3 ➔SECTION 32. A NEW SECTION OF KRS CHAPTER 218A IS CREATED
4 TO READ AS FOLLOWS:

5 (1) The local medicinal cannabis trust fund is hereby created within the State
6 Treasury. The fund shall consist of funds collected from a portion of the excise
7 taxes imposed under Section 33 of this Act.

8 (2) The local medicinal cannabis trust fund shall be administered by the Finance
9 and Administration Cabinet.

10 (3) The Finance and Administration Cabinet shall, no later than the fifteenth
11 calendar day of each calendar quarter, distribute the funds deposited into the
12 local medicinal cannabis trust fund during the calendar quarter immediately
13 preceding the most recent calendar quarter. Funds shall be distributed among
14 those cities and counties in which at least one (1) cannabis business licensed as a
15 cultivator, dispensary, processor, or producer operated during the calendar
16 quarter immediately preceding the most recent calendar quarter as follows:

17 (a) The funds deposited into the local medicinal cannabis trust fund during the
18 calendar quarter immediately preceding the most recent calendar quarter
19 shall be divided into two (2) equal parts;

20 (b) Half of the funds deposited into the local medicinal cannabis trust fund
21 during the calendar quarter immediately preceding the most recent
22 calendar quarter shall be distributed to cities and counties in which at least
23 one (1) cannabis business licensed as a cultivator, processor, or producer
24 operated during the calendar quarter immediately preceding the most recent
25 calendar quarter as follows:

26 1. a. A city in which at least one (1) cannabis business licensed as a
27 cultivator, processor, or producer operated during the calendar

1 quarter immediately preceding the most recent calendar quarter
2 shall receive an amount equal to seven and one-half percent
3 (7.5%) of the total excise tax revenue collected from all cannabis
4 businesses licensed to operate inside the territory of the city
5 during the calendar quarter immediately preceding the most
6 recent calendar quarter; or

7 b. If the county in which the city is located has prohibited the
8 operation of cannabis businesses, then the city shall receive an
9 amount equal to ten percent (10%) of the total excise tax revenue
10 collected from all cannabis businesses licensed to operate inside
11 the territory of the city during the calendar quarter immediately
12 preceding the most recent calendar quarter; and

13 2. A county that has not prohibited the operation of cannabis businesses,
14 pursuant to Section 26 of this Act, and in which at least one (1)
15 cannabis business licensed as a cultivator, processor, or producer
16 operated during the calendar quarter immediately preceding the most
17 recent calendar quarter shall receive an amount equal to ten percent
18 (10%) of the total excise tax revenue collected from all cannabis
19 businesses licensed to operate within the territory of the county, but
20 outside the territory of any city in that county, during the calendar
21 quarter immediately preceding the most recent calendar quarter plus
22 two and one-half percent (2.5%) of the total excise tax revenue
23 collected from all cannabis businesses licensed to operate inside the
24 territory of an incorporated municipality inside the territory of the
25 county during the calendar quarter immediately preceding the most
26 recent calendar quarter; and

27 (c) The other half of the funds deposited into the local medicinal cannabis trust

1 fund during the calendar quarter immediately preceding the most recent
2 calendar quarter shall be distributed to cities and counties in which at least
3 one (1) cannabis business licensed as a dispensary was operated during the
4 calendar quarter immediately preceding the most recent calendar quarter as
5 follows:

6 1. a. A city in which at least one (1) cannabis business licensed as a
7 dispensary operated during the calendar quarter immediately
8 preceding the most recent calendar quarter shall receive a
9 percentage of the funds described in this subparagraph equal to
10 seventy-five percent (75%) of the city's proportionate share of
11 gross receipts derived from the retail sales of medicinal cannabis
12 products by licensed dispensaries in the territory of that city
13 divided by the total statewide retail sales of medicinal cannabis
14 products by all licensed dispensaries in the state during the
15 calendar quarter immediately preceding the most recent
16 calendar quarter; or

17 b. If the county in which the city is located has prohibited the
18 operation of cannabis businesses, then the city shall receive a
19 percentage of the funds described in this subparagraph equal to
20 one hundred percent (100%) of the city's proportionate share of
21 gross receipts derived from the retail sales of medicinal cannabis
22 products by licensed dispensaries in the territory of that city
23 divided by the total statewide retail sales of medicinal cannabis
24 products by all licensed dispensaries in the state during the
25 calendar quarter immediately preceding the most recent
26 calendar quarter; and

27 2. A county that has not prohibited the operation of cannabis businesses,

1 pursuant to Section 26 of this Act, and in which at least one (1)
2 cannabis business licensed as a dispensary operated during the
3 calendar quarter immediately preceding the most recent calendar
4 quarter shall receive a percentage of the funds described in this
5 subparagraph equal to one hundred percent (100%) of the county's
6 proportionate share of gross receipts derived from the retail sales of
7 medicinal cannabis products by licensed dispensaries within the
8 territory of that county, but outside the territory of any city in that
9 county, divided by the total statewide retail sales of medicinal cannabis
10 products by all licensed dispensaries in the state during the calendar
11 quarter immediately preceding the most recent calendar quarter plus a
12 percentage of the funds described in this subparagraph equal to
13 twenty-five percent (25%) of the proportionate share of gross receipts
14 derived from the retail sales of medicinal cannabis products by
15 licensed dispensaries within the territory of all cities in the county
16 divided by the total statewide retail sales of medicinal cannabis
17 products by all licensed dispensaries in the state during the calendar
18 quarter immediately preceding the most recent calendar quarter.

19 (4) Trust fund moneys may be used for the purposes of local enforcement of
20 medicinal cannabis laws by local law enforcement agencies, local medicinal
21 cannabis licensing, the hiring or training of additional drug recognition experts
22 (DRE), advanced roadside impaired driving enforcement (ARIDE) training, local
23 evidence-based drug addiction rehabilitation projects, or educational activities
24 within local jails.

25 (5) Notwithstanding KRS 45.229, moneys in the fund not expended at the close of the
26 fiscal year shall not lapse but shall be carried forward to the next fiscal year.

27 (6) Any interest earnings of the trust fund shall become part of the fund and shall

1 not lapse.

2 (7) Moneys transferred to the fund are hereby appropriated for the purposes set forth
 3 in this section.

4 (8) As used in this section, "county" has the same meaning as in KRS 65A.010.

5 ➔SECTION 33. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO
 6 READ AS FOLLOWS:

7 (1) As used in this section:

8 (a) "Cultivator" has the same meaning as in Section 1 of this Act;

9 (b) "Department" means the Department of Revenue;

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

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

12 (e) "Processor" has the same meaning as in Section 1 of this Act; and

13 (f) "Producer" has the same meaning as in Section 1 of this Act.

14 (2) Effective January 1, 2022:

15 (a) An excise tax is hereby imposed on the gross receipts of a cultivator,
 16 processor, or producer received from the sale of medicinal cannabis by a
 17 cultivator, processor, or producer to a dispensary, to be paid by the
 18 cultivator, processor, or producer at a rate of twelve percent (12%) of the
 19 actual price for which a cultivator, processor, or producer sells medicinal
 20 cannabis to a dispensary in this state; and

21 (b) The tax shall be charged against and be paid by the cultivator, processor, or
 22 producer and shall not be added as a separate charge or line item on any
 23 sales slip, invoice, receipt, or other statement or memorandum of the price
 24 paid by the dispensary.

25 (3) (a) Eighty percent (80%) of the revenue from the excise tax established in this
 26 section shall be deposited in the medicinal cannabis trust fund established
 27 in Section 31 of this Act for the purpose of administration of the medicinal

1 cannabis program and for the purposes established in that section.

2 (b) Twenty percent (20%) of the revenue from the excise tax established in this
3 section shall be deposited in the local medicinal cannabis trust fund
4 established in Section 32 of this Act for the purposes of distributing tax
5 proceeds among participating local governments and for the purposes
6 established in that section; and

7 (4) Cultivators, processors, and producers licensed under KRS Chapter 218A shall:

8 (a) Register with the department;

9 (b) Report and pay the tax levied under this section on or before the twentieth
10 day of the calendar month immediately following the month in which the
11 medicinal cannabis was sold. A tax return shall be filed for each reporting
12 period whether or not tax is due; and

13 (c) Identify the county and city, if any, in which the medicinal cannabis
14 business is located.

15 (5) Any person who violates any provision of this section shall be subject to the
16 uniform civil penalties imposed pursuant to KRS 131.180 and interest at the tax
17 interest rate as defined in KRS 131.010(6) from the date due until the date of
18 payment.

19 (6) (a) Notwithstanding any other provision of this section, the president, vice
20 president, secretary, treasurer, or any other person holding any equivalent
21 corporate office of any corporation subject to this section shall be
22 personally and individually liable, both jointly and severally, for the taxes
23 imposed under this section.

24 (b) Corporate dissolution, withdrawal of the corporation from the state, or the
25 cessation of holding any corporate office shall not discharge the liability of
26 any person. The personal and individual liability shall apply to every person
27 holding a corporate office at the time the tax becomes or became due.

- 1 (c) Notwithstanding any other provision of this chapter, KRS 275.150, 362.1-
2 306(3) or predecessor law, or 362.2-404(3) to the contrary, the managers of
3 a limited liability company, the partners of a limited liability partnership,
4 and the general partners of a limited liability limited partnership, or any
5 other person holding any equivalent office of a limited liability company,
6 limited liability partnership, or limited liability limited partnership subject to
7 the provisions of this section shall be personally and individually liable,
8 both jointly and severally, for the tax imposed under this section.
- 9 (d) Dissolution, withdrawal of the limited liability company, limited liability
10 partnership, or limited liability limited partnership from the state, or the
11 cessation of holding any office shall not discharge the liability of any
12 person. The personal and individual liability shall apply to every manager
13 of a limited liability company, partner of a limited liability partnership, or
14 general partner of a limited liability limited partnership at the time the tax
15 becomes or became due.
- 16 (e) No person shall be personally and individually liable under this section who
17 had no authority to truthfully account for, or pay over, any tax imposed by
18 this section at the time the tax imposed becomes or became due.
- 19 (f) "Taxes" as used in this section includes interest accrued at the rate
20 provided by KRS 131.183, all applicable penalties imposed under the
21 provisions of this chapter, and all applicable penalties imposed under KRS
22 131.180, 131.410 to 131.445, and 131.990.
- 23 (7) The department shall administer the provisions of this chapter and shall have all
24 of the powers, rights, duties, and authority with respect to the assessment,
25 collection, refunding, and administration of the taxes levied by this section,
26 conferred generally upon the department by the Kentucky Revised Statutes,
27 including KRS Chapters 131, 134, and 135.

1 **(8) Every cultivator, processor, and producer shall keep records, receipts, invoices,**
 2 **and other pertinent papers in such form as the department may require for not**
 3 **less than four (4) years from the making of such records, receipts, invoices, and**
 4 **other pertinent papers.**

5 ➔Section 34. KRS 342.815 is amended to read as follows:

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

11 (2) The authority shall provide coverage to any employer who is unable to secure
 12 coverage in the voluntary market unless:

13 **(a)** The employer owes undisputed premiums to a previous workers'
 14 compensation carrier or to a workers' compensation residual market
 15 mechanism; **or**

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

18 ➔Section 35. KRS 139.470 is amended to read as follows:

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

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

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

26 (a) Nonreturnable and returnable containers when sold without the contents to
 27 persons who place the contents in the container and sell the contents together

1 with the container; and

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

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

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

11 (4) Gross receipts from sales of tangible personal property to a common carrier,
12 shipped by the retailer via the purchasing carrier under a bill of lading, whether the
13 freight is paid in advance or the shipment is made freight charges collect, to a point
14 outside this state and the property is actually transported to the out-of-state
15 destination for use by the carrier in the conduct of its business as a common carrier;

16 (5) Gross receipts from sales of tangible personal property sold through coin-operated
17 bulk vending machines, if the sale amounts to fifty cents (\$0.50) or less, if the
18 retailer is primarily engaged in making the sales and maintains records satisfactory
19 to the department. As used in this subsection, "bulk vending machine" means a
20 vending machine containing unsorted merchandise which, upon insertion of a coin,
21 dispenses the same in approximately equal portions, at random and without
22 selection by the customer;

23 (6) Gross receipts from sales to any cabinet, department, bureau, commission, board, or
24 other statutory or constitutional agency of the state and gross receipts from sales to
25 counties, cities, or special districts as defined in KRS 65.005. This exemption shall
26 apply only to purchases of tangible personal property, digital property, or services
27 for use solely in the government function. A purchaser not qualifying as a

1 governmental agency or unit shall not be entitled to the exemption even though the
2 purchaser may be the recipient of public funds or grants;

3 (7) (a) Gross receipts from the sale of sewer services, water, and fuel to Kentucky
4 residents for use in heating, water heating, cooking, lighting, and other
5 residential uses. As used in this subsection, "fuel" shall include but not be
6 limited to natural gas, electricity, fuel oil, bottled gas, coal, coke, and wood.
7 Determinations of eligibility for the exemption shall be made by the
8 department;

9 (b) In making the determinations of eligibility, the department shall exempt from
10 taxation all gross receipts derived from sales:

- 11 1. Classified as "residential" by a utility company as defined by applicable
12 tariffs filed with and accepted by the Public Service Commission;
- 13 2. Classified as "residential" by a municipally owned electric distributor
14 which purchases its power at wholesale from the Tennessee Valley
15 Authority;
- 16 3. Classified as "residential" by the governing body of a municipally owned
17 electric distributor which does not purchase its power from the
18 Tennessee Valley Authority, if the "residential" classification is
19 reasonably consistent with the definitions of "residential" contained in
20 tariff filings accepted and approved by the Public Service Commission
21 with respect to utilities which are subject to Public Service Commission
22 regulation.

23 If the service is classified as residential, use other than for "residential"
24 purposes by the customer shall not negate the exemption;

25 (c) The exemption shall not apply if charges for sewer service, water, and fuel are
26 billed to an owner or operator of a multi-unit residential rental facility or
27 mobile home and recreational vehicle park other than residential

1 classification; and

2 (d) The exemption shall apply also to residential property which may be held by
3 legal or equitable title, by the entirety, jointly, in common, as a
4 condominium, or indirectly by the stock ownership or membership
5 representing the owner's or member's proprietary interest in a corporation
6 owning a fee or a leasehold initially in excess of ninety-eight (98) years;

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

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

- 15 1. Tangible personal property at a plant facility;
- 16 2. Distilled spirits or wine at a plant facility or on the premises of a
17 distiller, rectifier, winery, or small farm winery licensed under KRS
18 243.030 that includes a retail establishment on the premises; or
- 19 3. Malt beverages at a plant facility or on the premises of a brewer or
20 microbrewery licensed under KRS 243.040 that includes a retail
21 establishment;

22 and which will be for sale.

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

- 25 1. Materials which enter into and become an ingredient or component part
26 of the manufactured product;
- 27 2. Other tangible personal property which is directly used in the

1 manufacturing or industrial processing process, if the property has a
2 useful life of less than one (1) year. Specifically these items are
3 categorized as follows:

- 4 a. Materials. This refers to the raw materials which become an
5 ingredient or component part of supplies or industrial tools exempt
6 under subdivisions b. and c. below;
- 7 b. Supplies. This category includes supplies such as lubricating and
8 compounding oils, grease, machine waste, abrasives, chemicals,
9 solvents, fluxes, anodes, filtering materials, fire brick, catalysts,
10 dyes, refrigerants, and explosives. The supplies indicated above
11 need not come in direct contact with a manufactured product to be
12 exempt. "Supplies" does not include repair, replacement, or spare
13 parts of any kind; and
- 14 c. Industrial tools. This group is limited to hand tools such as jigs,
15 dies, drills, cutters, rolls, reamers, chucks, saws, and spray guns
16 and to tools attached to a machine such as molds, grinding balls,
17 grinding wheels, dies, bits, and cutting blades. Normally, for
18 industrial tools to be considered directly used in the manufacturing
19 or industrial processing process, they shall come into direct contact
20 with the product being manufactured or processed; and
- 21 3. Materials and supplies that are not reusable in the same manufacturing
22 or industrial processing process at the completion of a single
23 manufacturing or processing cycle. A single manufacturing cycle shall
24 be considered to be the period elapsing from the time the raw materials
25 enter into the manufacturing process until the finished product emerges
26 at the end of the manufacturing process.

27 (c) The property described in paragraph (b) of this subsection shall be regarded as

1 having been purchased for resale.

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

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

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

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

20 (a) As used in this subsection:

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

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

26 (b) The retailer shall be responsible for establishing that delivery was made to a
27 non-Kentucky location through shipping documents or other credible evidence

1 as determined by the department;

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

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

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

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

17 (14) Gross receipts from the sale of unenriched or enriched uranium purchased for
18 ultimate storage, use, or other consumption outside this state and delivered to a
19 common carrier in this state for delivery outside this state, regardless of whether the
20 carrier is selected by the purchaser or retailer, or is an agent or representative of the
21 purchaser or retailer, or whether the F.O.B. is the retailer's shipping point or
22 purchaser's destination;

23 (15) Amounts received from a tobacco buydown. As used in this subsection, "buydown"
24 means an agreement whereby an amount, whether paid in money, credit, or
25 otherwise, is received by a retailer from a manufacturer or wholesaler based upon
26 the quantity and unit price of tobacco products sold at retail that requires the retailer
27 to reduce the selling price of the product to the purchaser without the use of a

- 1 manufacturer's or wholesaler's coupon or redemption certificate;
- 2 (16) Gross receipts from the sale of tangible personal property or digital property
3 returned by a purchaser when the full sales price is refunded either in cash or credit.
4 This exclusion shall not apply if the purchaser, in order to obtain the refund, is
5 required to purchase other tangible personal property or digital property at a price
6 greater than the amount charged for the property that is returned;
- 7 (17) Gross receipts from the sales of gasoline and special fuels subject to tax under KRS
8 Chapter 138;
- 9 (18) The amount of any tax imposed by the United States upon or with respect to retail
10 sales, whether imposed on the retailer or the consumer, not including any
11 manufacturer's excise or import duty;
- 12 (19) Gross receipts from the sale of any motor vehicle as defined in KRS 138.450 which
13 is:
- 14 (a) Sold to a Kentucky resident, registered for use on the public highways, and
15 upon which any applicable tax levied by KRS 138.460 has been paid; or
- 16 (b) Sold to a nonresident of Kentucky if the nonresident registers the motor
17 vehicle in a state that:
- 18 1. Allows residents of Kentucky to purchase motor vehicles without
19 payment of that state's sales tax at the time of sale; or
- 20 2. Allows residents of Kentucky to remove the vehicle from that state
21 within a specific period for subsequent registration and use in Kentucky
22 without payment of that state's sales tax;
- 23 (20) Gross receipts from the sale of a semi-trailer as defined in KRS 189.010(12) and
24 trailer as defined in KRS 189.010(17);
- 25 (21) Gross receipts from the collection of:
- 26 (a) Any fee or charge levied by a local government pursuant to KRS 65.760;
- 27 (b) The charge imposed by KRS 65.7629(3);

- 1 (c) The fee imposed by KRS 65.7634; and
- 2 (d) The service charge imposed by KRS 65.7636;
- 3 (22) Gross receipts derived from charges for labor or services to apply, install, repair, or
- 4 maintain tangible personal property directly used in manufacturing or industrial
- 5 processing process of:
- 6 (a) Tangible personal property at a plant facility;
- 7 (b) Distilled spirits or wine at a plant facility or on the premises of a distiller,
- 8 rectifier, winery, or small farm winery licensed under KRS 243.030; or
- 9 (c) Malt beverages at a plant facility or on the premises of a brewer or
- 10 microbrewery licensed under KRS 243.040
- 11 that is not otherwise exempt under subsection (9) of this section or KRS
- 12 139.480(10), if the charges for labor or services are separately stated on the invoice,
- 13 bill of sale, or similar document given to purchaser;
- 14 (23) (a) For persons selling services included in KRS 139.200(2)(g) to (q) prior to
- 15 January 1, 2019, gross receipts derived from the sale of those services if the
- 16 gross receipts were less than six thousand dollars (\$6,000) during calendar
- 17 year 2018. When gross receipts from these services exceed six thousand
- 18 dollars (\$6,000) in a calendar year:
- 19 1. All gross receipts over six thousand dollars (\$6,000) are taxable in that
- 20 calendar year; and
- 21 2. All gross receipts are subject to tax in subsequent calendar years.
- 22 (b) The exemption provided in this subsection shall not apply to a person also
- 23 engaged in the business of selling tangible personal property, digital property,
- 24 or services included in KRS 139.200(2)(a) to (f);~~and~~
- 25 (24) (a) For persons that first begin making sales of services included in KRS
- 26 139.200(2)(g) to (q) on or after January 1, 2019, gross receipts derived from
- 27 the sale of those services if the gross receipts are less than six thousand dollars

1 (\$6,000) within the first calendar year of operation. When gross receipts from
 2 these services exceed six thousand dollars (\$6,000) in a calendar year:

- 3 1. All gross receipts over six thousand dollars (\$6,000) are taxable in that
 4 calendar year; and
- 5 2. All gross receipts are subject to tax in subsequent calendar years.

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

9 **(25) Gross receipts from the sale of medicinal cannabis as defined in Section 1 of this**
 10 **Act and subject to tax under Section 33 of this Act.**

11 ➔Section 36. 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 37. 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 salts,
3 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 the
14 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;[~~or~~]
- 15 (f) A cannabidiol product approved as a prescription medication by the United
16 States Food and Drug Administration; **or**
- 17 **(g) Medicinal cannabis as defined in Section 1 of this Act;**
- 18 (29) "Medical history," as used in KRS Chapter 218A and for criminal prosecution only,
19 means an accounting of a patient's medical background, including but not limited to
20 prior medical conditions, prescriptions, and family background;
- 21 (30) "Medical order," as used in KRS Chapter 218A and for criminal prosecution only,
22 means a lawful order of a specifically identified practitioner for a specifically
23 identified patient for the patient's health-care needs. "Medical order" may or may
24 not include a prescription drug order;
- 25 (31) "Medical record," as used in KRS Chapter 218A and for criminal prosecution only,
26 means a record, other than for financial or billing purposes, relating to a patient,
27 kept by a practitioner as a result of the practitioner-patient relationship;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 ➔Section 38. KRS 218A.1421 is amended to read as follows:

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

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

- 1 (a) For a first offense a Class A misdemeanor.
- 2 (b) For a second or subsequent offense a Class D felony.
- 3 (3) **Unless authorized by Sections 1 to 30 of this Act,** trafficking in eight (8) or more
- 4 ounces but less than five (5) pounds of marijuana is:
- 5 (a) For a first offense a Class D felony.
- 6 (b) For a second or subsequent offense a Class C felony.
- 7 (4) **Unless authorized by Sections 1 to 30 of this Act,** trafficking in five (5) or more
- 8 pounds of marijuana is:
- 9 (a) For a first offense a Class C felony.
- 10 (b) For a second or subsequent offense a Class B felony.
- 11 (5) **Unless authorized by Sections 1 to 30 of this Act,** the unlawful possession by any
- 12 person of eight (8) or more ounces of marijuana shall be prima facie evidence that
- 13 the person possessed the marijuana with the intent to sell or transfer it.
- 14 **(6) This section does not apply to:**
- 15 **(a) A cannabis business or a cannabis business agent, as defined in Section 1**
- 16 **of this Act, when acting in compliance with Sections 1 to 30 of this Act; or**
- 17 **(b) A cardholder, as defined in Section 1 of this Act, whose medicinal use of**
- 18 **cannabis is in compliance with Sections 1 to 30 of this Act.**
- 19 ➔Section 39. KRS 218A.1422 is amended to read as follows:
- 20 (1) A person is guilty of possession of marijuana when he or she knowingly and
- 21 unlawfully possesses marijuana, **and the possession is not in compliance with, or**
- 22 **otherwise authorized by, Sections 1 to 30 of this Act.**
- 23 (2) Possession of marijuana is a Class B misdemeanor, except that, KRS Chapter 532
- 24 to the contrary notwithstanding, the maximum term of incarceration shall be no
- 25 greater than forty-five (45) days.
- 26 **(3) This section does not apply to:**
- 27 **(a) A cannabis business or a cannabis business agent, as defined in Section 1**

1 of this Act, when acting in compliance with Sections 1 to 30 of this Act; or
 2 (b) A cardholder, as defined in Section 1 of this Act, whose medicinal use of
 3 cannabis is in compliance with Sections 1 to 30 of this Act.

4 ➔Section 40. KRS 218A.1423 is amended to read as follows:

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

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

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

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

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

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

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

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

21 (5) This section does not apply to a cannabis business or a cannabis business agent,
 22 as defined in Section 1 of this Act, when acting in compliance with Sections 1 to
 23 30 of this Act.

24 ➔Section 41. KRS 218A.500 is amended to read as follows:

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

26 (1) "Drug paraphernalia" means all equipment, products and materials of any kind
 27 which are used, intended for use, or designed for use in planting, propagating,

1 cultivating, growing, harvesting, manufacturing, compounding, converting,
2 producing, processing, preparing, testing, analyzing, packaging, repackaging,
3 storing, containing, concealing, injecting, ingesting, inhaling, or otherwise
4 introducing into the human body a controlled substance in violation of this chapter.

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

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

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

1 inhale, or otherwise introduce into the human body a controlled substance in
2 violation of this chapter.

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

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

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

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

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

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

19 (6) (a) Prior to searching a person, a person's premises, or a person's vehicle, a peace
20 officer may inquire as to the presence of needles or other sharp objects in the
21 areas to be searched that may cut or puncture the officer and offer to not
22 charge a person with possession of drug paraphernalia if the person declares to
23 the officer the presence of the needle or other sharp object. If, in response to
24 the offer, the person admits to the presence of the needle or other sharp object
25 prior to the search, the person shall not be charged with or prosecuted for
26 possession of drug paraphernalia for the needle or sharp object or for
27 possession of a controlled substance for residual or trace drug amounts present

1 on the needle or sharp object.

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

5 (7) Any person who violates any provision of this section shall be guilty of a Class A
6 misdemeanor.

7 ➔Section 42. KRS 12.020 is amended to read as follows:

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

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

21 (1) The Governor.

22 (2) Lieutenant Governor.

23 (3) Department of State.

24 (a) Secretary of State.

25 (b) Board of Elections.

26 (c) Registry of Election Finance.

27 (4) Department of Law.

- 1 (a) Attorney General.
- 2 (5) Department of the Treasury.
- 3 (a) Treasurer.
- 4 (6) Department of Agriculture.
- 5 (a) Commissioner of Agriculture.
- 6 (b) Kentucky Council on Agriculture.
- 7 (7) Auditor of Public Accounts.
- 8 II. Program cabinets headed by appointed officers:
- 9 (1) Justice and Public Safety Cabinet:
- 10 (a) Department of Kentucky State Police.
- 11 (b) Department of Criminal Justice Training.
- 12 (c) Department of Corrections.
- 13 (d) Department of Juvenile Justice.
- 14 (e) Office of the Secretary.
- 15 (f) Office of Drug Control Policy.
- 16 (g) Office of Legal Services.
- 17 (h) Office of the Kentucky State Medical Examiner.
- 18 (i) Parole Board.
- 19 (j) Kentucky State Corrections Commission.
- 20 (k) Office of Legislative and Intergovernmental Services.
- 21 (l) Office of Management and Administrative Services.
- 22 (m) Department of Public Advocacy.
- 23 (2) Education and Workforce Development Cabinet:
- 24 (a) Office of the Secretary.
- 25 1. Governor's Scholars Program.
- 26 2. Governor's School for Entrepreneurs Program.
- 27 3. Office of the Kentucky Workforce Innovation Board.

- 1 4. Foundation for Adult Education.
- 2 5. Early Childhood Advisory Council.
- 3 (b) Office of Legal and Legislative Services.
- 4 1. Client Assistance Program.
- 5 (c) Office of Communication.
- 6 (d) Office of Administrative Services.
- 7 1. Division of Human Resources.
- 8 2. Division of Operations and Support Services.
- 9 3. Division of Fiscal Management.
- 10 (e) Office of Technology Services.
- 11 (f) Office of Educational Programs.
- 12 (g) Office of the Kentucky Center for Statistics.
- 13 (h) Board of the Kentucky Center for Statistics.
- 14 (i) Board of Directors for the Center for School Safety.
- 15 (j) Department of Education.
- 16 1. Kentucky Board of Education.
- 17 2. Kentucky Technical Education Personnel Board.
- 18 (k) Department for Libraries and Archives.
- 19 (l) Department of Workforce Investment.
- 20 1. Office of Vocational Rehabilitation.
- 21 a. Division of Kentucky Business Enterprise.
- 22 b. Division of the Carl D. Perkins Vocational Training Center.
- 23 c. Division of Blind Services.
- 24 d. Division of Field Services.
- 25 e. Statewide Council for Vocational Rehabilitation.
- 26 2. Office of Unemployment Insurance.
- 27 3. Office of Employer and Apprenticeship Services.

- 1 a. Division of Apprenticeship.
- 2 4. Office of Career Development.
- 3 5. Office of Adult Education.
- 4 6. Unemployment Insurance Commission.
- 5 7. Kentucky Apprenticeship Council.
- 6 (m) Foundation for Workforce Development.
- 7 (n) Kentucky Workforce Investment Board.
- 8 (o) Education Professional Standards Board.
 - 9 1. Division of Educator Preparation.
 - 10 2. Division of Certification.
 - 11 3. Division of Professional Learning and Assessment.
 - 12 4. Division of Legal Services.
- 13 (p) Kentucky Commission on the Deaf and Hard of Hearing.
- 14 (q) Kentucky Educational Television.
- 15 (r) Kentucky Environmental Education Council.
- 16 (3) Energy and Environment Cabinet:
 - 17 (a) Office of the Secretary.
 - 18 1. Office of Legislative and Intergovernmental Affairs.
 - 19 2. Office of Legal Services.
 - 20 a. Legal Division I.
 - 21 b. Legal Division II.
 - 22 3. Office of Administrative Hearings.
 - 23 4. Office of Communication.
 - 24 5. Mine Safety Review Commission.
 - 25 6. Office of Kentucky Nature Preserves.
 - 26 7. Kentucky Public Service Commission.
 - 27 (b) Department for Environmental Protection.

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

- 1 a. Insurance Legal Division.
- 2 b. Charitable Gaming Legal Division.
- 3 c. Alcoholic Beverage **and Cannabis** Control Legal Division.
- 4 d. Housing, Buildings and Construction Legal Division.
- 5 e. Financial Institutions Legal Division.
- 6 f. Professional Licensing Legal Division.
- 7 3. Office of Administrative Hearings.
- 8 4. Office of Administrative Services.
 - 9 a. Division of Human Resources.
 - 10 b. Division of Fiscal Responsibility.
- 11 (b) Kentucky Claims Commission.
- 12 (c) Kentucky Boxing and Wrestling Commission.
- 13 (d) Kentucky Horse Racing Commission.
 - 14 1. Office of Executive Director.
 - 15 a. Division of Pari-mutuel Wagering and Compliance.
 - 16 b. Division of Stewards.
 - 17 c. Division of Licensing.
 - 18 d. Division of Enforcement.
 - 19 e. Division of Incentives and Development.
 - 20 f. Division of Veterinary Services.
 - 21 (e) Department of Alcoholic Beverage **and Cannabis** Control.
 - 22 1. Division of Distilled Spirits.
 - 23 2. Division of Malt Beverages.
 - 24 3. **Division of Medicinal Cannabis**
 - 25 **4.** Division of **Alcohol and Cannabis** Enforcement.
 - 26 (f) Department of Charitable Gaming.
 - 27 1. Division of Licensing and Compliance.

- 1 2. Division of Enforcement.
- 2 (g) Department of Financial Institutions.
- 3 1. Division of Depository Institutions.
- 4 2. Division of Non-Depository Institutions.
- 5 3. Division of Securities.
- 6 (h) Department of Housing, Buildings and Construction.
- 7 1. Division of Fire Prevention.
- 8 2. Division of Plumbing.
- 9 3. Division of Heating, Ventilation, and Air Conditioning.
- 10 4. Division of Building Code Enforcement.
- 11 (i) Department of Insurance.
- 12 1. Division of Insurance Product Regulation.
- 13 2. Division of Administrative Services.
- 14 3. Division of Financial Standards and Examination.
- 15 4. Division of Agent Licensing.
- 16 5. Division of Insurance Fraud Investigation.
- 17 6. Division of Consumer Protection.
- 18 (j) Department of Professional Licensing.
- 19 1. Real Estate Authority.
- 20 (5) Labor Cabinet.
- 21 (a) Office of the Secretary.
- 22 1. Office of General Counsel.
- 23 a. Workplace Standards Legal Division.
- 24 b. Workers' Claims Legal Division.
- 25 2. Office of Administrative Services.
- 26 a. Division of Human Resources Management.
- 27 b. Division of Fiscal Management.

- 1 c. Division of Professional Development and Organizational
- 2 Management.
- 3 d. Division of Information Technology and Support Services.
- 4 3. Office of Inspector General.
- 5 (b) Department of Workplace Standards.
- 6 1. Division of Occupational Safety and Health Compliance.
- 7 2. Division of Occupational Safety and Health Education and
- 8 Training.
- 9 3. Division of Wages and Hours.
- 10 (c) Department of Workers' Claims.
- 11 1. Division of Workers' Compensation Funds.
- 12 2. Office of Administrative Law Judges.
- 13 3. Division of Claims Processing.
- 14 4. Division of Security and Compliance.
- 15 5. Division of Information Services.
- 16 6. Division of Specialist and Medical Services.
- 17 7. Workers' Compensation Board.
- 18 (d) Workers' Compensation Funding Commission.
- 19 (e) Occupational Safety and Health Standards Board.
- 20 (f) State Labor Relations Board.
- 21 (g) Employers' Mutual Insurance Authority.
- 22 (h) Kentucky Occupational Safety and Health Review Commission.
- 23 (i) Workers' Compensation Nominating Committee.
- 24 (6) Transportation Cabinet:
- 25 (a) Department of Highways.
- 26 1. Office of Project Development.
- 27 2. Office of Project Delivery and Preservation.

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

- 1 e. Incentive Administration Division.
- 2 f. Bluegrass State Skills Corporation.
- 3 4. Office of Marketing and Public Affairs.
- 4 a. Communications Division.
- 5 b. Graphics Design Division.
- 6 5. Office of Workforce, Community Development, and Research.
- 7 6. Office of Entrepreneurship.
- 8 a. Commission on Small Business Advocacy.
- 9 (8) Cabinet for Health and Family Services:
- 10 (a) Office of the Secretary.
- 11 1. Office of the Ombudsman and Administrative Review.
- 12 2. Office of Public Affairs.
- 13 3. Office of Legal Services.
- 14 4. Office of Inspector General.
- 15 5. Office of Human Resource Management.
- 16 6. Office of Finance and Budget.
- 17 7. Office of Legislative and Regulatory Affairs.
- 18 8. Office of Administrative Services.
- 19 9. Office of Application Technology Services.
- 20 (b) Department for Public Health.
- 21 (c) Department for Medicaid Services.
- 22 (d) Department for Behavioral Health, Developmental and Intellectual
- 23 Disabilities.
- 24 (e) Department for Aging and Independent Living.
- 25 (f) Department for Community Based Services.
- 26 (g) Department for Income Support.
- 27 (h) Department for Family Resource Centers and Volunteer Services.

- 1 (i) Office for Children with Special Health Care Needs.
- 2 (j) Office of Health Data and Analytics.
- 3 (9) Finance and Administration Cabinet:
- 4 (a) Office of the Secretary.
- 5 (b) Office of the Inspector General.
- 6 (c) Office of Legislative and Intergovernmental Affairs.
- 7 (d) Office of General Counsel.
- 8 (e) Office of the Controller.
- 9 (f) Office of Administrative Services.
- 10 (g) Office of Policy and Audit.
- 11 (h) Department for Facilities and Support Services.
- 12 (i) Department of Revenue.
- 13 (j) Commonwealth Office of Technology.
- 14 (k) State Property and Buildings Commission.
- 15 (l) Office of Equal Employment Opportunity and Contract Compliance.
- 16 (m) Kentucky Employees Retirement Systems.
- 17 (n) Commonwealth Credit Union.
- 18 (o) State Investment Commission.
- 19 (p) Kentucky Housing Corporation.
- 20 (q) Kentucky Local Correctional Facilities Construction Authority.
- 21 (r) Kentucky Turnpike Authority.
- 22 (s) Historic Properties Advisory Commission.
- 23 (t) Kentucky Tobacco Settlement Trust Corporation.
- 24 (u) Kentucky Higher Education Assistance Authority.
- 25 (v) Kentucky River Authority.
- 26 (w) Kentucky Teachers' Retirement System Board of Trustees.
- 27 (x) Executive Branch Ethics Commission.

- 1 (10) Tourism, Arts and Heritage Cabinet:
- 2 (a) Kentucky Department of Tourism.
- 3 1. Division of Tourism Services.
- 4 2. Division of Marketing and Administration.
- 5 3. Division of Communications and Promotions.
- 6 (b) Kentucky Department of Parks.
- 7 1. Division of Information Technology.
- 8 2. Division of Human Resources.
- 9 3. Division of Financial Operations.
- 10 4. Division of Facilities Management.
- 11 5. Division of Facilities Maintenance.
- 12 6. Division of Customer Services.
- 13 7. Division of Recreation.
- 14 8. Division of Golf Courses.
- 15 9. Division of Food Services.
- 16 10. Division of Rangers.
- 17 11. Division of Resort Parks.
- 18 12. Division of Recreational Parks and Historic Sites.
- 19 (c) Department of Fish and Wildlife Resources.
- 20 1. Division of Law Enforcement.
- 21 2. Division of Administrative Services.
- 22 3. Division of Engineering, Infrastructure, and Technology.
- 23 4. Division of Fisheries.
- 24 5. Division of Information and Education.
- 25 6. Division of Wildlife.
- 26 7. Division of Marketing.
- 27 (d) Kentucky Horse Park.

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

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

- 1 (2) Department of Military Affairs.
- 2 (3) Department for Local Government.
- 3 (4) Kentucky Commission on Human Rights.
- 4 (5) Kentucky Commission on Women.
- 5 (6) Department of Veterans' Affairs.
- 6 (7) Kentucky Commission on Military Affairs.
- 7 (8) Office of Minority Empowerment.
- 8 (9) Governor's Council on Wellness and Physical Activity.
- 9 (10) Kentucky Communications Network Authority.

10 ➔Section 43. KRS 12.252 is amended to read as follows:

11 (1) There is established within the Public Protection Cabinet a Department of Financial
12 Institutions, a Department of Insurance, a Department of Housing, Buildings and
13 Construction, a Department of Charitable Gaming, a Department of Professional
14 Licensing, and a Department of Alcoholic Beverage and Cannabis Control. Each
15 department shall be headed by a commissioner appointed by the Governor as
16 required by KRS 12.040 and, where appropriate, by KRS 238.510, 241.015, and
17 304.2-020. Commissioners shall be directly responsible to the secretary and shall
18 perform the functions, powers, and duties provided by law and prescribed by the
19 secretary.

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

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

26 (b) The Office of Legal Services, which shall be headed by an executive director
27 appointed by the secretary with the approval of the Governor in accordance

1 with KRS 12.050 and 12.210;

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

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

8 (3) There is established within the Public Protection Cabinet the Kentucky Claims
9 Commission pursuant to KRS 49.010.

10 (4) The Kentucky Horse Racing Commission is attached to the Public Protection
11 Cabinet for administrative purposes only, except as provided in KRS 131.330.

12 (5) There is established within the Public Protection Cabinet the Kentucky Boxing and
13 Wrestling Commission, which shall be headed by an executive director appointed
14 by the secretary with the approval of the Governor as required by KRS 12.050. The
15 executive director shall be directly responsible to the secretary and shall perform the
16 functions, powers, and duties provided by law and prescribed by the secretary.

17 ➔Section 44. KRS 15.300 is amended to read as follows:

18 (1) As used in this section, "consent order" means the consent order of December 21,
19 1998, agreed to in Commonwealth of Kentucky v. Philip Morris Inc. et al., Docket
20 Number 98-CI-01579, Franklin Circuit Court.

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

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

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

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

- 1 (d) The secretary of the Public Protection Cabinet, or the secretary's designee; and
- 2 (e) Two (2) citizens at large appointed by the Attorney General.
- 3 (3) The citizen members of the board shall serve for terms of one (1) year and until
- 4 their successors are appointed. The citizen members shall be eligible for successive
- 5 terms on the board.
- 6 (4) The board shall annually elect a member to serve as its chair and shall meet at least
- 7 quarterly on a date set by the board. Board members shall be reimbursed for
- 8 necessary expenses incurred in serving on the board.
- 9 (5) The board may adopt rules governing the conduct of its meetings, the creation of
- 10 meeting agendas, and other procedural matters it deems necessary. The board may
- 11 adopt reporting forms, which shall be developed in consultation with participating
- 12 agencies.
- 13 (6) The Office of the Attorney General shall:
- 14 (a) Enter into a memorandum of agreement with the Department of Public Health
- 15 of the Cabinet for Health and Family Services, the Department of Alcoholic
- 16 Beverage and Cannabis Control in the Public Protection Cabinet, and the
- 17 Department of Agriculture to identify and report possible violations of the
- 18 consent order;
- 19 (b) Attempt to secure funding under the master settlement agreement to reimburse
- 20 the agencies specified in paragraph (a) of this subsection for any compliance
- 21 activity that they perform; and
- 22 (c) Provide necessary funding and staff for administrative expenses related to the
- 23 operation of the board. The board may request assistance from other state
- 24 agencies.
- 25 (7) The Tobacco Master Settlement Agreement Compliance Advisory Board shall:
- 26 (a) Identify activities for which training is required for personnel of the state
- 27 agencies specified in paragraph (a) of subsection (6) of this section that are

1 responsible for identifying and reporting possible violations of the consent
2 order;

3 (b) Determine eligible compliance training costs and seek reimbursement for the
4 costs; and

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

11 ➔Section 45. KRS 15.380 is amended to read as follows:

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

14 (a) Department of Kentucky State Police officers, but for the commissioner of the
15 Department of Kentucky State Police;

16 (b) City, county, and urban-county police officers;

17 (c) Court security officers and deputy sheriffs, except those identified in KRS
18 70.045 and 70.263(3);

19 (d) State or public university police officers appointed pursuant to KRS 164.950;

20 (e) School resource officers as defined in KRS 158.441 and employed or
21 appointed under KRS 158.4414;

22 (f) Airport safety and security officers appointed under KRS 183.880;

23 (g) Department of Alcoholic Beverage and Cannabis Control investigators
24 appointed under KRS 241.090;

25 (h) Division of Insurance Fraud Investigation investigators appointed under KRS
26 304.47-040;

27 (i) Fire investigators appointed or employed under KRS 95A.100 or 227.220; and

- 1 (j) County detectives appointed in accordance with KRS 69.360 after July 1,
2 2019.
- 3 (2) The requirements of KRS 15.380 to 15.404 for certification may apply to all state
4 peace officers employed pursuant to KRS Chapter 18A and shall, if adopted, be
5 incorporated by the Personnel Cabinet for job specifications.
- 6 (3) Additional training in excess of the standards set forth in KRS 15.380 to 15.404 for
7 all peace officers possessing arrest powers who have specialized law enforcement
8 responsibilities shall be the responsibility of the employing agency.
- 9 (4) The following officers may, upon request of the employing agency, be certified by
10 the council:
- 11 (a) Deputy coroners;
12 (b) Deputy constables;
13 (c) Deputy jailers;
14 (d) Deputy sheriffs under KRS 70.045 and 70.263(3);
15 (e) Officers appointed under KRS 61.360;
16 (f) Officers appointed under KRS 61.902, except those who are school resource
17 officers as defined in KRS 158.441 and who shall be certified under
18 subsection (1)(e) of this section;
19 (g) Private security officers;
20 (h) Employees of a correctional services division created pursuant to KRS
21 67A.028 and employees of a metropolitan correctional services department
22 created pursuant to KRS 67B.010 to 67B.080; and
23 (i) Investigators employed by the Department of Charitable Gaming in
24 accordance with KRS 238.510; and
25 (j) Commonwealth detectives employed under KRS 69.110 and county detectives
26 employed under KRS 69.360.
- 27 (5) The following officers shall be exempted from the certification requirements but

1 may upon their request be certified by the council:

2 (a) Sheriffs;

3 (b) Coroners;

4 (c) Constables;

5 (d) Jailers;

6 (e) Kentucky Horse Racing Commission security officers employed under KRS
7 230.240; and

8 (f) Commissioner of the State Police.

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

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

15 ➔Section 46. KRS 15.398 is amended to read as follows:

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

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

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

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

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

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

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

- 1 (7) KRS Chapter 18A, relating to all state peace officers;
- 2 (8) KRS 241.090, relating to Department of Alcoholic Beverage and Cannabis Control
- 3 investigators;
- 4 (9) KRS 304.47-040, relating to Division of Insurance Fraud Investigators; and
- 5 (10) Any other statutes affecting peace officers not specifically cited herein.

6 ➔Section 47. KRS 15.420 is amended to read as follows:

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

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

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

10 1. A local officer, limited to:

11 a. A full-time:

12 i. Member of a lawfully organized police department of county,

13 urban-county, or city government; or

14 ii. Sheriff or full-time deputy sheriff, including any sheriff

15 providing court security or appointed under KRS 70.030; or

16 b. A school resource officer as defined in KRS 158.441; and

17 2. A state officer, limited to:

18 a. A public university police officer;

19 b. A Kentucky state trooper;

20 c. A Kentucky State Police arson investigator;

21 d. A Kentucky State Police hazardous device investigator;

22 e. A Kentucky State Police legislative security specialist;

23 f. A Kentucky vehicle enforcement officer;

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

25 15.460(1)(f);

26 h. A Kentucky state park ranger, subject to KRS 15.460(1)(f);

27 i. An agriculture investigator;

- 1 j. A charitable gaming investigator;
- 2 k. An alcoholic beverage and cannabis control investigator;
- 3 l. An insurance fraud investigator;
- 4 m. An Attorney General investigator; and
- 5 n. A Kentucky Department of Fish and Wildlife Resources
- 6 conservation officer, subject to KRS 15.460(1)(e);
- 7 who is responsible for the prevention and detection of crime and the
- 8 enforcement of the general criminal laws of the state;

9 (b) "Police officer" does not include any sheriff who earns the maximum

10 constitutional salary for this office, any special deputy sheriff appointed under

11 KRS 70.045, any constable, deputy constable, district detective, deputy district

12 detective, special local peace officer, auxiliary police officer, or any other

13 peace officer not specifically authorized in KRS 15.410 to 15.510;

14 (3) "Police department" means the employer of a police officer;

15 (4) "Retirement plan" means a defined benefit plan consisting of required employer

16 contributions pursuant to KRS 61.565, 61.702, or any other provision of law;

17 (5) "Unit of government" means any city, county, combination of cities and counties,

18 public university, state agency, local school district, or county sheriff's office of the

19 Commonwealth; and

20 (6) "Validated job task analysis" means the core job description that describes the

21 minimum entry level requirements, qualifications, and training requirements for

22 peace officers in the Commonwealth, and that is based upon an actual survey and

23 study of police officer duties and responsibilities conducted by an entity recognized

24 by the council as being competent to conduct such a study.

25 ➔Section 48. KRS 15A.340 is amended to read as follows:

26 (1) As used in this section and KRS 15A.342 and 15A.344, "KY-ASAP" means the

27 Kentucky Agency for Substance Abuse Policy.

1 (2) The Office of Drug Control Policy shall administer an endowment from interest
2 generated through funds appropriated or gifts, donations, or funds received from
3 any source. The Office of Drug Control Policy may expend endowment principal, if
4 necessary in its discretion, to carry out the purposes of this section and KRS
5 15A.342 and 15A.344. These expenditures from the endowment principal are
6 hereby appropriated for this purpose.

7 (3) (a) The Office of Drug Control Policy shall oversee the activities specified in this
8 section and KRS 15A.342 and 15A.344 and provide administrative support to
9 the seventeen (17) member KY-ASAP Board, which is created to oversee the
10 activities of KY-ASAP. Membership of the board shall be appointed by the
11 Governor and shall consist of the following:

- 12 1. One (1) member representing the Kentucky Family Resource Youth
13 Services Coalition, or a designee;
- 14 2. One (1) member representing the Kentucky Health Department
15 Association, or a designee;
- 16 3. The secretary of the Cabinet for Health and Family Services, or
17 designee;
- 18 4. The secretary of the Justice and Public Safety Cabinet, or a designee;
- 19 5. One (1) member representing the Division of Behavioral Health within
20 the Department for Behavioral Health, Developmental and Intellectual
21 Disabilities, Cabinet for Health and Family Services, or a designee;
- 22 6. The commissioner of the Department for Public Health, Cabinet for
23 Health and Family Services, or a designee;
- 24 7. The commissioner of the Department of Alcoholic Beverage ***and***
25 ***Cannabis*** Control, or a designee;
- 26 8. The commissioner of the Department of Education;
- 27 9. The director of the Administrative Office of the Courts, or a designee;

- 1 10. One (1) member representing the Kentucky Association of Regional
2 Programs, or a designee;
- 3 11. One (1) member representing the Kentucky Heart Association, or a
4 designee;
- 5 12. One (1) member representing the Kentucky Lung Association, or a
6 designee;
- 7 13. One (1) member representing the Kentucky Cancer Society, or a
8 designee;
- 9 14. Two (2) members representing local tobacco addiction and substance
10 abuse advisory and coordination boards; and
- 11 15. Two (2) members representing private community-based organizations,
12 whether for-profit or nonprofit, with experience in programs involving
13 smoking cessation or prevention or alcohol or substance abuse
14 prevention and treatment.
- 15 (b) Members shall serve for a term of four (4) years, may be reappointed, and may
16 serve no more than two (2) consecutive terms. Members shall not be
17 compensated but shall receive reimbursement for expenses incurred while
18 performing board business.
- 19 (c) The board shall meet at least quarterly. A quorum of nine (9) members shall
20 be required for the transaction of business. Meetings shall be held at the call
21 of the chair, or upon the written request of two (2) members to the chair.
- 22 (d) The board shall:
- 23 1. Oversee deposits and expenditures from the endowment;
- 24 2. Request, in its discretion, an audit relating to the expenditure of
25 endowment funds;
- 26 3. Receive quarterly reports from the commissioner of the Department of
27 Alcoholic Beverage and Cannabis Control regarding KY-ASAP's

1 activities;

2 4. Progress toward development and implementation of the strategic plan;

3 5. Recommend to KY-ASAP the most efficient means for using public
4 funds to coordinate, supplement, and support high quality and ongoing
5 programs of all public agencies and private service providers related to
6 smoking cessation and prevention and alcohol and substance abuse
7 prevention and treatment;

8 6. Recommend matters for review and analysis by KY-ASAP; and

9 7. Perform other duties as necessary for the oversight of KY-ASAP.

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

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

17 ➔Section 49. KRS 61.592 (Effective April 1, 2021) is amended to read as
18 follows:

19 (1) (a) "Hazardous position" for employees participating in the Kentucky Employees
20 Retirement System, and for employees who begin participating in the County
21 Employees Retirement System before September 1, 2008, means:

22 1. Any position whose principal duties involve active law enforcement,
23 including the positions of probation and parole officer and
24 Commonwealth detective, active fire suppression or prevention, or other
25 positions, including but not limited to pilots of the Transportation
26 Cabinet and paramedics and emergency medical technicians, with duties
27 that require frequent exposure to a high degree of danger or peril and

1 also require a high degree of physical conditioning;

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

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

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

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

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

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

22 (2) (a) Each employer may request of the board hazardous duty coverage for those
23 positions as defined in subsection (1) of this section. Upon request, each
24 employer shall certify to the system, in the manner prescribed by the board,
25 the names of all employees working in a hazardous position as defined in
26 subsection (1) of this section for which coverage is requested. The
27 certification of the employer shall bear the approval of the agent or agency

1 responsible for the budget of the department or county indicating that the
2 required employer contributions have been provided for in the budget of the
3 employing department or county. The system shall determine whether the
4 employees whose names have been certified by the employer are working in
5 positions meeting the definition of a hazardous position as provided by
6 subsection (1) of this section. This process shall not be required for employees
7 who elect coverage under KRS 196.167(3)(b)2.

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

1 has individual job duties that do not meet the definition of a hazardous duty
2 position or are not accurately reflected in the job descriptions filed by the
3 employer with the system.

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. An employee participating in the County Employees
10 Retirement System who is determined by the system to be working in a
11 hazardous duty position in accordance with subsection (2) of this section shall
12 contribute, for each pay period for which he or she receives compensation,
13 eight percent (8%) of his or her creditable compensation.

14 (b) Each employer shall pay employer contributions based on the creditable
15 compensation of the employees determined by the system to be working in a
16 hazardous position at the employer contribution rate as determined by the
17 board. The rate shall be determined by actuarial methods consistent with the
18 provisions of KRS 61.565 or 78.635, as applicable.

19 (c) If the employer participated in the system prior to electing hazardous duty
20 coverage, the employer may pay to the system the cost of converting the
21 nonhazardous service to hazardous service from the date of participation to
22 the date the payment is made, or the employer may establish a payment
23 schedule for payment of the cost of the hazardous service above that which
24 would be funded within the existing employer contribution rate. The employer
25 may extend the payment schedule to a maximum of thirty (30) years.
26 Payments made by the employer under this subsection shall be deposited to
27 the retirement allowance account of the proper retirement system and these

1 funds shall not be considered accumulated contributions of the individual
2 members. If the employer elects not to make the additional payment, the
3 employee may pay the cost of converting the service and provide payment for
4 the cost as provided by KRS 61.552(14). Payments made by the employee
5 under this subsection shall not be picked up, as described in KRS 61.560(4),
6 by the employer. If neither the employer nor employee makes the payment, the
7 service prior to hazardous coverage shall remain nonhazardous. The
8 provisions of this paragraph shall not apply to members who begin
9 participating in the systems administered by Kentucky Retirement Systems or
10 County Employees Retirement System on or after January 1, 2014.

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

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

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

24 ➔Section 50. KRS 62.160 is amended to read as follows:

25 (1) The state officers elected by the voters of the state at large, except the Governor and
26 the Lieutenant Governor, the heads of departments, offices, and cabinets of the state
27 government, the adjutant general, the members of the Public Service Commission,

1 the members of the State Fair Board and Fish and Wildlife Resources Commission,
 2 and the members of the Kentucky Claims Commission and the Alcoholic Beverage
 3 Control Board, shall each give bond. The amounts of the bonds shall be fixed by the
 4 Governor, which amounts as to those offices set forth in subsection (2) of this
 5 section shall be not less than the amounts set forth for the respective offices. At any
 6 time when it appears to be to the interest of the Commonwealth, the Governor may
 7 increase the penal sum of any bond or require a renewal of the bond with other or
 8 additional surety.

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

10	Secretary of State	\$10,000
11	Attorney General	10,000
12	State Treasurer	300,000
13	Secretary for economic development	10,000
14	Commissioner of Agriculture	10,000
15	Secretary for education	10,000
16	Auditor of Public Accounts	25,000
17	Adjutant general	10,000
18	Secretary of finance and administration	100,000
19	Commissioner of revenue	50,000
20	Secretary of transportation	50,000
21	Commissioner of highways	50,000
22	Secretary of justice and public safety	50,000
23	Secretary of corrections	25,000
24	Commissioner for public health services	10,000
25	Secretary of labor	5,000
26	Commissioner for natural resources	50,000
27	State librarian	5,000

1 Commissioner of alcoholic beverage and cannabis control10,000

2 Commissioner of financial institutions25,000

3 Secretary for energy and environment50,000

4 Commissioner of insurance50,000

5 Commissioner of vehicle regulation10,000

6 Commissioner of fish and wildlife resources5,000

7 Secretary for health and family services20,000

8 Commissioner of environmental protection10,000

9 Secretary of public protection10,000

10 Secretary of tourism, arts and heritage25,000

11 Commissioner for community based services20,000

12 Member of the Public Service Commission10,000

13 Member of State Fair Board10,000

14 Member of Fish and Wildlife Resources Commission1,000

15 Member of Kentucky Claims Commission.....10,000

16 Associate member of Alcoholic Beverage Control Board5,000

17 Commissioner of local government100,000

18 ➔Section 51. KRS 131.1815 is amended to read as follows:

19 (1) Whenever it is determined that a taxpayer, who holds a license under KRS Chapter
 20 243, is a delinquent taxpayer as defined in subsection (2) of this section, the
 21 department may, after giving notice as provided in subsection (3) of this section,
 22 submit the name of the taxpayer to the Department of Alcoholic Beverage and
 23 Cannabis Control for revocation of any license issued under KRS Chapter 243.

24 (2) Any of the following situations shall be sufficient to cause a taxpayer to be
 25 classified as a "delinquent taxpayer" for purposes of this section:

26 (a) When a taxpayer has an overdue state tax liability arising directly or indirectly
 27 from the manufacture, sale, transportation, or distribution of alcoholic

1 beverages, for which all protest and appeal rights granted by law have expired,
2 and the taxpayer has been contacted by the department concerning the overdue
3 tax liability. This does not include a taxpayer who is making current timely
4 installment payments on the overdue tax liability under agreement with the
5 department;

6 (b) When a taxpayer has not filed a required tax return as of ninety (90) days after
7 the due date or after the extended due date, and the taxpayer has been
8 contacted by the department concerning the delinquent return; or

9 (c) When an owner, partner, or corporate officer of a proprietorship, partnership,
10 or corporation holding a license under KRS Chapter 243 held a similar
11 position in a business whose license was revoked as a "delinquent taxpayer,"
12 and the tax liability remains unpaid as of ninety (90) days after the due date.

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

21 ➔Section 52. KRS 211.285 is amended to read as follows:

22 (1) There is hereby created the malt beverage educational fund which shall provide
23 moneys on a matching basis for educational information and materials that deter or
24 eliminate underage drinking. The fund shall consist of moneys generated from one
25 percent (1%) of the excise tax collected from the sale and distribution of malt
26 beverages under KRS 243.720 and one percent (1%) of the wholesale tax collected
27 from distributors of malt beverages and microbreweries under KRS 243.884.

- 1 (2) The malt beverage educational fund shall be established in the State Treasury as a
2 trust and revolving account under KRS 45.253. Moneys in the account shall be
3 distributed by the State Treasurer to the Malt Beverage Educational Corporation, a
4 nonprofit organization that is organized under the laws of this state, upon the
5 authorization of the secretary of the Cabinet for Health and Family Services. The
6 moneys shall be awarded to the corporation solely to fund educational programs to
7 deter or eliminate underage drinking.
- 8 (3) The secretary of the Cabinet for Health and Family Services shall authorize that
9 moneys from the fund be disbursed to the corporation upon the secretary's receipt of
10 a certification from the corporation showing the moneys the corporation has
11 received from malt beverage distributors, microbreweries, and other private sources
12 since the last certification. The moneys disbursed from the fund shall be equal to the
13 contributions that the corporation has received from its members and other private
14 sources during that period. The moneys in the fund shall be disbursed in accordance
15 with a schedule established by the secretary, and shall be disbursed until the moneys
16 in the fund are exhausted or until the moneys in the fund lapse in accordance with
17 subsection (4) of this section, whichever comes first.
- 18 (4) Moneys that are credited to the fund and not issued to the corporation shall lapse at
19 the end of the fiscal year and shall be returned to the general fund.
- 20 (5) As a condition of receiving the governmental funds, the corporation's board of
21 directors shall include the following among its directors:
- 22 (a) The Governor or his or her designee;
 - 23 (b) The Attorney General or his or her designee;
 - 24 (c) The President of the Senate or his or her designee;
 - 25 (d) The Speaker of the House or his or her designee;
 - 26 (e) The secretary of the Cabinet for Health and Family Services or his or her
27 designee; and

1 (f) The commissioner of the Department of Alcoholic Beverage and Cannabis
2 Control or his or her designee.

3 (6) All expenditures of moneys from the fund shall be approved by a majority of those
4 persons set out in subsection (5)(a) to (f) of this section. If the moneys from the
5 fund are not expended in their entirety, any moneys that remain unused by the
6 corporation at the end of the fiscal year shall be returned to the general fund.

7 (7) Any moneys from the fund that are not expended shall be returned to the general
8 fund upon the dissolution of the corporation.

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

15 ➔Section 53. KRS 241.010 is amended to read as follows:

16 As used in KRS Chapters 241 to 244, unless the context requires otherwise:

17 (1) "Alcohol" means ethyl alcohol, hydrated oxide of ethyl or spirit of wine, from
18 whatever source or by whatever process it is produced;

19 (2) "Alcoholic beverage" means every liquid, solid, powder, or crystal, whether
20 patented or not, containing alcohol in an amount in excess of more than one percent
21 (1%) of alcohol by volume, which is fit for beverage purposes. It includes every
22 spurious or imitation liquor sold as, or under any name commonly used for,
23 alcoholic beverages, whether containing any alcohol or not. It does not include the
24 following products:

25 (a) Medicinal preparations manufactured in accordance with formulas prescribed
26 by the United States Pharmacopoeia, National Formulary, or the American
27 Institute of Homeopathy;

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

- 1 241.030;
- 2 (7) "Bottle" means any container which is used for holding alcoholic beverages for the
3 use and sale of alcoholic beverages at retail;
- 4 (8) "Brewer" means any person who manufactures malt beverages or owns, occupies,
5 carries on, works, or conducts any brewery, either alone or through an agent;
- 6 (9) "Brewery" means any place or premises where malt beverages are manufactured for
7 sale, and includes all offices, granaries, mash rooms, cooling rooms, vaults, yards,
8 and storerooms connected with the premises; or where any part of the process of the
9 manufacture of malt beverages is carried on; or where any apparatus connected with
10 manufacture is kept or used; or where any of the products of brewing or
11 fermentation are stored or kept;
- 12 (10) "Building containing licensed premises" means the licensed premises themselves
13 and includes the land, tract of land, or parking lot in which the premises are
14 contained, and any part of any building connected by direct access or by an entrance
15 which is under the ownership or control of the licensee by lease holdings or
16 ownership;
- 17 (11) "Caterer" means a person operating a food service business that prepares food in a
18 licensed and inspected commissary, transports the food and alcoholic beverages to
19 the caterer's designated and inspected banquet hall or to an agreed location, and
20 serves the food and alcoholic beverages pursuant to an agreement with another
21 person;
- 22 (12) "Charitable organization" means a nonprofit entity recognized as exempt from
23 federal taxation under section 501(c) of the Internal Revenue Code (26 U.S.C. sec.
24 501(c)) or any organization having been established and continuously operating
25 within the Commonwealth of Kentucky for charitable purposes for three (3) years
26 and which expends at least sixty percent (60%) of its gross revenue exclusively for
27 religious, educational, literary, civic, fraternal, or patriotic purposes;

- 1 (13) "Cider" means any fermented fruit-based beverage containing seven percent (7%) or
2 more alcohol by volume and includes hard cider and perry cider;
- 3 (14) "City administrator" means city alcoholic beverage control administrator;
- 4 (15) "Commercial airport" means an airport through which more than five hundred
5 thousand (500,000) passengers arrive or depart annually;
- 6 (16) "Commercial quadricycle" means a vehicle equipped with a minimum of ten (10)
7 pairs of fully operative pedals for propulsion by means of human muscular power
8 exclusively and which:
- 9 (a) Has four (4) wheels;
- 10 (b) Is operated in a manner similar to that of a bicycle;
- 11 (c) Is equipped with a minimum of thirteen (13) seats for passengers;
- 12 (d) Has a unibody design;
- 13 (e) Is equipped with a minimum of four (4) hydraulically operated brakes;
- 14 (f) Is used for commercial tour purposes; and
- 15 (g) Is operated by the vehicle owner or an employee of the owner;
- 16 (17) "Commissioner" means the commissioner of the Department of Alcoholic Beverage
17 and Cannabis Control;
- 18 (18) "Consumer" means a person who purchases alcoholic beverages and who:
- 19 (a) Does not hold a license or permit issued by the department;
- 20 (b) Purchases the alcoholic beverages for personal consumption only and not for
21 resale;
- 22 (c) Is of lawful drinking age;
- 23 (d) Receives the alcoholic beverages at a location other than a licensed premises;
24 and
- 25 (e) Receives the alcoholic beverages in territory where the alcoholic beverages
26 may be lawfully sold or received;
- 27 (19) "Convention center" means any facility which, in its usual and customary business,

- 1 provides seating for a minimum of one thousand (1,000) people and offers
2 convention facilities and related services for seminars, training and educational
3 purposes, trade association meetings, conventions, or civic and community events
4 or for plays, theatrical productions, or cultural exhibitions;
- 5 (20) "Convicted" and "conviction" means a finding of guilt resulting from a plea of
6 guilty, the decision of a court, or the finding of a jury, irrespective of a
7 pronouncement of judgment or the suspension of the judgment;
- 8 (21) "County administrator" means county alcoholic beverage control administrator;
- 9 (22) "Department" means the Department of Alcoholic Beverage and Cannabis Control;
- 10 (23) "Dining car" means a railroad passenger car that serves meals to consumers on any
11 railroad or Pullman car company;
- 12 (24) "Discount in the usual course of business" means price reductions, rebates, refunds,
13 and discounts given by wholesalers to distilled spirits and wine retailers pursuant to
14 an agreement made at the time of the sale of the merchandise involved and are
15 considered a part of the sales transaction, constituting reductions in price pursuant
16 to the terms of the sale, irrespective of whether the quantity discount was:
- 17 (a) Prorated and allowed on each delivery;
- 18 (b) Given in a lump sum after the entire quantity of merchandise purchased had
19 been delivered; or
- 20 (c) Based on dollar volume or on the quantity of merchandise purchased;
- 21 (25) "Distilled spirits" or "spirits" means any product capable of being consumed by a
22 human being which contains alcohol in excess of the amount permitted by KRS
23 Chapter 242 obtained by distilling, mixed with water or other substances in
24 solution, except wine, hard cider, and malt beverages;
- 25 (26) "Distiller" means any person who is engaged in the business of manufacturing
26 distilled spirits at any distillery in the state and is registered in the Office of the
27 Collector of Internal Revenue for the United States at Louisville, Kentucky;

- 1 (27) "Distillery" means any place or premises where distilled spirits are manufactured for
2 sale, and which are registered in the office of any collector of internal revenue for
3 the United States. It includes any United States government bonded warehouse;
- 4 (28) "Distributor" means any person who distributes malt beverages for the purpose of
5 being sold at retail;
- 6 (29) "Dry" means a territory in which a majority of the electorate voted to prohibit all
7 forms of retail alcohol sales through a local option election held under KRS Chapter
8 242;
- 9 (30) "Election" means:
- 10 (a) An election held for the purpose of taking the sense of the people as to the
11 application or discontinuance of alcoholic beverage sales under KRS Chapter
12 242; or
- 13 (b) Any other election not pertaining to alcohol;
- 14 (31) "Horse racetrack" means a facility licensed to conduct a horse race meeting under
15 KRS Chapter 230;
- 16 (32) "Hotel" means a hotel, motel, or inn for accommodation of the traveling public,
17 designed primarily to serve transient patrons;
- 18 (33) "Investigator" means any employee or agent of the department who is regularly
19 employed and whose primary function is to travel from place to place for the
20 purpose of visiting licensees, and any employee or agent of the department who is
21 assigned, temporarily or permanently, by the commissioner to duty outside the main
22 office of the department at Frankfort, in connection with the administration of
23 alcoholic beverage statutes;
- 24 (34) "License" means any license issued pursuant to KRS Chapters 241 to 244;
- 25 (35) "Licensee" means any person to whom a license has been issued, pursuant to KRS
26 Chapters 241 to 244;
- 27 (36) "Limited restaurant" means:

- 1 (a) A facility where the usual and customary business is the preparation and
2 serving of meals to consumers, which has a bona fide kitchen facility, which
3 receives at least seventy percent (70%) of its food and alcoholic beverage
4 receipts from the sale of food, which maintains a minimum seating capacity of
5 fifty (50) persons for dining, which has no open bar, which requires that
6 alcoholic beverages be sold in conjunction with the sale of a meal, and which
7 is located in a wet or moist territory under KRS 242.1244; or
- 8 (b) A facility where the usual and customary business is the preparation and
9 serving of meals to consumers, which has a bona fide kitchen facility, which
10 receives at least seventy percent (70%) of its food and alcoholic beverage
11 receipts from the sale of food, which maintains a minimum seating capacity of
12 one hundred (100) persons of dining, and which is located in a wet or moist
13 territory under KRS 242.1244;
- 14 (37) "Local administrator" means a city alcoholic beverage administrator, county
15 alcoholic beverage administrator, or urban-county alcoholic beverage control
16 administrator;
- 17 (38) "Malt beverage" means any fermented undistilled alcoholic beverage of any name or
18 description, manufactured from malt wholly or in part, or from any substitute for
19 malt, and includes weak cider;
- 20 (39) "Manufacture" means distill, rectify, brew, bottle, and operate a winery;
- 21 (40) "Manufacturer" means a winery, distiller, rectifier, or brewer, and any other person
22 engaged in the production or bottling of alcoholic beverages;
- 23 (41) "Minor" means any person who is not twenty-one (21) years of age or older;
- 24 (42) "Moist" means a territory in which a majority of the electorate voted to permit
25 limited alcohol sales by any one (1) or a combination of special limited local option
26 elections authorized by KRS Chapter 242;
- 27 (43) "Population" means the population figures established by the federal decennial

1 census for a census year or the current yearly population estimates prepared by the
2 Kentucky State Data Center, Urban Studies Center of the University of Louisville,
3 Louisville, Kentucky, for all other years;

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

14 (45) "Primary source of supply" or "supplier" means the distiller, winery, brewer,
15 producer, owner of the commodity at the time it becomes a marketable product,
16 bottler, or authorized agent of the brand owner. In the case of imported products, the
17 primary source of supply means either the foreign producer, owner, bottler, or agent
18 of the prime importer from, or the exclusive agent in, the United States of the
19 foreign distiller, producer, bottler, or owner;

20 (46) "Private club" means a nonprofit social, fraternal, military, or political organization,
21 club, or nonprofit or for-profit entity maintaining or operating a club room, club
22 rooms, or premises from which the general public is excluded;

23 (47) "Public nuisance" means a condition that endangers safety or health, is offensive to
24 the senses, or obstructs the free use of property so as to interfere with the
25 comfortable enjoyment of life or property by a community or neighborhood or by
26 any considerable number of persons;

27 (48) "Qualified historic site" means:

- 1 (a) A contributing property with dining facilities for at least fifty (50) persons at
2 tables, booths, or bars where food may be served within a commercial district
3 listed in the National Register of Historic Places;
- 4 (b) A site that is listed as a National Historic Landmark or in the National
5 Register of Historic Places with dining facilities for at least fifty (50) persons
6 at tables, booths, or bars where food may be served;
- 7 (c) A distillery which is listed as a National Historic Landmark and which
8 conducts souvenir retail package sales under KRS 243.0305; or
- 9 (d) A not-for-profit or nonprofit facility listed on the National Register of Historic
10 Places;
- 11 (49) "Rectifier" means any person who rectifies, purifies, or refines distilled spirits or
12 wine by any process other than as provided for on distillery premises, and every
13 person who, without rectifying, purifying, or refining distilled spirits by mixing
14 alcoholic beverages with any materials, manufactures any imitations of or
15 compounds liquors for sale under the name of whiskey, brandy, gin, rum, wine,
16 spirits, cordials, bitters, or any other name;
- 17 (50) "Repackaging" means the placing of alcoholic beverages in any retail container
18 irrespective of the material from which the container is made;
- 19 (51) "Restaurant" means a facility where the usual and customary business is the
20 preparation and serving of meals to consumers, that has a bona fide kitchen facility,
21 and that receives at least fifty percent (50%) of its food and alcoholic beverage
22 receipts from the sale of food at the premises;
- 23 (52) "Retail container" means any bottle, can, barrel, or other container which, without a
24 separable intermediate container, holds alcoholic beverages and is suitable and
25 destined for sale to a retail outlet, whether it is suitable for delivery or shipment to
26 the consumer or not;
- 27 (53) "Retail sale" means any sale of alcoholic beverages to a consumer, including those

- 1 transactions taking place in person, electronically, online, by mail, or by telephone;
- 2 (54) "Retailer" means any licensee who sells and delivers any alcoholic beverage to
3 consumers, except for manufacturers with limited retail sale privileges and direct
4 shipper licensees;
- 5 (55) "Riverboat" means any boat or vessel with a regular place of mooring in this state
6 that is licensed by the United States Coast Guard to carry one hundred (100) or
7 more passengers for hire on navigable waters in or adjacent to this state;
- 8 (56) "Sale" means any transfer, exchange, or barter for consideration, and includes all
9 sales made by any person, whether principal, proprietor, agent, servant, or
10 employee, of any alcoholic beverage;
- 11 (57) "Service bar" means a bar, counter, shelving, or similar structure used for storing or
12 stocking supplies of alcoholic beverages that is a workstation where employees
13 prepare alcoholic beverage drinks to be delivered to customers away from the
14 service bar;
- 15 (58) "Sell" includes solicit or receive an order for, keep or expose for sale, keep with
16 intent to sell, and the delivery of any alcoholic beverage;
- 17 (59) "Small farm winery" means a winery whose wine production is not less than two
18 hundred fifty (250) gallons and not greater than five hundred thousand (500,000)
19 gallons in a calendar year;
- 20 (60) "Souvenir package" means a special package of distilled spirits available from a
21 licensed retailer that is:
- 22 (a) Available for retail sale at a licensed Kentucky distillery where the distilled
23 spirits were produced or bottled; or
- 24 (b) Available for retail sale at a licensed Kentucky distillery but produced or
25 bottled at another of that distiller's licensed distilleries in Kentucky;
- 26 (61) "State administrator" or "administrator" means the distilled spirits administrator or
27 the malt beverages administrator, or both, as the context requires;

- 1 (62) "State park" means a state park that has a:
- 2 (a) Nine (9) or eighteen (18) hole golf course; or
- 3 (b) Full-service lodge and dining room;
- 4 (63) "Supplemental bar" means a bar, counter, shelving, or similar structure used for
- 5 serving and selling distilled spirits or wine by the drink for consumption on the
- 6 licensed premises to guests and patrons from additional locations other than the
- 7 main bar;
- 8 (64) "Territory" means a county, city, district, or precinct;
- 9 (65) "Urban-county administrator" means an urban-county alcoholic beverage control
- 10 administrator;
- 11 (66) "Valid identification document" means an unexpired, government-issued form of
- 12 identification that contains the photograph and date of birth of the individual to
- 13 whom it is issued;
- 14 (67) "Vehicle" means any device or animal used to carry, convey, transport, or otherwise
- 15 move alcoholic beverages or any products, equipment, or appurtenances used to
- 16 manufacture, bottle, or sell these beverages;
- 17 (68) "Vintage distilled spirit" means a package or packages of distilled spirits that:
- 18 (a) Are in their original manufacturer's unopened container;
- 19 (b) Are not owned by a distillery; and
- 20 (c) Are not otherwise available for purchase from a licensed wholesaler within
- 21 the Commonwealth;
- 22 (69) "Warehouse" means any place in which alcoholic beverages are housed or stored;
- 23 (70) "Weak cider" means any fermented fruit-based beverage containing more than one
- 24 percent (1%) but less than seven percent (7%) alcohol by volume;
- 25 (71) "Wet" means a territory in which a majority of the electorate voted to permit all
- 26 forms of retail alcohol sales by a local option election under KRS 242.050 or
- 27 242.125 on the following question: "Are you in favor of the sale of alcoholic

1 beverages in (name of territory)?";

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

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

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

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

17 ➔Section 54. KRS 241.015 is amended to read as follows:

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

27 ➔Section 55. KRS 241.030 is amended to read as follows:

1 The Alcoholic Beverage Control Board shall consist of the commissioner~~[of alcoholic~~
2 ~~beverage control]~~ and two (2) persons appointed by the secretary of the Public Protection
3 Cabinet with the approval of the Governor, who shall be persons with administrative
4 experience in the field of alcoholic beverage or cannabis control. One (1) of these
5 persons shall serve as administrator of the Division of Distilled Spirits, and the other shall
6 serve as administrator of the Division of Malt Beverages. The commissioner shall be
7 chairman of the board.

8 ➔Section 56. KRS 243.025 is amended to read as follows:

9 (1) All of the fees paid into the State Treasury for state licenses shall be credited to a
10 revolving trust and agency account, as provided in KRS 45.253, for the Department
11 of Alcoholic Beverage and Cannabis Control.

12 (2) All fees associated with the department's server training program shall be collected
13 on a cost recovery basis and shall be credited to the revolving trust and agency
14 account established under subsection (1) of this section.

15 (3) These moneys shall be used solely for the administration and enforcement of KRS
16 Chapters 241 to 244. The moneys in the account shall not lapse at the close of the
17 fiscal year.

18 ➔Section 57. KRS 243.0307 is amended to read as follows:

19 (1) A sampling license may be issued to the holder of:

- 20 (a) A quota retail drink license;
- 21 (b) A quota retail package license;
- 22 (c) A nonquota retail malt beverage package license;
- 23 (d) An NQ1 license;
- 24 (e) An NQ2 license;
- 25 (f) An NQ4 retail malt beverage drink license; or
- 26 (g) A distiller's license.

27 (2) A sampling license shall authorize the licensee to allow customers to sample, free of

1 charge, distilled spirits, wine, and malt beverages under the following conditions:

- 2 (a) Sampling shall be permitted only on licensed premises and by licensees
3 holding a sampling license, during regular business hours;
- 4 (b) A distillery shall provide samples as authorized by KRS 243.0305;
- 5 (c) All other licensees shall limit a customer to:
- 6 1. One (1) ounce of distilled spirits samples per day;
- 7 2. Six (6) ounces of wine samples per day; or
- 8 3. Twelve (12) ounces of malt beverage samples per day; and
- 9 (d) A brewer, microbrewery, or out-of-state malt beverage supplier may conduct a
10 sampling of malt beverages as permitted by this section at the licensed
11 premises of a retailer licensee holding a sampling license.

12 (3) Retailers holding a sampling license shall:

- 13 (a) Notify the Department of Alcoholic Beverage and Cannabis Control at least
14 seven (7) days in advance of conducting a free sampling event; and
- 15 (b) Limit a sampling event to a period not to exceed four (4) consecutive hours
16 between 12 noon and 8 p.m.

17 (4) In addition to free sampling, a quota retail package licensee holding a sampling
18 license may also sell sample distilled spirits and wine under the following
19 conditions:

- 20 (a) Paid samples may be sold only on licensed premises and by licensees holding
21 a sampling license, during regular business hours; and
- 22 (b) A licensee shall limit a customer to purchased samples totaling no more than:
- 23 1. Two (2) ounces of distilled spirits per day; and
- 24 2. Nine (9) ounces of wine per day.

25 (5) A quota retail package licensee holding both a sampling license and a nonquota
26 retail malt beverage package license may also sell samples of malt beverages under
27 the following conditions:

- 1 (a) Paid samples may be sold only on licensed premises and by licensees holding
2 a sampling license, during regular business hours;
- 3 (b) A licensee shall limit a customer to no more than sixteen (16) ounces of malt
4 beverages per day; and
- 5 (c) The retail price of a sample shall not be less than a licensee's purchase cost of
6 the sample.
- 7 (6) No customer shall be allowed to receive a combination of free and purchased
8 samples totaling more than:
- 9 (a) Two (2) ounces of distilled spirits per day; and
10 (b) Nine (9) ounces of wine per day.
- 11 (7) Free and paid samples provided under this section shall not constitute drink sales.

12 ➔Section 58. KRS 243.038 is amended to read as follows:

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

23 ➔Section 59. KRS 243.090 is amended to read as follows:

- 24 (1) All licenses issued by the department, except special event licenses, temporary
25 licenses, or licenses listed in subsection (5) of this section, shall be valid for a
26 period of no more than a year. The board shall promulgate administrative
27 regulations establishing the year-round system for renewal of licenses. The system

1 shall be designed to distribute the workload as uniformly as possible within the
2 offices of the local administrators and the Department of Alcoholic Beverage and
3 Cannabis Control.

4 (2) (a) Except for licenses listed in paragraph (b) of this subsection, all licenses
5 issued after January 1, 2017, by a local administrator shall be valid for a
6 period of no more than a year and shall be renewable upon the date
7 established by the department for the expiration of state licenses issued for
8 premises located in that county or city. During the first year following July 15,
9 2016, if the new date for renewal for the licensee does not occur on the date
10 established by the department for the expiration of the licensee's state license,
11 the local administrator shall either:

- 12 1. Prorate the cost of the renewed license by proportionally reducing the
13 cost of the renewed license if the new date for the renewal occurs prior
14 to the expiration of a previous license; or
- 15 2. Provide a prorated provisional local license to cover any period of time
16 between the expiration of the previous license and the new date for
17 renewal if the new date for renewal occurs after the expiration of the
18 licensee's previous license.

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

22 (3) When any person applies for a new license authorized under KRS Chapters 241 to
23 244, the person shall be charged, if the license is issued, the full fee for the
24 respective license if six (6) months or more remain before the license is due to be
25 renewed and one-half (1/2) the fee if less than six (6) months remain before the
26 license is due to be renewed. No abatement of license fees shall be permitted to any
27 person who held a license of the same kind for the same premises in the preceding

1 license period and who was actually doing business under the license during the last
2 month of the preceding license period.

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

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

8 (6) The department may deny license renewal if the licensee is a delinquent taxpayer as
9 defined in KRS 131.1815.

10 ➔Section 60. KRS 243.360 is amended to read as follows:

11 (1) All persons shall, before applying for a license, advertise by publication their
12 intention to apply for a license in the newspaper for legal notices under KRS
13 424.120 for the county or city whose local administrator has local jurisdiction over
14 the proposed premises. This requirement shall not apply to an applicant for the same
15 license for the same premises, or an applicant for any of the following licenses:

- 16 (a) Out-of-state malt beverage supplier's license;
- 17 (b) Limited out-of-state malt beverage supplier's license;
- 18 (c) Out-of-state distilled spirits and wine supplier's license;
- 19 (d) Limited out-of-state distilled spirits and wine supplier's license;
- 20 (e) Supplemental bar license;
- 21 (f) Extended hours supplemental license;
- 22 (g) Special agent or solicitor's license;
- 23 (h) Special nonbeverage alcohol license;
- 24 (i) Transporter's license;
- 25 (j) Special Sunday drink license;
- 26 (k) Hotel in-room license;
- 27 (l) Sampling license;

- 1 (m) Direct shipper license; or
- 2 (n) Special temporary drink license.
- 3 (2) The notice shall contain the following information:
- 4 (a) The notice shall state: the name and address of the applicant and the name and
- 5 address of each principal owner, partner, member, officer, and director if the
- 6 applicant is a partnership, limited partnership, limited liability company,
- 7 corporation, governmental agency, or other business entity recognized by law;
- 8 (b) The notice shall specifically state the location of the premises for which the
- 9 license is sought, the type of business, and the type of license being requested;
- 10 and
- 11 (c) The notice shall state the date the application will be filed and shall contain
- 12 the following statement: "Any person may protest the approval of the license
- 13 by writing the Department of Alcoholic Beverage and Cannabis Control
- 14 within thirty (30) days of the date of legal publication."
- 15 (3) Any protest received after the thirty (30) day period has expired shall not be
- 16 considered a valid legal protest by the board.
- 17 (4) Substantial compliance with the information listed in subsection (2) of this section
- 18 shall be sufficient to comply with this section.
- 19 ➔Section 61. KRS 438.310 is amended to read as follows:
- 20 (1) No person shall sell or cause to be sold any tobacco product, alternative nicotine
- 21 product, or vapor product at retail to any person under the age of twenty-one (21), or
- 22 solicit any person under the age of twenty-one (21) to purchase any tobacco product,
- 23 alternative nicotine product, or vapor product at retail.
- 24 (2) Any person who sells tobacco products, alternative nicotine products, or vapor
- 25 products at retail shall cause to be posted in a conspicuous place in his or her
- 26 establishment a notice stating that it is illegal to sell tobacco products, alternative
- 27 nicotine products, or vapor products to persons under age twenty-one (21).

1 (3) Any person selling tobacco products, alternative nicotine products, or vapor
2 products shall require proof of age from a prospective buyer or recipient if the
3 person has reason to believe that the prospective buyer or recipient is under the age
4 of twenty-one (21).

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

11 ➔Section 62. KRS 438.311 is amended to read as follows:

12 (1) Except for the provisions of KRS 438.330, it shall be unlawful for a person who has
13 not attained the age of twenty-one (21) years to purchase or accept receipt of or to
14 attempt to purchase or accept receipt of a tobacco product, alternative nicotine
15 product, or vapor product, or to present or offer to any person any purported proof
16 of age which is false, fraudulent, or not actually his or her own, for the purpose of
17 purchasing or receiving any tobacco product, alternative nicotine product, or vapor
18 product. It shall not be unlawful for such a person to accept receipt of a tobacco
19 product, alternative nicotine product, or vapor product from an employer when
20 required in the performance of the person's duties.

21 (2) All peace officers with general law enforcement authority and employees of the
22 Department of Alcoholic Beverage and Cannabis Control may confiscate the
23 tobacco product, alternative nicotine product, or vapor product of a person under the
24 age of twenty-one (21) who has violated this section. Notwithstanding any provision
25 of law to the contrary, no other penalty shall apply to a person under the age of
26 twenty-one (21) for a violation of this section.

27 ➔Section 63. KRS 438.313 is amended to read as follows:

- 1 (1) No wholesaler, retailer, or manufacturer of cigarettes, tobacco products, alternative
2 nicotine products, or vapor products may distribute cigarettes, tobacco products,
3 alternative nicotine products, or vapor products, including samples thereof, free of
4 charge or otherwise, to any person under the age of twenty-one (21).
- 5 (2) Any person who distributes cigarettes, tobacco products, alternative nicotine
6 products, or vapor products, including samples thereof, free of charge or otherwise
7 shall require proof of age from a prospective buyer or recipient if the person has
8 reason to believe that the prospective purchaser or recipient is under the age of
9 twenty-one (21).
- 10 (3) Any person who violates the provisions of this section shall be fined not less than
11 one thousand dollars (\$1,000) nor more than two thousand five hundred dollars
12 (\$2,500) for each offense. The fine shall be administered by the Department of
13 Alcoholic Beverage and Cannabis Control using a civil enforcement procedure for
14 persons eighteen (18) years of age or older.
- 15 (4) All peace officers with general law enforcement authority and employees of the
16 Department of Alcoholic Beverage and Cannabis Control may issue a uniform
17 citation, but may not make an arrest, or take a child into custody, for a violation of
18 this section.
- 19 ➔Section 64. KRS 438.315 is amended to read as follows:
- 20 (1) The sale of tobacco products, alternative nicotine products, or vapor products
21 dispensed through a vending machine is prohibited to any person under the age of
22 twenty-one (21) years.
- 23 (2) The purchase of tobacco products, alternative nicotine products, or vapor products
24 dispensed through a vending machine is prohibited to any person under the age of
25 twenty-one (21) years.
- 26 (3) Except for vending machines located in factories or vending machines located in
27 bars or taverns to which minors are not permitted access, any vending machine from

1 which tobacco products, alternative nicotine products, or vapor products are
2 dispensed shall be located in the line of sight of the cashier for the retail
3 establishment.

4 (4) Any owner of a retail establishment violating this section shall be subject to a fine
5 of not less than one hundred dollars (\$100) nor more than five hundred dollars
6 (\$500) for each violation. The fine shall be administered by the Department of
7 Alcoholic Beverage and Cannabis Control using a civil enforcement procedure for
8 persons eighteen (18) years of age or older.

9 (5) All peace officers with general law enforcement authority and employees of the
10 Department of Alcoholic Beverage and Cannabis Control may issue a uniform
11 citation, but may not make an arrest, or take a child into custody, for a violation of
12 this section.

13 ➔Section 65. KRS 438.317 is amended to read as follows:

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

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

19 (3) Any person violating subsection (1) of this section shall be subject to a fine of not
20 less than one hundred dollars (\$100) nor more than five hundred dollars (\$500).
21 Any person violating subsection (2) of this section shall be fined not less than one
22 thousand dollars (\$1,000) nor more than two thousand five hundred dollars
23 (\$2,500). These penalties shall be enforced by the Department of Alcoholic
24 Beverage and Cannabis Control through civil enforcement procedures.

25 ➔Section 66. KRS 438.320 is amended to read as follows:

26 Each resident wholesaler, nonresident wholesaler, or subjobber making tobacco products
27 available to a retail establishment for sale or distribution shall report the name and

1 address of the owner of the retail establishment to the Department of Alcoholic Beverage
2 and Cannabis Control in a manner specified by administrative regulations promulgated
3 pursuant to KRS Chapter 13A.

4 ➔Section 67. KRS 438.325 is amended to read as follows:

5 (1) Each owner of a retail establishment selling or distributing tobacco products,
6 alternative nicotine products, or vapor products shall notify each individual
7 employed in the retail establishment as a retail sales clerk that the sale of tobacco
8 products, alternative nicotine products, or vapor products to any person under the
9 age of twenty-one (21) years and the purchase of tobacco products, alternative
10 nicotine products, or vapor products by any person under the age of twenty-one (21)
11 years are prohibited.

12 (2) Each owner of a retail establishment selling or distributing tobacco products,
13 alternative nicotine products, or vapor products shall notify each individual
14 employed in the retail establishment as a retail sales clerk that proof of age is
15 required from a prospective buyer or recipient if the person has reason to believe
16 that the prospective purchaser or recipient is under the age of twenty-one (21).

17 (3) The notice to employees that is required in subsection (1) of this section shall be
18 provided before the person commences work as a retail sales clerk, or, in the case of
19 a person employed as a retail sales clerk on March 26, 2020, within thirty (30) days
20 of that date. The employee shall signify receipt of the notice required by this section
21 by signing a form that states as follows:

22 "I understand that under the law of the Commonwealth of Kentucky it is illegal to
23 sell or distribute tobacco products, alternative nicotine products, or vapor products
24 to persons under the age of twenty-one (21) years and that it is illegal for persons
25 under the age of twenty-one (21) years to purchase tobacco products, alternative
26 nicotine products, or vapor products."

27 (4) The owner of the retail establishment shall maintain the signed notice that is

1 required pursuant to subsection (3) of this section in a place and in a manner so as
2 to be easily accessible to any employee of the Department of Alcoholic Beverage
3 and Cannabis Control or the Department of Agriculture conducting an inspection
4 of the retail establishment for the purpose of monitoring compliance in limiting the
5 sale or distribution of tobacco products, alternative nicotine products, or vapor
6 products to persons under the age of twenty-one (21) as provided in KRS 438.305 to
7 438.340.

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

13 ➔Section 68. KRS 438.330 is amended to read as follows:

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

1 sheriff, or chief of police, or their employees, and written parental consent has been
2 obtained. The Department of Alcoholic Beverage and Cannabis Control shall
3 prepare annually, for submission by the Governor to the Secretary of the United
4 States Department of Health and Human Services, the report required by Section
5 1926 of Subpart 1 of Part B of Title XIX of the Federal Public Health Service Act.

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

9 ➔Section 69. KRS 438.337 is amended to read as follows:

10 (1) The Department of Alcoholic Beverage and Cannabis Control shall carry out the
11 enforcement provisions of KRS 438.305 to 438.340.

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

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

22 (4) The Department of Alcoholic Beverage and Cannabis Control shall devise a plan
23 and time frame for enforcement to determine by random inspection if the percentage
24 of retailers or distributors making illegal sales to persons under the age of twenty-
25 one (21) does or does not exceed federal guidelines preventing tobacco sales to
26 persons under the age of twenty-one (21).

27 ➔Section 70. KRS 438.340 is amended to read as follows:

1 The Department of Alcoholic Beverage and Cannabis Control and the Department of
2 Agriculture are authorized to promulgate administrative regulations pursuant to KRS
3 Chapter 13A as necessary to implement and carry out the provisions of KRS 438.305 to
4 438.340.

5 ➔Section 71. Section 2, Sections 4 to 8, Section 11, Sections 13 to 15, Sections
6 18 to 25, Section 30, and Sections 37 to 41 of this Act take effect July 1, 2022.