

HOUSE BILL 1385

By Jones

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 29; Title 4, Chapter 3, Part 2; Title 39; Title 43; Title 53, Chapter 11; Title 63 and Title 68, relative to enacting the "Koozer-Kuhn Medical Cannabis Act".

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 68, Chapter 1, is amended by adding Sections 2 through 9 as a new part 26.

SECTION 2. This act may be known and cited as the "Koozer-Kuhn Medical Cannabis Act".

SECTION 3. As used in this part, unless the context requires otherwise:

(1) "Agriculture department" means the department of agriculture or its successor agency;

(2) "Cannabis" means the dried flowers of the female cannabis plant and any mixture or preparation thereof, but does not include seeds, stalks, leaves or roots of the plant;

(3) "Cardholder" means a qualifying patient who has been diagnosed with a qualifying medical condition by a practitioner and certified for participation in the Safe Access program and who possesses a valid registry identification card;

(4) "Caregiver" means a person who provides personal care, support or assistance to a qualifying patient, including, but not limited to, a parent or legal guardian of a qualifying patient under eighteen (18) years of age;

(5) "Health department" means the department of health or its successor agency;

(6) "Licensed producer" means an entity licensed and registered under Section 7 that possesses, cultivates, processes, manufactures and delivers medical cannabis or related supplies and educational materials to licensed processors;

(7) "Licensed processor" means an entity licensed and registered under Section 7 that processes, packages and delivers medical cannabis or related supplies and educational materials to participating pharmacies or regulated dispensaries;

(8) "Medical use" means the acquisition, possession, use or transportation of cannabis or paraphernalia relating to the consumption of cannabis to alleviate a registered patient's qualifying medical condition or its symptoms;

(9) "Participating pharmacy" means a licensed pharmacy in Tennessee that applies to be a direct provider of medical cannabis to Safe Access program cardholders;

(10) "Practitioner" means a person who is licensed with authority to prescribe drugs pursuant to title 63, chapters 7 or 19 or a physician licensed with authority to prescribe drugs in Tennessee under title 63, chapters 6 or 9;

(11) "Program" means the Safe Access program as administered or regulated by the department of agriculture, department of health, and the board of pharmacy or any entity authorized to administer the Safe Access program pursuant to a rule promulgated by the department of agriculture, department of health, or board of pharmacy in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5;

(12) "Program identification card" means a document issued by a participating pharmacy or regulated dispensary that identifies a person as a registered qualifying patient in the Safe Access program;

(13) "Regulated dispensary" means an entity that has been established to dispense medical cannabis from the Safe Access program to eligible Tennessee patients in the absence of distribution through participating pharmacies and in

accordance with rules promulgated under the authority of this act by the state department of health;

(14) "Qualifying medical condition" means:

(A) Cancer, glaucoma, multiple sclerosis (MS), human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), hepatitis C (HCV), amyotrophic lateral sclerosis (ALS), Crohn's disease, post-traumatic stress disorder (PTSD), or Alzheimer's disease or the treatment of these conditions;

(B) A chronic or debilitating disease or medical condition or its treatment that produces one or more of the following:

(i) Cachexia or wasting syndrome;

(ii) Severe, debilitating, chronic pain;

(iii) Severe nausea;

(iv) Seizures, including, but not limited to, those characteristic of epilepsy; or

(v) Severe and persistent muscle spasms, including, but not limited to, those characteristic of a spinal cord injury or nerve damage;

(C) Any medical condition for which a patient receives hospice services as defined in § 68-11-201; or

(D) Any other medical condition or its treatment as certified or prescribed by practitioners and approved by the health department;

(15) "Qualifying patient" means a person who has been diagnosed with a qualifying medical condition by a practitioner and is a resident of Tennessee or such person's designated and registered caregiver;

(16) "Resident of Tennessee" means a person who is a resident for purposes of eligibility for medical assistance under title 71, chapter 5, part 1; and

(17) "Safe Access program enrollment" means that a qualifying patient has received a certification for medical cannabis from a practitioner and complied with Section 5(a) of this act.

#### SECTION 4.

(a) A qualifying patient who possesses a Safe Access program identification card shall not be subject to arrest, prosecution, or penalty in any manner or denied any right or privilege, including, but not limited to, a civil penalty or disciplinary action by a business or occupational or professional licensing board or commission for the medical use of cannabis, provided that the qualifying patient is enrolled in the Safe Access program.

(b) No school, employer or landlord may refuse to enroll, employ or lease to or otherwise penalize a person solely for the person's status as a cardholder.

(c) A registered qualifying patient may possess a reasonable amount of cannabis, not to exceed one month's supply, as determined by the patient's practitioner.

(d)

(1) There exists a rebuttable presumption that a qualifying patient is engaged in the medical use of cannabis if the qualifying patient:

(A) Is in possession of a Safe Access program identification card;

and

(B) Is in possession of an amount of cannabis that does not exceed the amount permitted under this act.

(2) Such presumption may be rebutted by evidence that conduct related to cannabis was not for the purpose of alleviating the qualifying patient's debilitating medical condition or symptoms associated with the medical condition.

(e) A practitioner shall not be subject to arrest, prosecution, or penalty in any manner or denied any right or privilege including, but not limited to, civil penalty or disciplinary action by the board of medical examiners or by a business or occupational or professional licensing board or commission of this state solely for providing written certifications or for otherwise stating that, in the practitioner's professional opinion, the potential benefits of medical cannabis would likely outweigh the health risks for a qualifying patient.

(f) Any interest in or right to property that is possessed, owned, or used in connection with the medical use of cannabis, or acts incidental to such use, shall not be forfeited.

(g) No person shall be subject to arrest or prosecution for constructive possession, conspiracy, aiding and abetting, being an accessory, or any other offense for simply being in the presence or vicinity of the medical use of cannabis as permitted under this act or for assisting a registered Safe Access program patient with using or administering medical cannabis.

(h) A practitioner, nurse or pharmacist shall not be subject to arrest, prosecution or penalty in any manner or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business or occupational or professional licensing board or commission solely for discussing the benefits or health risks of medical cannabis or its interaction with other substances with a patient or for providing certification of a patient's eligibility for the Safe Access program to participating pharmacies or regulated dispensaries.

(i) A Safe Access program identification card or its equivalent issued under the laws of another state, United States territory, or the District of Columbia to permit the medical use of cannabis by a patient with a debilitating medical condition, or to permit a

person to assist with the medical use of cannabis by a patient with a debilitating medical condition, shall not have the same force and effect as a Safe Access identification card issued by the program. An out-of-state patient must be evaluated and certified for Safe Access program participation by a practitioner licensed and qualified to do so in this state in order to obtain medical cannabis from the Safe Access program.

(j) For purposes of medical care, including organ transplants, a registered qualifying patient's authorized use of cannabis is considered the equivalent of the authorized use of any other medication used at the direction of a physician and does not constitute the use of an illicit substance.

#### SECTION 5.

(a) Enrollment in the Safe Access program is to be conducted at participating pharmacies and regulated dispensaries. For a qualifying patient to be enrolled in the program:

(1) The qualifying patient's practitioner, with whom the patient has a bona fide patient-practitioner relationship, has completed a full assessment of the qualifying patient's medical history;

(2) The qualifying patient's practitioner must state that in the practitioner's professional opinion the potential benefits of the medical use of cannabis would likely outweigh the health risks for the qualifying patient; and

(3) The certification and Safe Access program enrollment completed at the participating pharmacy or regulated dispensary shall specify the qualifying patient's debilitating medical condition or conditions.

(b) The program shall issue Safe Access program identification cards to qualifying patients who receive a certification for medical cannabis and complete the Safe Access program enrollment process at a participating pharmacy or regulated

dispensary. Information that patients shall provide the Safe Access program include the following:

(1) Name, address, and date of birth of the qualifying patient; provided, however, that if the patient is homeless, no address is required; and

(2) Name, address, and telephone number of the qualifying patient's practitioner.

(c) The program shall not issue a registry identification card to a qualifying patient under eighteen (18) years of age unless:

(1) The qualifying patient's practitioner has explained the potential risks and benefits of the medical use of cannabis to the qualifying patient and to a parent, guardian or person having legal custody of the qualifying patient; and

(2) A parent or guardian having legal custody consents in writing to:

(A) Allow the qualifying patient's medical use of cannabis; and

(B) Control the acquisition of the cannabis, the dosage, and the frequency of the medical use of cannabis by the qualifying patient.

(d)

(1) The program may verify the information contained in a Safe Access program application or renewal submitted pursuant to this section and shall approve or deny an application or renewal within thirty (30) days of receiving it.

(2) The program may deny a Safe Access program application or renewal only if the applicant did not provide the information required pursuant to this section or if the program determines that the information provided was falsified.

(3) Rejection of a Safe Access program application or renewal is considered a final program action, subject to judicial review.

(4) Jurisdiction and venue for judicial review are vested in the chancery court.

(e) The program shall issue a Safe Access program identification card at the time of enrollment into the program, which shall expire no later than one (1) year after the date of issuance.

(f) Safe Access program identification cards must contain:

- (1) The date of issuance and expiration date of the identification card;
- (2) A random program identification number; and
- (3) Any additional information as required by rule or the program.

(g) A person issued a program identification cards is subject to the following:

(1) A qualifying patient who has been issued a program identification card shall notify the patient's practitioner of any change in the patient's name or address or if the patient ceases to have his or her qualifying medical condition within thirty (30) days of such change.

(2) A registered qualifying patient who fails to notify the patient's practitioner of any changes requiring notification is subject to a civil penalty of twenty-five dollars (\$25.00). If the person ceases to suffer from a qualifying medical condition, the card shall be deemed void and the person shall be liable for any other penalties that may apply to such person's non-medical use of cannabis.

(3) When a qualifying patient notifies the patient's practitioner of any changes listed in this subsection (g), the practitioner shall issue the patient a certification to be used to update Safe Access program information with the participating pharmacy or regulated dispensary.



(4) When a qualifying patient who possesses a registry identification card changes practitioners, the new practitioner shall assume responsibility for the patient's Safe Access program participation and shall issue a new certification to update the patient's Safe Access program information to reflect the change. No more than one (1) certification from one (1) practitioner will be allowed for Safe Access participants.

(5) If a cardholder's registry identification card is lost, the cardholder shall notify the participating pharmacy or regulated dispensary and submit a ten dollar (\$10.00) fee to receive a replacement card.

(6) If a cardholder knowingly violates any provision of this act as determined by the program, the program identification card may be revoked.

(h) Possession of or application for a program identification card may not constitute probable cause or reasonable suspicion nor may it be used to support the search of the person or property of the person possessing or applying for the program identification card nor otherwise subject the person or property of the person to inspection by any governmental agency.

(i)

(1) A Safe Access program identification card and the supporting information submitted by a qualifying patient, including information regarding the patient's practitioner, is confidential and protected under the federal Health Insurance Portability and Accountability Act of 1996.

(2) The program shall maintain a confidential list of Safe Access program participants whose practitioners have certified them in the program and to whom the program has issued program identification cards. Individual names and other identifying information on the list are considered confidential and exempt from the

public record provisions of title 10, chapter 7, part 5, and are not subject to disclosure, except to authorized employees of the program as necessary to perform official duties of the program.

(j) The program shall verify to law enforcement personnel whether a Safe Access identification card is valid solely by confirming the program identification number.

(k) Any person, including an employee or official of the program or its licensees or another state agency or local government, who knowingly breaches the confidentiality of information obtained pursuant to this part commits a class B misdemeanor, punishable only by a fine of one thousand dollars (\$1,000). Notwithstanding this provision, a Safe Access program employee may notify law enforcement about falsified or fraudulent information submitted to the program.

(l) On or before January 31 of each odd numbered year, beginning in 2015, the department of health, department of agriculture, and board of pharmacy shall report to the general assembly on the performance of the Safe Access program. The report shall provide:

- (1) The number of patients enrolled in the Safe Access program;
- (2) The nature of the debilitating medical conditions of the patients;
- (3) The number of practitioners providing Safe Access program certification for qualifying patients;
- (4) An evaluation of the costs and benefits of the Safe Access program for patients, practitioners and the general public; including any costs and benefits to law enforcement agencies, the courts and hospitals;
- (5) Statistics regarding the number of cannabis-related prosecutions against registered patients and caregivers and an analysis of the facts underlying those prosecutions;

(6) Statistics regarding the number of prosecutions against practitioners for violations of this part; and

(7) Updates on national policy and practice associated with influencing the access of qualified patients to medical cannabis.

(m) The application for a qualifying patient's program identification card shall include a statement indicating that the program may contact the patient to obtain information about Safe Access program participation, including experiences with using medical cannabis, in a systematic effort to inform future Safe Access program policies and practices.

#### SECTION 6.

(a) A person may not:

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

(2) Use cannabis:

(A) In a school bus or other form of public transportation;

(B) On school grounds;

(C) In any correctional facility;

(D) In any public place;

(E) In any licensed substance abuse treatment facility in this state;

or

(F) Where exposure to cannabis significantly and adversely affects the health, safety, or welfare of children.

(3) Operate, navigate, or be in actual physical control of any motor vehicle, aircraft, or motorboat while under the influence of cannabis. However, a

registered qualifying patient shall not be considered to be under the influence solely for having cannabis metabolites in the patient's system.

(b) Nothing in this part may be construed to require:

(1) A government medical assistance program or private health insurer to reimburse a person for costs associated with the medical use of cannabis; or

(2) An employer to accommodate medical cannabis in any workplace.

(c) A person who makes a fraudulent representation of any fact or circumstance relating to the medical use of cannabis to a law enforcement official to avoid arrest or prosecution commits a Class C misdemeanor.

#### SECTION 7.

(a) A licensed producer registered under this section may possess, cultivate, harvest and deliver cannabis or related products to a licensed processor. The department of agriculture shall regulate licensed producers.

(b) A licensed processor registered under this section may possess, process, package and deliver cannabis or related products to participating pharmacies or regulated dispensaries. The department of agriculture shall regulate licensed processors.

(c)

(1) A participating pharmacy or a regulated dispensary is the point of distribution of medical cannabis to Safe Access program participants.

(2) The board of pharmacy shall regulate participating pharmacies.

(3) The department of health shall regulate regulated dispensaries.

(4) Except as specifically provided to the contrary, all provisions of this part apply to a licensed producer, licensed processor, or participating pharmacy or regulated dispensary.

(d)

(1) No later than one hundred twenty (120) days after the effective date of this act, the commissioner of health, the commissioner of agriculture and the board of pharmacy shall promulgate rules governing the consideration of applications and qualifications of applicants for registration certificates for licensed producers, licensed processors, and participating pharmacies and regulated dispensaries, including:

(A) The form and content of registration and renewal applications;

(B) Minimum oversight requirements for these entities;

(C) Minimum record-keeping requirements for these entities;

(D) Minimum security requirements for these entities; and

(E) Procedures for suspending or revoking the registration of these entities that violate the provisions of this section or the regulations promulgated pursuant to this subsection (d), including procedures for providing notice and hearing regarding the suspension or revocation of a registration certificate.

(2) No later than one hundred twenty (120) days of the effective date of this act, the program shall begin accepting applications for the operation of licensed producers, licensed processors and participating pharmacies or regulated dispensaries.

(3) No later than one hundred eighty (180) days of the effective date of this act, the program shall provide for at least one (1) public hearing on the granting of an application to at least one (1) licensed producer, one (1) licensed processor, and one (1) participating pharmacy or one (1) regulated dispensary.

(4) No later than two hundred ten (210) days of the effective date of this act, the program shall grant at least one (1) registration certificate to a licensed producer, a licensed processor and a participating pharmacy or regulated dispensary; provided, that at least one (1) applicant in each category meets the requirements of this act.

(5) After completion of subdivisions (2)-(4), the program shall accept new applications during the following periods each year:

(A) January 15 through January 31; and

(B) July 15 through July 31.

(6) No later than April 15 and October 15 each year, the program shall:

(A) Review applications received during the most recent period identified in subdivision (5);

(B) Solicit public comments regarding the issuance of registration certificates to additional licensed producers, licensed processors, and participating pharmacies or regulated dispensaries; and

(C) Issue registration certificates to qualified applicants after consideration of public comments and identified and anticipated needs of the Safe Access program and its participants.

(e)

(1) Each application for a licensed producer or processor shall include:

(A) A non-refundable application fee paid to the program in the amount of two hundred fifty dollars (\$250);

(B) The proposed legal name and proposed articles of incorporation or charter and bylaws of the licensed producer or processor;

(C) The proposed physical address of the licensed producer or processor, if a precise address has been determined, or, if not, the general location where it would be located. This may include a second location for the cultivation of medical cannabis;

(D) A description of the enclosed, locked facility to be used in the cultivation of cannabis;

(E) The name, address, and date of birth of each principal officer and board member of the licensed producer or processor;

(F) Proposed security and safety measures which shall include at least one (1) security alarm system for each location, a plan for deterring and preventing any unauthorized entrance into areas containing cannabis and the theft of cannabis, as well as an employee instruction manual that includes security policies, safety and security procedures, and personal safety and crime prevention techniques; and

(G) Proposed procedures to ensure accurate record keeping.

(2) Any time one (1) or more licensed producer or processor registration applications are being considered, the program shall provide an opportunity for public comment and shall solicit input from registered qualifying patients, potential patients, practitioners and the local governmental officials where the applicants would be located;

(3) Each time a licensed producer or processor certificate is granted, the decision shall be based upon an assessment of the licensed producer's or licensed processor's ability to serve the overall health needs of Safe Access program patients and the safety of the public, including, but not limited to, the following factors:

(A) Convenience to patients from throughout the state of Tennessee if the applicant were approved;

(B) The applicant's ability to provide a steady supply to the registered qualifying patients in the state;

(C) The applicant's experience running a non-profit or business;

(D) The input from local governmental officials, including law enforcement officials, where the producer or processor is located;

(E) The sufficiency of the applicant's plans for record keeping and security. Such records shall be considered confidential information under Tennessee law and deemed protected health care information for purposes of the Federal Health Insurance Portability and Accountability Act of 1996, as amended; and

(F) The sufficiency of the applicant's plans for safety and security, including proposed location, security devices employed, and staffing;

(4) After a licensed producer or processor is approved, but before it begins operations, it shall submit the following to the program:

(A) A fee paid to the program in the amount of one thousand dollars (\$1,000);

(B) The legal name and articles of incorporation or charter and bylaws of the licensed producer or processor;

(C) The physical address of the licensed producer or processor; this may include a second address for the secure cultivation of cannabis;

(D) The name, address, and date of birth of each principal officer and board member of the licensed producer or processor;



(E) The name, address, and date of birth of any person who will be an agent of or employed by the licensed producer or processor at its inception;

(F) A signed and notarized agreement for appropriate persons to be trained, supervised and monitored by Safe Access program staff or their contractors or both.

(5) The program shall track the performance of each licensed producer or processor and issue a written statement of performance to each licensed producer or processor semi-annually, as determined by the program. Licensed producers and processors shall maintain compliance with all Safe Access program rules and requirements at all times.

(6) Except as provided in subdivision (7), the program shall issue each principal officer, board member, agent, volunteer and employee of a licensed producer or processor a registry identification card or renewal card within thirty (30) days of receipt of the person's name, address, date of birth, and a fee in an amount established by the program. Each card shall specify that the cardholder is a principal officer, board member, agent, volunteer, or employee of an entity and shall contain the following information:

(A) The name, address, and date of birth of the principal officer, board member, agent, volunteer or employee;

(B) The legal name of the licensed producer or processor with which the principal officer, board member, agent, volunteer or employee is affiliated;

(C) A random identification number unique to the cardholder;

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

(E) A photograph, if the program decides to require one; and

(F) Verification that the principal officer, board member, agent, volunteer or employee has completed a background check by the Tennessee bureau of investigation.

(7)

(A) Except as provided in this subsection (e), the program shall not issue a registry identification card to any principal officer, board member, agent, volunteer, or employee of a licensed producer or processor who has been convicted of a felony offense under title 39, chapter 17, part 4.

(B) The program shall conduct a criminal history background check of each principal officer, board member, agent, volunteer, or employee in order to carry out this provision.

(C) The program shall notify the licensed producer or processor in writing of the purpose for denying the registry identification card.

(D) The program may grant such person a registry identification card if the program determines that the offense was for conduct that occurred prior to the enactment of the Safe Access to Medical Cannabis Act or that was prosecuted by an authority other than the state of Tennessee and for which the Safe Access to Medical Cannabis Act would otherwise have prevented a conviction;

(8) A registry identification card of a principal officer, board member, agent, volunteer, or employee shall expire one (1) year after its issuance, or upon

the expiration of the registered organization's registration certificate, whichever occurs first.

(f)

(1) A licensed producer's or processor's registration certificate shall expire two (2) years after the certificate is issued. The licensed producer or processor may submit a renewal application no earlier than sixty (60) days before the expiration of its registration certificate;

(2) The program shall renew a licensed producer's or processor's registration certificate no later than thirty (30) days after the receipt of the renewal application if the following conditions are satisfied:

(A) The licensed producer or processor submits the materials required under subdivision (e)(4), including the one thousand dollar (\$1,000) fee;

(B) The licensed producer's or processor's registration certificate has not been suspended or revoked at any time for violations of this act or rules promulgated pursuant to this act;

(C) The advisory committee's report, issued pursuant to Section 8 indicates that the licensed producer or processor adequately provides Tennessee patients with access to medical cannabis; and

(D) The advisory committee's report, issued pursuant to Section 8, does not raise serious concerns about the continued operation of the licensed producer or processor applying for renewal.

(3) If the program determines that any of the conditions listed in subdivision (f)(2) requires the program to suspend or revoke a registration certificate, the program shall:

(A) Provide notice and hearing to a producer or processor prior to revoking a registration certificate; and

(B) Initiate an open application process to replace the operation of a producer or processor who has had a registration certificate suspended or revoked. In granting a new registration certificate, the program shall consider factors listed in subdivision (e)(3);

(4) The program shall issue a licensed producer or processor one (1) or more thirty (30) day temporary registration certificates after the licensed producer's or processor's registration certificate would otherwise expire if the following conditions are satisfied:

(A) The licensed producer or processor previously applied for a renewal, but the program did not reach a decision;

(B) The licensed producer or processor requested a temporary registration certificate; and

(C) The licensed producer's or processor's registration certificate has not been suspended or revoked at any time for violations of this act or rules promulgated pursuant to this act.

(g) Licensed producers and processors are subject to reasonable inspection by the department of health, the department of agriculture and the board of pharmacy at any time. A department or board shall give reasonable notice of an inspection under this subsection. During an inspection, the department may review the licensed producer's or processor's confidential records, including its dispensing records, which may track transactions according to registry identification numbers to protect patient confidentiality.

(h)

(1) A licensed producer or processor shall operate for the mutual benefit of Tennessee patients. A licensed producer or processor need not be recognized as a tax-exempt organization by the Internal Revenue Service.

(2) A licensed producer or processor may not be located within five hundred (500) feet of the property line of a preexisting school.

(3) A licensed producer or processor shall notify the program no later than (30) days after a principal officer, board member, agent, volunteer or employee ceases to work at the licensed producer or processor. Such person's card shall be deemed void and the person shall be liable for any penalties that may apply to the person's non-medical use of cannabis.

(4) A licensed producer or processor shall notify the program in writing of the name, address, and date of birth of any new principal officer, board member, agent, volunteer or employee and shall remit a fee in an amount established by the program for a new registry identification card before a new agent or employee begins working at the licensed producer or processor.

(5) A licensed producer or processor shall implement appropriate security measures to deter and prevent the unauthorized entrance into areas containing cannabis and the theft of cannabis and shall insure that each location has an operational security alarm system.

(6) The operating documents of a licensed producer or processor shall include procedures for the oversight of the licensed producer or processor and procedures to ensure accurate recordkeeping.

(7) A licensed producer or processor is prohibited from acquiring, possessing, cultivating, manufacturing, delivering, transferring, transporting,

supplying, or dispensing cannabis for any purpose except to assist registered Safe Access program patients.

(8) Each time a new, registered qualifying patient visits a participating pharmacy or regulated dispensary, the participating pharmacy or regulated dispensary shall provide the patient with materials designed by the program to answer frequently asked questions and which explain the limitations on the right to use medical cannabis under the Safe Access program act.

(9) Each licensed producer or processor shall develop, implement, and maintain on the premises employee and agent policies and procedures to address the following requirements:

(A) A job description or employment contract developed for all employees and a volunteer agreement for all volunteers, which includes duties, authority, responsibilities, qualification, and supervision; and

(B) Training in and adherence to state confidentiality laws.

(10) Each licensed producer or processor shall maintain a personnel record for each employee and each volunteer that includes an application for employment or to volunteer and a record of any disciplinary action taken;

(11) Each licensed producer or processor shall develop, implement, and maintain on the premises an on-site training curriculum or contract with a person or entity capable of meeting employee training needs, including, but not limited to, the following topics:

(A) Professional conduct, ethics and patient confidentiality; and

(B) Informational developments in the field of medical cannabis;

(12) Each licensed producer or processor entity shall provide each employee and each volunteer, at the time of the initial appointment, training in the following:

(A) The proper use of security measures and related procedures;

and

(B) Specific instructions on how to respond to emergencies;

(13) A licensed producer or processor shall prepare training documentation on the Safe Access program for each employee and have the employee sign a statement indicating the date, time, and place the employee received such training, topics discussed, and the name and title of presenters. The licensed producer or processor shall maintain such training documentation for a period of at least six (6) months after the termination of employment or volunteer status.

(i)

(1) No registered licensed producer or processor shall be subject to prosecution; a search, notwithstanding an inspection pursuant to subsection (g); a seizure; or a penalty in any manner or denied any right or privilege, including, but not limited to, a civil penalty imposed or disciplinary action taken by a business, occupational, or professional licensing board or entity, solely for acting in accordance with this section to produce, process or distribute medical cannabis through the Safe Access program;

(2) No principal officer, board member, agent, volunteer, or employee of a registered licensed producer or processor shall be subject to an arrest, prosecution, a search, a seizure, or a penalty in any manner or denied any right or privilege, including, but not limited to, a civil penalty imposed or a disciplinary

action taken by a business, occupational, or professional licensing board or entity, solely for working for or with a licensed producer, licensed processor, participating pharmacy or regulated dispensary to engage in acts permitted by this section.

(j)

(1) A licensed producer may not dispense, deliver, or otherwise transfer cannabis to any person or entity other than a licensed processor.

(2) A licensed processor may not dispense, deliver or otherwise transfer medical cannabis to any person or entity other than a participating pharmacy or a regulated dispensary.

(3) A participating pharmacy or regulated dispensary may not dispense, deliver or otherwise transfer medical cannabis other than to a Safe Access program qualifying patient.

(4) A person found to have violated subdivisions (1), (2) or (3) of this subsection may not be an employee, agent, principal officer, or board member of any licensed producer or processor, and such person's registry identification card shall be revoked.

(5) No person who has been convicted of a felony offense under title 39, chapter 17, part 4, may be a principal officer, board member, agent, volunteer, or employee of a licensed producer or processor unless the program determines that the person's conviction was for the medical use of cannabis or assisting with the medical use of cannabis and issues the person a registry identification card as provided under subdivision (e)(7). A person who knowingly violates this subsection (j) or knowingly fails to disclose a prior conviction in violation of this subdivision commits a class C misdemeanor, punishable only by a fine of one



thousand dollars (\$1,000). A subsequent offense in violation of this section is a class B misdemeanor.

#### SECTION 8.

(a)

(1) Effective November 1, 2014, there is created the medical cannabis advisory committee. The committee shall consist of thirteen (13) members, including the commissioner of agriculture, the commissioner of health, and the executive director of the board of pharmacy, or their designees, who shall serve as ex officio members. The remaining members shall be appointed prior to November 1, 2014, as follows:

(A) The governor shall appoint four (4) members as follows:

(i) Two (2) members who are physicians, as defined in § 63-6-204, who may be appointed from lists of qualified persons submitted by interested medical groups, including the Tennessee medical association, and who shall serve an initial term of two (2) years; and

(ii) Two (2) members who may be appointed from lists of persons submitted by interested patient advocacy groups, who shall serve an initial term of three (3) years;

(B) The speaker of the senate shall appoint three (3) members as follows:

(i) One (1) member who is a registered qualified patient;

(ii) One (1) member who is a nurse, as defined in § 63-7-302, who may be appointed from lists of qualified persons submitted by interested medical groups, including the Tennessee

nurses association, who shall serve an initial term of three (3) years; and

(iii) One (1) member representing a state or local law enforcement agency, who shall serve an initial term of two (2) years; and

(C) The speaker of the house of representatives shall appoint three (3) members as follows:

(i) One (1) member who is a registered qualified patient;

(ii) One (1) member who is a nurse, as defined in § 63-7-302, who may be appointed from lists of qualified persons submitted by interested medical groups, including the Tennessee nurses association, who shall serve an initial term of two (2) years; and

(iii) One (1) member representing a state or local law enforcement agency, who shall serve an initial term of three (3) years.

(2) In making the appointments as provided in subdivision (a)(1) the appointing authorities shall:

(A) Consult with the interested groups represented on the committee to determine qualified persons to fill the positions; and

(B) Appoint members with due regard to the geographical areas where qualified patients, licensed producers, licensed processors, and participating pharmacies or regulated dispensaries are located.

(b)

(1) Each appointed member shall serve a four-year term to begin November 1 and expire on October 31 of the appropriate year, unless otherwise provided in this section, and may be reappointed for successive terms.

(2) Members shall serve until a successor is appointed.

(3) Any vacancy shall be filled for the unexpired term with the appointment of a replacement member by the appropriate appointing authority.

(4) The pattern established for initial appointments shall be followed for appointments by the appropriate appointing authorities when appointments are to fill expired terms.

(c)

(1) The first meeting shall be jointly called by the commissioner of agriculture, commissioner of health, and executive director of the board of pharmacy and held no later than sixty (60) days after November 1, 2014.

(2) At the first meeting, the committee shall elect a member to serve as president, as vice president, and as secretary. The committee may also elect any other officers it deems necessary to perform the business of the committee. An officer will serve in that position for a term of one (1) year.

(3) A quorum of seven (7) members, including at least two (2) officers, is required for the committee to conduct business.

(d) The committee shall meet at least three (3) times per year for the purpose of evaluating and making recommendations to the general assembly regarding:

(1) Tennessee patients' access to medical cannabis;

(2) Performance of licensed producers, licensed processors, participating pharmacies and regulated dispensaries;

(3) Practitioner participation in the Safe Access program;

(4) Additions to the list of qualifying medical conditions; and

(5) Research studies relevant to medical cannabis.

(e) On or before January 31 of every even numbered year, beginning in 2016, the committee shall report to the general assembly on its findings and recommendations.

(f) The members of the committee shall receive no compensation for their services; provided, that each member of the committee shall be eligible for reimbursement of expenses and mileage in accordance with rules promulgated by the commissioner of finance and administration and approved by the attorney general and reporter.

SECTION 9. In accordance with this part, a person authorized by and in compliance with the Safe Access program regarding the manufacture, delivery, sale or possession of medical cannabis may not be subject to arrest or prosecution under §§ 39-17-417(a), 39-17-418 or 39-17-425 if the person's activities are in accordance with this act.

SECTION 10. Tennessee Code Annotated, Section 4-29-237(a), is amended by adding a new subdivision thereto, as follows:

( ) Medical cannabis advisory committee, created by Section 8 of this act;

SECTION 11. Tennessee Code Annotated, Section 39-17-417, is amended by adding the following language as a new subsection (n):

(n) This section does not apply to persons authorized by and in compliance with title 68, chapter 1, part 26 regarding the manufacture, delivery, sale or possession of cannabis for medical use.

SECTION 12. Tennessee Code Annotated, Section 39-17-418, is amended by adding the following language as a new subsection (g):

(g) This section does not apply to persons authorized by and in compliance with title 68, chapter 1, part 26 regarding the possession of cannabis for medical use.

SECTION 13. Tennessee Code Annotated, Section 39-17-425, is amended by deleting the language “authorized by this part and title 53, chapter 11, parts 3 and 4” wherever it appears and by substituting instead the language “authorized by this part, title 68, chapter 1, part 26, and title 53, chapter 11, parts 3 and 4”.

SECTION 14. If any provision of this act or the application of any provision of this act to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act are declared to be severable.

SECTION 15. The commissioner of health, the commissioner of agriculture and the board of pharmacy are authorized to promulgate rules to effectuate the purposes of this act. All rules shall be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5.

SECTION 16. For the purposes of appointing members of the advisory committee and promulgating rules, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect July 1, 2014, the public welfare requiring it.