

H.B. 203 Cannabis Amendments, 1st Substitute Bill Summary

To: Medical Cannabis Policy Advisory Board

From: Matt Page

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A substitute version of H.B. 203 Cannabis Amendments was released on January 27, 2025. Below is a list of changes from the first version of the bill. You can view a comparison of the changes [here](#).

Utah Department Of Agriculture And Food (UDAF) Changes

Production websites and targeted marketing

- Allows a production establishment to have a website that has information about their products and where to purchase them, and the certifications of analysis for their products Also establishes rule authority for targeted marketing. *Line 359, 4-41a-109(5)(b)(i)(A)*

Rulemaking: ombudsman role

- Requires rules be provided to the ombudsman and that UDAF cannot file a rule unless the ombudsman agrees. Tolls the 180 day rulemaking deadline in 63G-3-301(14) while the rule is being reviewed by the ombudsman. *Line 441, 4-41a-110(2)(a) & (b)*

Cultivation: use of radiation

- UDAF must create a website for certificates of analysis that allows processors to post their certificates of analysis, but only if (i) the COA was created by an independent lab (not the processor), and (ii) approved by the processor. *Line 496, 4-41a-501(5)*

COA website

- UDAF must create a website for certificates of analysis (COA) that allows processors to post their certificates of analysis, but only if (i) the COA was created by an independent lab (not the processor), and (ii) approved by the processor. *Line 518, 4-41a-701(7)*

Enforcement -- fine -- citation -- add pharmacy & courier & ability to warn

- Adds pharmacies, pharmacy agents, and couriers to list of people that can have their card license/card revoked. Adds that UDAF can issue a warning instead. *Lines 522, 532, 4-41a-801(1), (1)(c), & (3)(a)*

Pharmacy and courier fines: when to issue

- Prohibits UDAF from issuing a fine against a pharmacy or courier unless the department determines the violation undermines public health or the violation is statutory. *Line 600, 4-41a-801.1*

Pharmacy and courier fines: time to appeal

- Increases the time licensees can contest a fine from 20 days to 30 days. *Line 627, 4-41a-801.1(5)*

Ability to inform licensing board of warnings

- Prohibits UDAF from sharing licensee warnings with the licensing board if the warning was found to have no merit. *Line 633, 4-41a-801(11)*

Warnings: dispute resolution

- Requires UDAF to (a) allow a licensee 30 days to respond to a warning for a potential violation. (b) If UDAF still holds there was a violation, they must inform the licensee. The licensee may file a dispute resolution with the ombudsman within 10 days of when UDAF notifies the licensee of upholding the warning. *Line 635, 4-41a-801(12)*

Pharmacy and courier fines: ALJ to conduct proceeding

- Clarifies that an appeal of a fine goes to an administrative law judge as a formal proceeding. *Line 640, 4-41a-801.1(8)*

Warnings: penalty prohibitions

- Prohibits UDAF from issuing an admin penalty after a warning is issued until (i) the 10 day period above expires, or (ii) if a complaint is filed with the ombudsman the earlier of (A) the day the medical cannabis ombudsman issues the summary opinion, or (B) 60 days from the day the complaint is filed. *Line 642, 4-41a-801(12)*

Warnings: ombuds must be active

- Clarifies that 4-41a-801(12) is only effective if the ombudsman position is actively occupied. *Line 650, 4-41a-801(12)(d)*

Pharmacy license: license fee reduction

- Reduces initial license fee for a pharmacy located in a in a medically underserved area as determined by the federal Health Resources and Services Administration to 50% of what's charged to other pharmacies. *Line 764, 4-41a-1001(3)(a)*

Pharmacy license renewal: fee reduction

- Reduces renewal license fee for a pharmacy located in a third, fourth, fifth, or sixth class county to 50% of what's charged to other pharmacies. *Line 858, 4-41a-1003(b)*

Maximum pharmacy licenses: ombuds licenses count towards 40 total

- Clarifies that the two pharmacies issued by the ombudsman before 2026 and the one before 2027 count towards the 40 total pharmacy licenses. *Line 877, 4-41a-1005(1)(a)*

Maximum pharmacy licenses: ombuds to choose licenses

- Adds that the ombudsman shall select entities for licensure in accordance with 4-41a. *Line 881, 4-41a-1005(b)*

Maximum pharmacy licenses: UDAF/licensing board no longer the issuer

- Removes UDAF ability to license pharmacies. Removes UDAF requirement to create regions. Removes UDAF/licensing board ability to issue additional licenses after analysis. *Lines 876-918, 4-41a-1005(1)(b) through (d)*

Maximum pharmacy licenses: ombuds reviews applications

- Assigns the ombudsman the responsibility to evaluate and pharmacy license applications. *Line 919, 4-41a-1005(2)(a)*

Maximum pharmacy licenses: ombuds boost score to medically underserved area applicants

- Allows the ombudsman to give increased consideration to a pharmacy applicant in an area or population center designated as a medically underserved area or population as determined by the federal Health Resources and Services Administration. *Line 940, 4-41a-1005(2)(b)(i)*

Maximum pharmacy licenses: ombuds to consult stakeholders about additional license

- Except for the next three pharmacy licenses described in 13-1-19, for each new pharmacy license, the ombudsman shall (i) consider patient count and (ii) consult

with other government agencies, licensees, and stakeholders to determine economic impact of an additional license. *Line 949, 4-41a-1005(2)(c)*

Maximum pharmacy licenses: ombuds may interview in person

- Removes UDAF/licensing board; says ombudsman may conduct face-to-face interviews with applicants. *Line 954, 4-41a-1005(3)*

Back panel must be available: delayed implementation

- Delays requirement to include back panel picture on pharmacy website until July 1, 2025. *Line 1111, 4-41a-1101(12)(g)(ii)*

Utah Department of Commerce Changes

Ombudsman: to select pharmacy applicants

- Assigns the ombudsman the power to select pharmacy licenses, in consultation with UDAF. *Line 1344, 13-1-19(3)(a)*

Ombudsman: to select applicants in certain counties

- The ombudsman shall select applicants in medically underserved areas determined by HRSA and are located in third, fourth, fifth, or sixth class counties. *Line 1370, 13-1-19(3)(d)(ii)(B)*

Ombudsman: to enter into dispute resolution

- Removes that the ombuds shall hear all appeal cases. Replaces with: the ombuds may enter into a dispute resolution between licensees and UDAF if the dispute isn't heard by an admin law judge. *Line 1389, 13-1-19(5)(a)*

Ombudsman: to issue summary opinion

- Removes that an appeal heard under the section in as informal adjudicative proceeding. Replaces with: the ombuds may request additional information from the licensee and shall issue a summary opinion. *Lines 1397, 1399, 13-1-19(5)(c) & (d)*

Ombudsman: rule authority for appeals

- Gives the ombuds rule authority to implement the above subsection (5). *Line 1401, 13-1-19(5)(e)*

Ombudsman: report to working group

- Requires ombuds report to the medical cannabis governance structure working group each year, including number of disputes (no longer appeals). *Line 1403, 13-1-19(6)*
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Utah Department Of Health And Human Services (DHHS) Changes

Patient fund: funding ombuds

- Adds that if there's remaining money in the patient enterprise fund on June 30 of each fiscal year (after other obligations funded), \$300,000 (no longer \$250,000) shall be transferred to the ombudsman for the patient voucher program for the proceeding fiscal year and admin costs. *Line 1427, 26B-1-310(2)(d)*

Patient fund: 20% cap on ombuds admin cost

- Mandates that only 20% of the \$300,000 transfer from the patient enterprise fund be used for admin costs. *Line 1441, 26B-1-310(7)*

MCPAB: position removed

- Removes the medical research professional position on MCPAB. *Line 1455, 26B-1-435(2)(a)(i)(B)*

Definitions: additions to information insert

- Adds to the definition of "patient product information insert" that the insert can be a document *or* webpage and that for information to appear on the insert, DHHS can provide other information based on consultation with the processor of the product the insert is accompanying. *Line 1699, 26B-4-201(42)(h)*

Inserts: collaborate with processor

- Requires DHHS develop information inserts in consultation with the Center for MC Research and the processor that created the product and that the insert not contain proprietary information. *Line 2110, 26B-4-243*

DHHS rules: ombuds approval

- Requires rules be provided to the ombudsman and that DHHS cannot file a rule unless the ombudsman agrees. Tolls the 180 day rulemaking deadline in 63G-3-301(14) while the rule is being reviewed by the ombudsman. *Line 2124, 26B-4-247(2)*

Medical cannabis sales website: ignore RFP

- Allows DHHS to not respond to the RFP for the sales website. *Line 2164, 26B-4-248(4)*

Medical cannabis sales website: delayed implementation

- Delays sales website operation until January 1, 2026. *Line 2165, 26B-4-248(5)*