

H.B. 203 Cannabis Amendments, 4th Substitute Bill Summary

To: Medical Cannabis Policy Advisory Board

From: Matt Page, Board Chair

Released: February 14, 2025

The board reviewed H.B. 203 1st substitute at its meeting on January 28, 2025. Since then, a 2nd, 3rd, and 4th substitute have been released. Below is a list of major changes from the 1st to the 4th substitute bill. As of February 13, the bill passed through the House with a vote of 57-15 but was held by the Senate Health and Human Services Committee.

Utah Department Of Agriculture and Food (UDAF) Changes

Rulemaking: misc processor items

- Requires UDAF to make rules regarding:
 - (a) master manufacturing plans;
 - (b) batch production records;
 - (c) sanitary operations;
 - (d) sanitary facilities and controls;
 - (e) equipment and utensils;
 - (f) production and process controls;
 - (g) warehousing and distribution; and
 - (h) employee personal hygiene.

Processor websites

- Clarifies that a processing facility website must have a 21+ age-gate if the website will contain educational information and where the processor's products can be purchased. A processor could also post a certificate of analysis from an independent lab when presenting their products.

Rulemaking: cultivation, records and radiation

- Requires UDAF to make rules regarding what records a cultivator must keep regarding batches, amount of product treated, and methods used, and how a cultivator must disclose using radiation.

Letters of concern

- Except for a violation that threatens public health or for the third violation of the same rule or statute in a 24-month period, UDAF must first issue a letter of concern (LOC) before taking other admin actions, including issuing warnings. Details what an LOC shall include. UDAF must wait 30 days for the licensee to remedy the concern. Should the licensee not adequately address the issue, UDAF may take other action. If an LOC is resolved without enforcement action, the LOC can't be reported to the Medical Cannabis Production and Pharmacy Licensing Board.

Medical cannabis pharmacy and medical cannabis recommendations

- Prohibits a medical cannabis pharmacy from allowing a recommending medical provider to recommend medical cannabis as part of an event that (i) is a temporary gathering, market, clinic, or promotional event, (ii) operates at a temporary location, tent, or other structure, and (iii) is held within 500 feet of the medical cannabis pharmacy's property line.

Maximum pharmacy licenses

- Increases the total number of available medical cannabis pharmacy licenses to 17.

Pharmacy licenses: ombuds consider existing pharmacies

- The ombudsman would need to consider existing pharmacy locations when considering the location of additional medical cannabis pharmacy licenses.

Closed-door medical cannabis pharmacy

- Reduces available closed-door medical cannabis pharmacy licenses before July 2027 from three to one.

Pharmacy licenses: ombudsman to choose two

The ombudsman must select one applicant for a medical cannabis pharmacy license before January 2026 and another medical cannabis pharmacy license before January 2027. Also clarifies that the ombudsman may not give preference to existing license holders when selecting an additional pharmacy license holder.

Ombudsman: 1st pharmacy to commit to 15 years

- Requires the one pharmacy the ombudsman will select before 2026 to commit to not alienating or transferring the license/entity for at least 15 years.

Enforcement -- Fine -- Citation: ombuds to conduct proceeding

- The ombudsman must conduct an informal proceeding when addressing appeals to UDAF actions.

Utah Department of Health And Human Services (DHHS) Changes

Ombudsman: places the ombudsman in DHHS

Ombudsman: consult with UDAF and DHHS on rules

- The ombudsman could consult with the departments on their respective proposed rules and may make recommendations to change rules.

DHHS patient fund to fund ombudsman voucher program and administrative costs

- Up to \$300,000 could be transferred to the ombuds for the voucher program and admin costs. No more than 20% of the amount transferred could be used for administrative costs.

Removed between 1st and 4th substitute

Certificates of analysis (COA) website

- Removes proposed requirement that UDAF create a website where processors can post COAs.

Medical cannabis sales website: removed

- Removes medical cannabis sales website that was to be created by DHHS.