HB136
Medicinal Marijuana

Sponsored by:
53 Representatives
7 Senators
5 Counties
13 Cities
KY Medicinal Cannabis Act Overview

- Patient & Caregiver License
- Cultivator License
- Practitioner Recommendation
- Processor License
- Dispensary License
- State run Approval & Verification System
- Safety Facility License

24 Hour Electronic Verification System

KY Medicinal Cannabis Act

Overview

Practitioner Recommendation
KY Medicinal Cannabis Steps

**Recommending Practitioner**
- Licensed KY practitioner
- Notify the Department & KBML of their intentions to provide recommendations
- Complete any training or credentialing established by the department
- Bonafide patient relationship
- Available for follow up
  - Not employed, board member or owner of cannabis business

**Patient Card Application**
- KY Resident
- **Apply on Department form**
  - Pass background check
  - Indicate a caregiver
    - Caregiver must also apply & pass background check
  - **Pledge not to divert cannabis or face penalties**
  - Visiting qualifying patient
    - Valid card from another state
    - Pay applicable fees

**Card Issuance**
- Department evaluates
  - 30 day Department evaluation timeframe
  - Department issues card within 5 days of approval
  - 10 days to notify Department of lost card
    - $20 card replacement fee
  - Protections expire 15 days after card expiration.
  - **Yearly patient recertification by practitioner**

**Requirements**
- **Yearly licensing fee**
  - $60 Patient license
  - $20 Caregiver fee
  - $15 Visiting patient per visit
- **Possession limits**
  - 30 day supply in residence
  - 10 day supply on person
  - 30 day supply purchase limit transported in:
    - Sealed package
    - 2 step process
  - 10 day supply for Visiting patients
Rules & Regulations

- Everyone in program must have State approved license
- No public consumption smoking or otherwise
- DWI/DUI remain prohibited
- Restrictions on advertising
- KASPER like program Product inventory & monitoring
- No practitioner/dispensary relationships
- Cultivation must be in enclosed locked facility

- 10mg per serving for oral consumption products
  * Must have state approved identifiable mark on product
  * Not resemble a recognizable product (gummy bear...)
  * Must be in childproof container
  * Sold in opaque containers
  * Warning statement saying “not to be smoked”
Business Tiering

Tier 1
- Gross receipts ≤ $2,000,000
- $500 Fee
- 1% gross receipt fee
- Cultivators ≤ 2,500 sqft

Tier 2
- Gross receipts ≥ $2M ≤ $8,000,000
- $2,000 Fee
- 1.5% gross receipt fee
- Cultivators ≤ 10,000 sqft

Tier 3
- Gross receipts ≥ $8,000,000
- $4,000 Fee
- 2% gross receipt fee
- Cultivators ≤ 25,000 sqft

Processor
- Apply through KY Department
- Proposed location zoning
  - 1,000ft from schools
- 60% board & owners must have 3 years KY residency
- Relevant experience
- Proposed business plan
  - Record keeping
  - Safety
  - Inventory tracking
  - Security
  - Diversion Prevention
  - Packaging & labeling
- Sufficient operating capital
- Separate license for each location
- Subject to compliance inspections
- Pay $5,000 initial business license fee

Dispensary
- Apply through Department
- Independent 3rd party product testing

Safety Facility
- Apply through Department
- Independent 3rd party product testing
Excise Tax

Cultivator or processor to a dispensary = 12% excise tax

- 80% tax revenue goes to the Medicinal Marijuana Trust Fund for administration of the program
- 20% tax revenue goes to the Local Medicinal Marijuana Trust Fund
Medicinal Marijuana Trust Fund

- Localities may prohibit all cannabis business operations
- Administered by Finance & Administration Cabinet
- Registration fees, licensing fees, fines, penalties & excise taxes

- **15%** for Kentucky State Police
  - Enforcement of medicinal Marijuana Laws
  - Hiring & training of additional drug recognition experts (DRE)
  - Advanced roadside impaired driving enforcement (ARIDE) training

- **15%** for indigent care for those on Medicaid, SSI, SSDI, or Veterans

- **70%** Covers Department cost & expenses of operating medicinal marijuana program & enforcement
Local Medicinal Marijuana Trust Fund

- Administered by Finance & Administration Cabinet
- **Distributes excise tax revenue on a quarterly basis** to localities allowing cannabis businesses
- Moneys may be used for purposes of:
  - Local enforcement of medicinal marijuana laws
  - Local medicinal marijuana licensing
  - Hiring or training of additional Drug Recognition Experts (DRE)
  - Advanced Roadside Impaired Driving Enforcement (ARIDE) training
  - Local evidence-based drug addiction rehabilitation projects

- County allows but **city does not** = County gets 100% of total excise tax revenue
- City allows but **county does not** = City gets 100% total excise tax revenue
- **Both** city & county allow = County gets 25% of total excise tax revenue collected within city
VOTE
YES
HB 136
MEDICAL MARIJUANA
(800) 372-7181
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Thank you

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Kentuckians for Medicinal Marijuana