Session of 2017

SENATE BILL No. 187

By Committee on Public Health and Welfare

2-10

AN ACT enacting the Kansas safe access act; providing for the safe, legal, humanitarian and therapeutic use of cannabis for medical conditions; providing for the registration and functions of compassion centers; authorizing the issuance of identification cards; establishing the compassion board; providing for administration of the act by the department of health and environment.

WHEREAS, Cannabis has been used as a medicine for at least 5,000 years and can be effective for serious medical conditions for which conventional medications fail to provide relief; and

WHEREAS, Modern medical research has shown that cannabis can slow the progression of such serious diseases as Alzheimer's and Parkinson's, stop HIV and cancer cells from spreading; has both anti-inflammatory and pain-relieving properties; can alleviate the symptoms of epilepsy, post traumatic stress disorder and multiple sclerosis; is useful in the treatment of depression, anxiety and other mental disorders; and can help reverse neurological damage from brain injuries and stroke; and

WHEREAS, The world health organization has acknowledged the therapeutic effects of cannabinoids, the primary active compounds found in cannabis, including as an anti-depressant, appetite stimulant, anticonvulsant and anti-spasmodic, and identified cannabinoids as beneficial in the treatment of asthma, glaucoma, and nausea and vomiting related to illnesses such as cancer and AIDS; and

WHEREAS, The national institutes of health, the institute of medicine and the American college of physicians have issued statements of support for further research and development of cannabis medicine; and

WHEREAS, The American medical association has called for the review of the classification of cannabis as a schedule I controlled substance to allow for clinical research and the development of cannabinoid-based medicines; and

WHEREAS, The national cancer institute has concluded that cannabis has antiemetic effects and is beneficial for appetite stimulation, pain relief and improved sleep among cancer patients; and

WHEREAS, The American herbal pharmacopoeia and the American herbal products association have developed qualitative standards for the use of cannabis as a botanical medicine; and

WHEREAS, The United States supreme court has long noted that states may operate as "laboratories of democracy" in the development of innovative public policies; and

WHEREAS, Twenty-eight states and the District of Columbia have enacted laws that allow for the medical use of cannabis; and

WHEREAS, Seventeen additional states have enacted laws authorizing the medical use of therapeutic compounds extracted from the cannabis plant; and

WHEREAS, More than 17 years of state-level experimentation provides a guide for state, and federal law and policy related to the medical use of cannabis; and

WHEREAS, the American legion, America's oldest veteran organization, has passed a resolution calling on congress to amend its laws to "at a minimum recognize cannabis as a drug with potential medical value"; and

WHEREAS, Accredited educational curricula concerning the medical use of cannabis have been established, which meet continuing medical education requirements for practicing physicians; and

WHEREAS, Congress has prohibited the federal department of justice from using funds to interfere with and prosecute those acting in compliance with their state medical cannabis laws, and the department of justice has issued guidance to U.S. attorneys indicating that enforcement of the controlled substances act is not a priority when individual patients and their medical care providers are in compliance with state law, and that federal prosecutors should defer to state and local enforcement so long as a viable state regulatory scheme is in place; and

WHEREAS, Data from the federal bureau of investigation's uniform crime reports and the compendium of federal justice statistics show that approximately 99 out of every 100 cannabis arrests in the United States are made under state law, rather than under federal law therefore, consequently, changing state law will have the practical effect of protecting from arrest the vast majority of seriously ill patients who have a medical need to use cannabis.

Now, therefore:

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) Sections 1 through 25, and amendments thereto, shall be known and may be cited as the Kansas safe access act.

(b) The legislature of the state of Kansas declares that the Kansas safe access act is enacted pursuant to the police power of the state to protect the health of its citizens, which is reserved to the state of Kansas and its people under the 10th amendment to the constitution of the United States.

Sec. 2. As used in the Kansas safe access act, unless the context requires otherwise:

(a) "Adverse employment action" means refusing to hire or employ a qualified registered patient, barring or discharging a qualified registered patient from employment, requiring a qualified registered patient to retire from employment or discriminating against a qualified registered patient in compensation or in terms, conditions or privileges of employment.

(b) "Cannabis" means all parts of all varieties of the plant cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin. It does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, except the resin extracted therefrom, fiber, oil, cake or the sterilized seed of the plant, which is incapable of germination.

(c) "Cannabis compliance agency" means the agency created under section 21, and amendments thereto. The cannabis compliance agency oversees all components of licensing, compliance and regulation enforcement, is not a resource for the growing process and does not have to give information pertaining to the growing process to patients or caregivers as part of this act. The agency works in consultation with the compassion board and is established as a division under the department of health and environment.

(d) "cannabis-infused products" means products infused with medical cannabis.

(e) "Child-resistant" means special packaging that is designed or constructed to be significantly difficult for children under five years of age to open, and not difficult for normal adults to use properly as defined by 16 C.F.R. 1700.20 (1995) and ASTM classification standard D3475-13.

(f) "Compassion board" means the board created under section 13, and amendments thereto. The compassion board will: Report to the department of health and environment; be responsible for guiding policy on behalf of patients, medical providers and the public, with focus on continuous process improvement to better serve the needs of all; facilitate research and work with researchers; liaison with other Kansas agencies and organizations; and liaison with law enforcement and the cannabis compliance agency.

(g) "Compassion center" means a local, government-regulated physical location in which a person can purchase medical cannabis and medical cannabis products for therapeutic use. A patient receives cannabis medication as allowed per the patient's medical provider's recommendation.

(h) "Compassion center employee" means a principal officer, board member, employee, volunteer or agent of a compassion center who has

been issued and possesses a valid identification card.

(i) "Cultivation caregiver" means the individual or entity designated by a registered qualifying patient with an identification card, or primary caregiver with an identification card, able to cultivate a patient's recommended amount of medical cannabis on their behalf. Cultivating caregivers shall not exceed a limit of five patients without purchasing and implementing a seed to sale tracking system and following ecologically sustainable guidelines.

(j) "Cultivation facility" means an entity licensed to cultivate, prepare and package medical cannabis and sell to compassion centers and medical cannabis product manufacturers but not to consumers.

(k) "Cultivation facilities" means any location where medical cannabis is grown for multiple patients, such as medical cannabis cultivation facilities, registered qualifying patient sites or cultivating caregiver sites.

(l) "Department" means the department of health and environment.

(m) "Distillation process material" means food grade alcohol and CO2, a liquid that has a flashpoint below 100 degrees fahrenheit.

(n) "Ecologically sustainable pesticides" means pesticides approved for organic agriculture under EPA, WSDA organic program, CDFA organic input material program, OMRI or other USDA accredited materials review programs. Banned pesticides include, but are not limited to, myclobutanil, imidacloprid, avermectin, bifenazate, etoxazole and azadirachtin.

(o) "Extract" means the final product, derived by various methods, of separating plant material from chemical compounds.

(p) "Harvest batch lot" means a specifically identified quantity of processed medical cannabis that is uniform in strain, cultivated using the same ecologically sustainable herbicides, pesticides and fungicides and harvested at the same time.

(q) "Identification card" means a document issued by the department that identifies a person as a registered qualifying patient, registered designated primary caregiver or a registered principal officer, board member, employee, volunteer or agent of a registered compassion center.

(r) "Identity statement and standardized graphic symbol" or "identity statement" means the name or logo of the business as it is commonly known and used in market positioning. A licensee may elect to have its identity statement also serve as its standardized graphic symbol for purposes of complying with this act. The licensee shall maintain a record of its identity statement and standardized graphic symbol and make such information available to the cannabis compliance agency upon request.

(s) "Licensee" means any person or entity holding a license to operate a compassion center, medical cannabis cultivation facility or manufacture medical cannabis products.

(t) "Medical cannabis concentrate" means a medical cannabis concentrated form manufactured by extraction, decoction or distillation, available for purchase at compassion centers.

(u) "Medical cannabis products manufacturing facility" means any site that manufactures medical cannabis-infused products.

(v) "Medical condition" means either a temporary disability or illness, due to injury or surgery, or a permanent disability or illness that:

(1) Substantially limits the ability of the person to conduct one or more major life activities as defined in the Americans with disabilities act of 1990 (ADA) (public law 101-336); or

(2) if not alleviated, may cause serious harm to the patient's safety, physical or mental health.

(w) "Medical provider" means a physician who holds a license to practice medicine and surgery issued by the state board of healing arts or an advanced practice registered nurse who holds a license to practice as an advanced practice registered nurse from the state board of nursing and who has taken responsibility for an aspect of the medical care, treatment, diagnosis, counseling or referral of a patient and who has conducted a medical examination of that patient before recording in the patient's medical record the physician's or advanced practice registered nurse's assessment of whether the patient has a medical condition where the medical use of cannabis is appropriate.

(x) "Occupational licensee" means an individual trained in various aspects of cannabis compliance or cannabis product manufacturing compliance.

(y) "Optional premises" means a site for cultivation or manufacturing other than the primary business site of a licensee.

(z) "Patient," "qualifying patient" or "registered qualifying patient" means a person who has been diagnosed by a medical provider as having a debilitating medical condition and, as such, have qualified for coverage under the Kansas safe access act, whether a temporary disability or illness, due to injury or surgery, or a permanent disability or illness which substantially limits the ability of the person to conduct one or more major life activities, as defined in the Americans with disabilities act of 1990 (ADA) (public law 101-336), or if not alleviated, may cause serious harm to the patient's safety or physical or mental health.

(aa) "Patient owned collective" means an organization that merely facilitates the collaborative efforts of patient and caregiver members, including the allocation of costs and revenues. As such, a collective is not a statutory entity, but might have to organize as some form of business to carry out its activities. The collective should not purchase medical cannabis from, or sell to, non-members, instead, it may only provide a means for facilitating or coordinating transactions between members. Not

every member of a collective has to participate in cultivation. Cities are prohibited from using nuisance abatement ordinances to impose a blanket ban on collectives, if the collective cultivates on-site.

(bb) "Philanthropic equity investors" means enterprise level investors seeking to provide nonprofits with the capital they need to scale impact and that is intended to subsidize organizations until they reach a point when their activities are fully sustained by donors.

(cc) "Primary caregiver" means the individual or entity, designated by a registered qualifying patient who has consistently assumed responsibility for the housing, health or safety of that patient or person, and may include a licensed clinic, a licensed state government institution clinic, a licensed health care facility, a licensed residential care facility for persons with chronic life-threatening illness, a licensed residential care facility for the elderly, a hospice or a licensed home health agency, the owner or operator and any trained employee of a licensed clinic, facility, hospice or home health agency or an individual group home, halfway house or an individual if designated as a primary caregiver by a registered qualifying patient.

(1) A primary caregiver shall be at least 18 years of age, unless the primary caregiver is the parent of a minor child who is a registered qualifying patient, or a person otherwise entitled to make medical decisions under state law, or it can be proven to the cannabis compliance agency to full satisfaction that no other viable option for a caregiver is available.

(2) Primary caregiver entities shall utilize an in-house patient medication tracking system when the caregiver is not growing but only dispensing. If these entities become cultivating caregivers, they are bound by regulations adopted pursuant to section 10, and amendments thereto.

(dd) "Production batch lots" means a group of medical cannabis-infused products created from the same production run.

(ee) "Seed to sale tracking system" means a technology platform designed specifically for governments and regulatory agencies that will collect and monitor the critical data needed to track compliance with jurisdictional rules, laws and rules and regulations governing cannabis-related businesses that includes a software tracking system used to track the production, transportation, destruction and sales of legal cannabis in a system, allowing regulatory and law enforcement agencies to view reports in real time, allowing medical cannabis businesses to utilize the commercial system as a business platform that supports them in remaining fully compliant when tracking all aspects of their day-to-day operations.

(ff) "Shipping container" means any container or wrapping used solely for the transport of medical cannabis or medical cannabis-infused product in bulk, or in a quantity for other medical cannabis business.

(gg) "Third-party certification agencies" means third-party

certification agencies offering certification for producers of ecologically sustainable grown cannabis products to a private standard that is similar to internationally accepted organic standards.

(hh) "Verification system" means a secure, password-protected, web-based system that is operational 24 hours each day that law enforcement personnel and compassion center employees shall use to verify identification cards and that shall be established and maintained by the cannabis compliance agency pursuant this act.

(ii) "Visiting qualifying patient" means a patient with a debilitating medical condition who is not a resident of Kansas or who has been a resident of Kansas for less than 30 days.

(jj) "Written documentation" means accurate reproductions of those portions of a patient's medical records that have been created by the attending medical provider that contain the information that the patient may submit to the cannabis compliance agency or its designee as part of an application for an identification card.

Sec. 3. (a) The purpose of this act is to:

(1) Provide legal protections to persons with medical conditions who medicate with cannabis to alleviate the symptoms of such medical conditions under the supervision of a medical provider and deem the laws relating to the unlawful possession or cultivation of cannabis in applicable to a patient's primary caregiver who possesses or cultivates cannabis for the medical purposes of the patient upon the written recommendation of their medical provider;

(2) allow for the regulated cultivation, processing, manufacture, delivery, distribution, possession and use of cannabis as permitted by this act;

(3) Notwithstanding any other provision of law, make illegal the property seizure and forfeiture of the homes of qualifying patients who use cannabis as a medical treatment, family members, the personal caregivers who may assist those patients, the physicians and healthcare professionals who certify patients as qualifying for medical use, or the individuals who provide medical cannabis to qualified patients or otherwise participate in accordance with state law and regulations in the medical cannabis program;

(4) establish that neither the presence of cannabinoid components or metabolites in a person's bodily fluids, nor conduct related to the medical use of cannabis by a custodial or noncustodial parent, grandparent, pregnant woman, breastfeeding mother, legal guardian or other person charged with the well being of a child, or infant, shall form the sole or primary basis for any action or proceeding by a child welfare agency, family or juvenile court, because their child or ward, is a medical cannabis patient, or a newborn, or child of breastfeeding mother has presence of

cannabinoids, because the mother is a medical cannabis patient. This subsection shall apply only to conduct in compliance with the Kansas safe access act;

(5) establish patient protection for the purposes of medical care, including organ transplants, and that a qualifying patient's medical use of cannabis does not constitute the use of an illicit substance or otherwise disqualify a registered qualifying patient from medical care, nor be used to violate a registered qualifying patient on probation or parole;

(6) establish protection for patients and caregivers that, unless required by federal law or required to obtain federal funding, no landlord may refuse to rent a dwelling unit to a person or take action against a tenant solely on the basis of an individual's status as a qualifying patient or identification cardholder under this act;

(7) ensure that patient and caregiver insurance coverage as any type shall not be endangered because of a person's status as a medical cannabis patient;

(8) guarantee that medicine availability to any patient shall not be restricted and that it shall be available to all medical cannabis patients in any environment where other medications are allowed;

(9) establish that a patient or caregiver may assert the medical purpose for using cannabis as a defense, or appeal, to any prosecution or conviction of an offense involving cannabis intended for the patient's medical use, and that this defense shall be presumed valid where the evidence shows that:

(A) A medical provider has stated that, in the medical provider's professional opinion, after having completed a full assessment of the patient's medical history and current medical condition, the patient is likely to receive, or would have received, therapeutic or palliative benefit from the medical use of cannabis to treat or alleviate the patient's medical condition or symptoms associated with the patient's medical condition;

(B) the patient and the patient's designated primary caregiver, or cultivating caregiver, if any, were collectively in possession of a quantity of cannabis that was not more than reasonably necessary to ensure the uninterrupted availability of cannabis for the purpose of treating or alleviating the patient's medical condition or symptoms associated with the patient's medical condition; and

(C) the registered qualifying patient, cultivating caregiver or designated primary caregiver was engaged in the acquisition, possession, cultivation, manufacture, use or transportation of cannabis or paraphernalia, or both, relating to the administration of cannabis solely to treat or alleviate the patient's medical condition or symptoms associated with the patient's medical condition.

The person may assert the medical purpose for using cannabis in a

motion to dismiss, and the charges shall be dismissed following an evidentiary hearing where the person shows the elements listed in paragraphs (A), (B) and (C); and if a patient demonstrates the patient's medical purpose for using cannabis pursuant to this section, the patient and the patient's designated caregiver, or cultivating caregiver, shall not be subject to the following for the registered qualifying patient's use of cannabis for medical purposes:

(i) Disciplinary action by an occupational or professional licensing board or bureau; or

(ii) forfeiture of any interest in or right to property.

(10) recognize established federal protection for native American growers, collectives and compassion centers. Kansas shall in no way impede the rights of indigenous peoples;

(11) recognize that workers compensation should cover medical cannabis as it would all other medications;

(12) guarantee that medical cannabis patients shall fully retain all rights, including their second amendment rights;

(13) establish that medical cannabis patients will be protected from warrantless drug enforcement administration's medical record searches; and

(14) remove cannabis, and all places listed as medical cannabis, and all parts of all varieties of the plant cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin. It does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, the resin extracted therefrom, fiber, oil, or cake or the sterilized seed of the plant, which is incapable of germination, chapter 65 article 41 of the Kansas Statutes Annotated, and amendments thereto, as listed in K.S.A. 65-4105(d)(16), 65-4101(o), 65-4107, 65-4109, 65-4111 and 65-4113, and amendments thereto.

(b) The Kansas safe access act shall not prevent the seizure or forfeiture of cannabis exceeding the amounts allowed under this act and not meeting exceptions listed in section 8, and amendments thereto.

(c) Any cannabis, cannabis paraphernalia, illicit property or interest in illicit property that is possessed, owned or used in connection with the medical use of cannabis as allowed under the Kansas safe access act, or acts incidental to such use, shall not be seized or forfeited.

(d) A person shall not be subject to arrest, prosecution or penalty in any manner or be denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a court or occupational or professional licensing board or bureau, simply for being in the presence or

vicinity of the medical use of cannabis as allowed under the Kansas safe access act or for assisting a patient with using or administering cannabis. A person shall not be subject to arrest, prosecution or penalty in any manner, or be denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a court or occupational or professional licensing board or bureau for providing a registered qualifying patient, a registered designated primary caregiver or cultivating caregiver with cannabis paraphernalia for purposes of a registered patient's medical use of cannabis.

(e) Fraudulent representation to a law enforcement official of any fact or circumstance relating to the medical use of cannabis to avoid arrest or prosecution shall be punishable by a fine of $500, which shall be in addition to any other penalties that may apply for making a false statement or for the use of cannabis other than use undertaken pursuant to the Kansas safe access act.

(f) Any identification cardholder who sells cannabis to a person who may not possess cannabis for medical purposes under the Kansas safe access act shall result in the cardholder's identification card being revoked and such identification cardholder's shall be subject to other penalties for the unauthorized sale of cannabis.

(g) Where a state-funded or locally funded law enforcement agency encounters an individual who, during the course of the investigation, credibly asserts that such individual is an identification cardholder or an entity whose personnel credibly asserts that it is a compassion center, the law enforcement agency shall not provide any information from any cannabis-related investigation of the person to any law enforcement authority that does not recognize the protection of the Kansas safe access act, and any prosecution of the individual, individuals or entity for a violation of the Kansas safe access act act shall be conducted pursuant to the laws of this state.

(h) The act also protects card holding-non resident patients traveling through the state of Kansas.

(i) If the department fails to adopt temporary rules and regulations to implement the Kansas safe access act within 180 days of the effective date of the Kansas safe access act, a patient, prospective board member or prospective principal officer of a compassion center may commence an action in a court of competent jurisdiction to compel the department to perform the actions mandated pursuant to the provisions of the Kansas safe access act.

(j) If the cannabis compliance agency fails to issue a valid identification card in response to a valid application or renewal submitted pursuant to the Kansas safe access act within 20 days of its submission, the identification card shall be deemed granted and a copy of the identification

application, copy of renewal application, receipt from application submittal or receipt from application renewal shall be deemed a valid identification card.

(k) If, at any time after the 180 days following the effective date of the Kansas safe access act, the department is not accepting applications, including if it has not created rules and regulations allowing patients to submit applications, a notarized statement by a patient containing the information required in an application, pursuant to section 5, and amendments thereto, together with a written certification from their medical provider, shall be deemed a valid identification card.

(l) An interim process shall be developed by the cannabis compliance agency allowing approved patients to legally purchase medical cannabis and medical cannabis products from legal states until such products are made fully available in Kansas.

(m) The provisions of law making the possession, therapeutic use, manufacture, cultivation of cannabis unlawful shall not apply to a registered qualifying patient or to a registered qualifying patient's primary caregiver or cultivating caregiver who possesses or cultivates cannabis for the personal medical purposes of the patient upon the written or oral recommendation or approval of a medical provider.

(n) Nothing in this act shall be construed as granting to the cannabis compliance agency, the compassion board or the Kansas department of health and environment the power to fix prices for medical cannabis, but such entities shall monitor pricing to prevent price gouging and protect the interests of patients. No price caps may be instituted without the consultation of the compassion board.

(o) Patient-owned collectives may grow, distribute or sell, or both distribute and sell, medical cannabis and medical cannabis products on a non-profit basis to their members.

(p) Duly designated primary caregivers, and cultivating caregivers, who consistently attend to registered qualifying patients' needs, may charge for their labor and services in providing medical cannabis.

(q) Nothing in this act shall be construed as interfering with a Kansas citizen's right to purchase hemp-based products as otherwise authorized by law.

Sec. 4. (a) The purpose of this section is to prohibit any medical provider from being punished or denied any right or privilege for having recommended cannabis for medical therapeutic use to a qualifying patient. This section sets forth general standards and requirements for medical providers, and establishes guidelines for diagnosing registered qualifying patients as having a debilitating medical condition and, as such, shall have coverage under the Kansas safe access act, whether it is temporary disability or illness, due to injury or surgery, or a permanent disability or

illness that substantially limits the ability of the person to conduct one or more major life activities, as defined in the Americans with disabilities act of 1990 (ADA) (public law 101-336); or if not alleviated, may cause serious harm to the patient's safety or physical or mental health. The cannabis compliance agency intends the guidelines in this section to help maintain the integrity of Kansas medical providers recommending medical cannabis.

(b) A medical provider shall not be subject to arrest, prosecution or penalty in any manner or be denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by the state board of healing arts or by any other occupational or professional licensing board or bureau solely for providing written certifications, or otherwise stating that in the medical provider's professional opinion a patient is likely to receive therapeutic benefit from the medical use of cannabis in treating or alleviating the patient's medical condition or symptoms associated with the medical condition.

(c) Nothing in the Kansas safe access act shall prevent a professional licensing board from sanctioning a medical provider for failing to properly evaluate a patient's medical condition or otherwise violating the standard of care for evaluating medical conditions.

(d) For medical providers to qualify to recommend medical cannabis, they must fulfill requirements as outlined by the cannabis compliance agency.

(e) Continuing education units covering medical cannabis are available online, and, if approved by the board of healing arts or the board of nursing, medical providers will be encouraged to take courses in the endocannabinoid system (ECS), basic cannabis science, cannabis and palliative care and classes on dosage and delivery systems.

(f) Seminars on Kansas safe access act compliance shall be made available by the cannabis compliance agency in every county for all medical providers and first responders, either in person or by teleconference.

(g) All medical provider educational and seminar information shall be provided on the cannabis compliance agency webpages.

(h) Medical providers must reevaluate registered qualifying patients annually and provide the registered qualifying patient with an updated recommendation.

(i) Recommendations shall not be for any specific total weight or amount of end product, but shall be for targeted therapeutic levels and actionable metrics of cannabinoids.

Sec. 5. (a) The purpose of this section is to set forth general standards and requirements for the issuance of medical cannabis patient and caregiver identification cards. This section provides unimpeded and legal

access to medical cannabis patients, and prevents the diversion of medical cannabis to the black market.

(b) The department shall establish and maintain a program under the cannabis compliance agency for the issuance of identification cards to registered qualified patients or primary caregivers who submit the following in accordance with the cannabis compliance agency's rules and regulations:

(1) A written certification;

(2) an application with a $10 fee or $10 renewal fee;

(3) the name, address and date of birth of the qualifying patient, except that if the applicant is homeless, no address is required;

(4) the name, address and telephone number of the qualifying patient's medical provider;

(5) the name, address and date of birth of the designated primary caregiver, if any, by the qualifying patient;

(6) a statement signed by the registered qualifying patient, pledging not to divert cannabis to anyone who may not possess cannabis pursuant to the Kansas safe access act; and

(7) a signed statement from the designated primary caregiver, if any, a statement signed by the cultivating caregiver, if any, agreeing to be designated as the patient's designated primary caregiver or cultivating caregiver and pledging not to divert cannabis to anyone who may not possess cannabis pursuant to the Kansas safe access act.

(c) The cannabis compliance agency shall not issue an identification card to a qualifying patient who is younger than 18 years of age unless:

(1) The qualifying patient's medical provider has explained the potential risks and benefits of the medical use of cannabis to the custodial parent or legal guardian with responsibility for health care decisions for the qualifying patient; and

(2) the custodial parent or legal guardian with responsibility for health care decisions for the qualifying patient consents in writing to:

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

(B) serve as the qualifying patient's designated primary caregiver; and

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

(3) the qualifying patient is an emancipated minor and has been held by the courts to be capable of conducting one's own affairs, including medical care.

(d) An identification card, or its equivalent, that is issued under the laws of another state, district, territory, commonwealth or insular possession of the United States that allows, in the jurisdiction of issuance, a visiting qualifying patient to possess cannabis for medical purposes shall have the same force and effect as an identification card issued by the

cannabis compliance agency.

(1) Upon verification by the state of origin verification system, or documents sent by the state of origin governing medical cannabis to the cannabis compliance agency, out-of-state patients can purchase medicine, per the recommendation of their home state provider, or per home state regulations.

(2) A copy of their card and all other information will be entered into the compassion center patient database and also kept in hard copy.

(3) All files must be retained for as long as the compassion center is operational.

(4) If the compassion center should close, the cannabis compliance agency and the compassion board are to have a process in place within 180 days of the effective date of this act for either secure destruction or storage of registered qualifying patient files.

(e) The cannabis compliance agency shall verify the information contained in an application or renewal submitted pursuant to this section and shall approve or deny an application or renewal within 15 days of receipt.

(1) The cannabis compliance agency may not deny an application or renewal only if the applicant did not provide the information required pursuant to this section, but the application must be returned and the missing information provided. The application information will not be entered into the system and will be considered as a non-submittal.

(2) The cannabis compliance agency may deny an application if the applicant previously had an identification card revoked for violating the Kansas safe access act or if the cannabis compliance agency determines that the information provided was falsified.

(3) Applicants may appeal first rejections to the compassion board for review. Rejection of an application or renewal by the compassion board is considered a final department action subject to judicial review. All administrative proceedings are subject to the Kansas administrative procedure act and in accordance with the judicial review act.

(f) The cannabis compliance agency shall issue an identification card to the designated caregiver, if any, who is named in a qualifying patient's approved application, provided that the designated primary caregiver meets the requirements of section 5, and amendments thereto.

(1) The cannabis compliance agency shall notify the qualifying patient who has designated someone to serve as the patient's primary caregiver, if an identification card will not be issued to the designated primary caregiver.

(2) A designated primary caregiver shall be issued an identification card each time the designated primary caregiver is designated by a qualifying patient.

(g) The cannabis compliance agency shall issue temporary identification cards to qualifying patients and to designated primary caregivers at the time of approval and upon payment of a $10 fee, and permanent cards within 30 days of approving an application or renewal.

(h) Each identification card shall expire one year after the date of issuance, unless the medical provider states in the written certification that the medical provider believes the qualifying patient would only benefit from medical cannabis until a specified earlier or later date, then the identification card shall expire on that date.

(i) Identification cards shall contain all of the following:

(1) The name, address and date of birth of the qualifying patient;

(2) the name, address and date of birth of the designated primary caregiver, if any;

(3) the date of issuance and expiration date of the identification card;

(4) a random 20-digit alphanumeric identification number, containing at least four numbers and at least four letters, that is unique to the cardholder;

(5) if the cardholder is a designated primary caregiver, the random identification number of the registered qualifying patient the designated caregiver is assisting;

(6) a photograph;

(7) a barcode for scanning; and

(8) a holographic seal.

(j) The following notifications and cannabis compliance agency responses are required:

(1) A registered qualifying patient shall notify the cannabis compliance agency of any change of name, address or designated primary caregiver, or if the registered qualifying patient ceases to have a debilitating medical condition, within 30 days of such change by the web pages or customer service phone number. A registered qualifying patient who fails to notify the cannabis compliance agency of any of these changes may be subject to a civil penalty of no more than $150 levied by the department;

(2) any registered designated primary caregiver, cultivating caregiver or compassion center employee must notify the cannabis compliance agency of any change in name or address within 30 days of such change. A registered designated primary caregiver, cultivating caregiver or compassion center employee who fails to notify the cannabis compliance agency of any of these changes may be subject to a civil penalty of no more than $150 levied by the cannabis compliance agency;

(3) when a cardholder notifies the cannabis compliance agency of any changes listed in this subsection, the cannabis compliance agency shall issue the cardholder a new identification card within 10 days of receiving

the updated information and a $10 fee. If the person notifying the cannabis compliance agency is a registered qualifying patient, the cannabis compliance agency shall also issue the patient's registered designated caregiver, if any, a new identification card within 10 days of receiving the updated information;

(4) when a registered qualifying patient ceases to be a registered qualifying patient or changes the registered designated primary caregiver, or cultivating caregiver, the cannabis compliance agency shall notify the designated primary caregiver, or cultivating caregiver, within 10 days. The registered designated primary caregiver's or cultivating caregiver's protections under the Kansas safe access act as to that qualifying patient shall expire 10 days after notification by the cannabis compliance agency; and

(5) if a cardholder loses the identification card, the cardholder shall notify the cannabis compliance agency within 10 days of losing the identification card and submit a $10 fee within 30 days of losing the card. Within five days after such notification, the cannabis compliance agency shall issue a new identification card.

(k) Mere possession of, or application for, an identification card shall not constitute probable cause or reasonable suspicion, nor shall it be used to support the search of the person or property of the person possessing or applying for the identification card. The possession of, or application for, an identification card shall not preclude the existence of probable cause if probable cause exists on other grounds.

(l) The following confidentiality rules shall apply, and all the health insurance portability and accountability act of 1996 (HIPAA; pub.l. 104–191, 110 stat. 1936, enacted August 21, 1996) guidelines shall be in force:

(1) Applications and supporting information submitted by the qualifying patient's designated primary caregivers, and including information regarding their designated primary caregivers and medical providers, are confidential;

(2) applications and supporting information submitted by compassion centers, and compassion center personnel operating in compliance with the Kansas safe access act, including the physical addresses of compassion centers, are confidential; and

(3) the cannabis compliance agency shall maintain a confidential list of the persons to whom the cannabis compliance agency has issued identification cards. Individual names and other identifying information on the list shall be confidential, exempt from the Kansas open records act, and not subject to disclosure, except to authorize employees of the cannabis compliance agency as necessary to perform official duties of the cannabis compliance agency.

(m) The verification system must include the following data security

features:

(1) Any time an authorized user enters five invalid registry identification numbers within five minutes, that user cannot log in to the system again for 10 minutes;

(2) the server must reject any log-in request that is not over an encrypted connection; and

(3) any hard drive containing cardholder information must be destroyed once it is no longer in use, and the department shall retain a signed statement from a department employee confirming the destruction.

(n) The application for qualifying patient's identification card shall include a question asking whether the patient would like the compassion board to notify the patient of any clinical studies regarding cannabis' risk or efficacy that seek human subjects. The compassion board shall inform those patients who answer in the affirmative of any such studies it is notified of that will be conducted in the United States.

(o) Medical providers must reevaluate a registered qualifying patient annually and provide the registered qualifying patient with an updated recommendation. The registered qualifying patient must provide the updated recommendation to the cannabis compliance agency for identification card renewal 30 days prior to expiration of the current identification card. Failure to register an updated recommendation with the cannabis compliance agency may result in suspended benefits.

(p) The cannabis compliance agency may make exceptions, at its discretion, based on hardship circumstances of registered qualifying patients or other considerations.

(q) The cannabis compliance agency may establish a sliding scale of patient application and renewal fees based upon a qualifying patient's family income and the department may accept donations from private sources in order to reduce the application and renewal fees.

Sec. 6. The purpose of this section is to set forth general standards and requirements for the licensing and regulation of compassion centers. This section is intended to provide safe and regulated access to medical cannabis and protect the health of patients by implementing and enforcing congruent standard operating procedures for all licensed compassion centers. The following provisions govern the registration of compassion centers:

(a) The cannabis compliance agency shall register a compassion center and issue a registration certificate, with a random 20-digit alphanumeric identification number, within 90 days of receiving an application for a compassion center if the following conditions are met:

(1) The prospective compassion center provided the following:

(A) An application or renewal fee;

(B) the legal name of the compassion center; and

(C) the physical address of the compassion center and the physical address of one additional location, if any, where cannabis will be cultivated, neither of which may be within 1,000 feet of real property comprising a public or private elementary, vocational or secondary school or a public or private college, junior college or university, or a playground or housing facility owned by a public housing authority, or within 100 feet of a public or private youth center, public swimming pool, drug treatment facility, commercial daycare or video arcade facility;

(D) the name, address and date of birth of each principal officer and board member of the compassion center;

(E) the name, address and date of birth of any person who is an agent of or employed by the compassion center;

(F) operating regulations that include procedures for the oversight of the compassion center, procedures to ensure accurate record-keeping, patient database security, security of patient paper files, and security measures to deter and prevent unauthorized entrance into areas containing cannabis and the theft of cannabis, and proof of compliance with any other oversight rules and regulations issued by the cannabis compliance agency under subsection (b);

(G) if the city or county in which the compassion center would be located has enacted reasonable zoning restrictions, a sworn and truthful statement that the registered compassion center would be in compliance with those restrictions;

(H) issuing the compassion center a registration would not be in violation of a reasonable limitation on the number of registered compassion centers that can operate in the jurisdiction in which it would operate; and

(I) principal officers and board members will be elected to office by patient and caregiver members of the collective and will be subject to a background check at the time of nomination.

(2) Principal officer and board member candidates cannot be excluded for any offense consisting of conduct for which the Kansas safe access act would likely have prevented a conviction, but the conduct either occurred prior to the enactment of the Kansas safe access act or was prosecuted by an authority other than the state of Kansas, whether as a patient or caregiver. Candidates who can prove their past convictions would have been negated by the Kansas safe access act by providing to the cannabis compliance agency medical records from the time of the conviction for the patient, or records that the patient was receiving care from a caregiver, cannot be excluded from consideration. None of the prospective principal officers or board members may serve as a principal officer or board member if they have served as a principal officer or board members for a registered compassion center that had its registration

certificate revoked. None of the principal officers or board members may be younger than 21 years of age.

(3) The compassion center has been approved for registration by the cannabis compliance agency.

(4) Not later than 180 days after the effective date of the Kansas safe access act the cannabis compliance agency, in consultation with the compassion board, shall adopt any further rules and regulations establishing application and renewal fees for registry identification cards and compassion center registration certificates, including reasonable rules and regulations governing:

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

(B) the minimum oversight requirements for registered compassion centers;

(C) the minimum record-keeping requirements for registered compassion centers;

(D) the minimum security requirements for registered compassion centers; and

(E) the procedures for suspending or terminating the registration of a registered compassion center that violates the provisions of the Kansas safe access act or the rules and regulations promulgated pursuant to this section.

(b) The cannabis compliance agency, in consultation with the compassion board, shall design rules and regulations with the goal of protecting against diversion and theft without imposing an undue burden on the registered compassion centers or compromising the confidentiality of registered qualifying patients and their registered designated primary caregivers.

(c) Any dispensation record that a registered compassion center is required to keep shall track transactions according to the registered qualifying patient's registered designated primary caregivers' and registered compassion centers' registry identification numbers, rather than their names, to protect their confidentiality.

(d) A registered compassion center shall not be subject to prosecution or search, except by the cannabis compliance agency pursuant to section 7, and amendments thereto, seizure or penalty in any manner or be denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a court or business licensing board or entity, solely for acting in accordance with the Kansas safe access act and cannabis compliance agency rules and regulations to acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply or dispense cannabis, cannabis-based products or related supplies and educational materials to registered qualifying patients, to registered designated primary caregivers

on behalf of registered qualifying patients or to other registered compassion centers.

(e) A registered compassion center may not dispense, deliver or otherwise transfer cannabis to a person other than another registered compassion center, an identification card-carrying patient or an identification card-carrying patient's registered designated primary caregiver.

(f) A compassion center shall implement security measures to deter and prevent entry into and theft from restricted access areas containing cannabis or currency.

(g) A compassion center shall submit changes to the floor plan or security plan to the cannabis compliance agency for pre-approval.

(h) The compassion center shall implement security measures to protect the premises, registered qualifying patients, designated caregivers and compassion center agents including, but not limited to the following:

(A) Establish a locked door or barrier between the facility's entrance and the limited access area. The limited access area shall only be accessible to registered qualifying patients, designated caregivers, principal officers and agents, service professionals conducting business with the compassion center, and persons authorized by the act;

(B) prevent individuals from remaining on the premises if they are not engaging in activity permitted by the act;

(C) develop a policy that addresses the maximum capacity and patient flow in the waiting rooms and patient care areas;

(D) dispose of cannabis in accordance of this act;

(E) during hours of operation, store all cannabis in an established restricted access area accessible only to specifically authorized agents. The minimum number of compassion center agents essential for efficient operations shall be in the restricted access areas;

(F) when the compassion center is closed, store all cannabis and currency in a secure locked safe or vault and in a manner as to prevent diversion, theft or loss;

(G) keep all safes, vaults and any other equipment or cannabis storage areas securely locked and protected from unauthorized entry;

(H) keep an electronic daily log of compassion center agents with access to the safe or vault and knowledge of the access code or combination;

(I) keep all locks and security equipment in good working order and operational at all times;

(J) prohibit keys, if applicable, from being left in the locks, or stored or placed in a location accessible to persons other than specifically authorized personnel;

(K) prohibit accessibility of security measures, including combination

numbers, passwords or electronic or biometric security systems to persons other than specifically authorized agents;

(L) ensure that the outside perimeter of the compassion center premises is sufficiently lit to facilitate surveillance;

(M) ensure that trees, bushes and other foliage within direct proximity of the compassion center premises do not grow in abundance, so as to deter a person or persons from concealing themselves from sight;

(N) develop emergency policies and procedures for securing all product and currency following any instance of diversion, theft, or loss of cannabis, and conduct an assessment to determine whether additional safeguards are necessary; and

(O) develop sufficient additional safeguards in response to any special security concerns, or as required by the cannabis compliance agency.

(i) The cannabis compliance agency may request or approve alternative security provisions that it determines are an adequate substitute for a security requirement specified in this act. Any additional protections may be considered by the cannabis compliance agency in evaluating overall security measures.

(j) A compassion center shall provide additional security as needed and in a manner appropriate for the community where it operates.

(k) Restricted access areas:

(1) All restricted access areas must be identified by the posting of a sign that shall be a minimum of 12" x 12" and that states "Do not enter – restricted access area – access restricted to authorized personnel only" in lettering no smaller than one inch in height.

(2) All restricted access areas shall be clearly described in the floor plan of the registered premises, in the form and manner determined by the cannabis compliance agency, reflecting walls, partitions, counters and all areas of entry and exit. The floor plan shall show all storage, disposal and retail sales areas.

(3) All restricted access areas must be secure, with locking devices that prevent access from the limited access areas.

(4) All service professionals conducting business with the compassion center and visitors must obtain a numbered visitor identification badge prior to entering a restricted access area, and shall be escorted at all times by a compassion center agent authorized to enter the restricted access area. All visitors must be logged in and out, and that log shall be maintained for five years on-site and available for inspection by the cannabis compliance agency at all times. All visitor identification badges shall be returned upon exit.

(l) Security and alarm systems:

(1) A compassion center shall have an adequate security plan and

security system to prevent and detect diversion, theft or loss of cannabis, currency or unauthorized intrusion using commercial-grade equipment installed by a Kansas licensed private alarm contractor or private alarm contractor agency that shall, at a minimum, include:

(A) A perimeter alarm on all entry points and perimeter windows;

(B) a failure notification system that provides an audible, text or visual notification of any failure in the surveillance system. The failure notification system shall provide an alert to designated compassion center agents within five minutes after the failure, either by telephone, email or text message;

(C) a duress alarm, panic button and alarm, holdup alarm or after hours intrusion detection alarm that by design and purpose will directly or indirectly notify, by the most efficient means, the public safety answering point (PSAP) for the law enforcement agency having primary jurisdiction;

(D) unobstructed video surveillance of all enclosed compassion center areas, unless prohibited by law, including all points of entry and exit that shall be appropriate for the normal lighting conditions of the area under surveillance. The cameras shall be directed so all areas are captured, including, but not limited to, safes, vaults, sales areas and areas where cannabis is stored, handled, dispensed or destroyed. Cameras shall be angled to allow for facial recognition, the capture of clear and certain identification of any person entering or exiting the compassion center area and in lighting sufficient during all times of night or day;

(E) unobstructed video surveillance of outside areas, the storefront and the parking lot, that shall be appropriate for the normal lighting conditions of the area under surveillance. Cameras shall be angled so as to allow for the capture of facial recognition, clear and certain identification of any person entering or exiting the compassion center, the immediate surrounding area and license plates of vehicles in the parking lot;

(F) twenty-four hour recordings from all video cameras available for immediate viewing by the cannabis compliance agency upon request. Recordings shall not be destroyed or altered and retained for at least 90 days. Recordings shall be retained as long as necessary if the compassion center is aware of the loss or theft of cannabis or a pending criminal, civil or administrative investigation or legal proceeding for which the recording may contain relevant information;

(G) the ability to immediately produce a clear, color still photo from the surveillance video, either live or recorded;

(H) a date and time stamp embedded on all video surveillance recordings. The date and time shall be synchronized and set correctly and shall not significantly obscure the picture;

(I) the ability to remain operational during a power outage and ensure all access doors are not solely controlled by an electronic access panel to

ensure that locks are not released during a power outage;

(J) all video surveillance equipment shall allow for the exporting of still images in an industry standard image format, including .jpg, .bmp and .gif. Exported video shall have the ability to be archived in a proprietary format that ensures authentication of the video and guarantees that no alteration of the recorded image has taken place. Exported video shall also have the ability to be saved in an industry standard file format that can be played on a standard computer operating system. All recordings shall be erased or destroyed prior to disposal;

(K) all security system equipment and recordings shall be maintained in good working order, in a secure location so as to prevent theft, loss, destruction or alterations;

(L) access to rooms where surveillance monitoring recording equipment resides shall be limited to persons that are essential to surveillance operations, law enforcement authorities acting within their jurisdiction, security system service personnel and the cannabis compliance agency. A current list of authorized compassion center agents and service personnel that have access to the surveillance room must be available to the cannabis compliance agency upon request;

(M) all security equipment shall be inspected and tested at regular intervals, not to exceed 30 calendar days from the previous inspection and test to ensure the systems remain functional;

(N) the security system shall provide protection against theft and diversion that is facilitated or hidden by tampering with computers or electronic records; and

(O) to monitor the facility and prevent unauthorized access to medical cannabis at the compassion center, the compassion center shall incorporate the following:

(i) Security equipment to deter and prevent unauthorized entrance into restricted access areas that includes devices or a series of devices to detect unauthorized intrusion that may include a signal system interconnected with a radio frequency method, cellular, private radio signals or other mechanical or electronic device;

(ii) electronic monitoring including:

(I) A video printer capable of immediately producing a clear still photo from any video camera image;

(II) video cameras recording all points of entry and exit from the compassion center, the limited access areas, the restricted access areas and that are capable of identifying activity occurring adjacent to the building, with a recording resolution that shall be sufficient to distinctly view the entire area under surveillance;

(III) a video camera or cameras recording at each point-of-sale location allowing for the identification of the compassion center agent

distributing the cannabis and any qualifying patient or designated caregiver purchasing medical cannabis. The camera or cameras shall capture the sale, the individuals and the computer monitors used for the sale;

(IV) a failure notification system that provides an audible and visual notification of any failure in the electronic monitoring system;

(V) sufficient battery backup for video cameras and recording equipment to support recording in the event of a power outage; and

(VI) all electronic video monitoring must be made available, within a reasonable timeframe, to the cannabis compliance agency upon its request.

(m) The compassion center shall maintain policies and procedures that include:

(1) Security plan with protocols for patient, caregiver and agent safety, and management and security of cannabis and currency;

(2) restricted access to the areas in the compassion center that contain cannabis that are allowed only to authorized agents;

(3) identification of authorized agents;

(4) controlled access and prevention of loitering both inside and outside the facility;

(5) conducting electronic monitoring; and

(6) use of a panic button.

Sec. 7. The purpose of this section is to set forth general standards and requirements for the certification and regulation of compassion center employment. This section is intended to provide safe and regulated access to medical cannabis and protect the health of patients by implementing and enforcing congruent standard operating procedures for all licensed compassion center employee members. The following provisions govern the registration of compassion center employees.

(a) Except as provided in section 7(b)(1), and amendments thereto, the cannabis compliance agency shall issue each compassion center employee an identification card and login information for the verification system within 10 days of receipt of the person's name, address, date of birth and a fee in an amount established by the department. Each card shall specify that the cardholder is a principal officer, board member, agent, volunteer or employee of a registered compassion center and shall contain the following:

(1) The legal name of the registered compassion center with which the compassion center employee is affiliated;

(2) a random 20-digit alphanumeric identification number that is unique to the cardholder;

(3) the date of issuance and expiration date of the identification card;

(4) a photograph;

(5) a barcode for scanning;

(6) a holographic seal; and

(7) a statement signed by the prospective principal officer, board member, agent, volunteer or employee pledging not to divert cannabis to anyone who may not possess cannabis pursuant to the Kansas safe access act.

(b) The cannabis compliance agency shall issue temporary identification cards to qualifying compassion center employees at the time of approval, and upon payment of a $25 fee, and permanent cards within 30 days of approving an application or renewal.

(1) Compassion center employees cannot be excluded from employment due to any offense consisting of conduct for which the Kansas safe access act would likely have prevented a conviction, but the conduct either occurred prior to the enactment of the Kansas safe access act or was prosecuted by an authority other than the state of Kansas, whether as a patient or caregiver. Compassion center employees who can prove their past convictions would have been negated by the Kansas safe access act by providing to the cannabis compliance agency medical records from the time of the conviction for the patient or records that the patient was receiving care from a caregiver cannot be excluded from consideration.

(2) The board of the compassion center will conduct a background check of each compassion center employee in order to carry out this provision.

(3) The board may exclude compassion centers employees for any conviction that may pose a safety or security threat to patients of the collective.

(4) The cannabis compliance agency shall notify the registered compassion center in writing of the reason for denying an identification card to any employee.

(c) The cannabis compliance agency shall issue identification cards in the following manner:

(1) It shall not issue an identification card to any principal officer, board member, agent, volunteer or employee of a registered compassion center who is younger than 21 years of age;

(2) the cannabis compliance agency may refuse to issue an identification card to a compassion center employee who has had a card revoked for violating the Kansas safe access act;

(3) a registered compassion center's registration certificate and the identification card for each compassion center employee shall expire one year after the date of issuance;

(4) the cannabis compliance agency shall issue a renewal compassion center registration certificate within 10 days to any registered compassion center that submits a renewal fee, so long as its registration is not

suspended and has not been revoked;

(5) The cannabis compliance agency shall issue a renewal identification card within 10 days to any compassion center employee who submits a $25 renewal fee, except as provided by section 7(c)(2); and

(6) an identification card of a compassion center employee shall expire and the person's login information to the verification system shall be deactivated upon notification by a registered compassion center that such person ceased to work at the registered compassion center.

(A) A registered compassion center shall notify the cannabis compliance agency immediately, at the exact time of a compassion center employee termination, or when a compassion center employee voluntarily ceases to work at the registered compassion center.

(B) A registered compassion center shall notify the cannabis compliance agency in writing of the name, address and date of birth of any new compassion center employee and shall submit a fee in an amount of $25 before a new compassion center employee begins working at the registered compassion center.

(C) The cannabis compliance agency shall issue temporary identification cards to qualifying compassion center employees at the time of approval, and permanent cards within 30 days of approving an application or renewal.

(d) Registered compassion centers are subject to reasonable inspection by the cannabis compliance agency.

(e) A registered compassion center shall be operated on a not-for-profit basis for the mutual benefit of its members and patrons.

(1) The bylaws of a registered compassion center or its contracts with patrons shall contain such provisions relative to the disposition of revenues and receipts as may be necessary and appropriate to establish and maintain its nonprofit character.

(2) A registered compassion center need not be recognized as tax exempt by the internal revenue service to qualify as a not-for-profit entity.

(3) If the entity makes a profit during any period, this excess must be returned to members by way of health support services, income-based pricing, sliding scale product pricing, free medicine for hospice patients, donated into the broader community or put back into the organization, based on the will of the members and board of directors expressed by vote.

(4) As long as wages of management and officers of a compassion center remain reasonable they can be increased by a vote of the compassion center board. Compassion centers must document the rationale for any raises and bonuses given, and must be in agreement with local ordinances.

(f) A registered compassion center is prohibited from acquiring, possessing, cultivating, manufacturing, delivering, transferring,

transporting, supplying or dispensing cannabis for any purpose except to assist registered qualifying patients with the medical use of cannabis directly or through the qualifying patient's designated primary caregivers. All principal officers and board members of a registered compassion center must be residents of the state of Kansas.

(g) All cultivation of cannabis must take place in a secured location or facility that can only be accessed by principal officers, board members, agents, volunteers or employees of the registered compassion center who are identification card-holders. Security should include, but not be limited to, cameras, security employees and secured doors.

(h) County and city governments may enact reasonable limits, taking into consideration the needs of their seriously ill residents and the community on the number of registered compassion centers that can operate in their jurisdictions and may enact zoning regulations that reasonably limit registered compassion centers to certain areas of their jurisdictions, after public hearings on the subject.

(i) Before cannabis may be dispensed to a designated primary caregiver or a registered qualifying patient, a compassion center employee must scan the identification card of the registered qualifying patient, or if applicable, the identification card of the designated primary caregiver transporting the cannabis to the patient, and must verify each of the following:

(1) That the identification card presented to the registered compassion center is valid;

(2) that the person presenting the card is the person identified on the identification card presented to the compassion center employee; and

(3) that the amount to be dispensed would not cause the registered qualifying patient to exceed such person's limit of obtaining the amount of cannabis recommended by the medical provider for any 30-day period.

(j) After verifying the information in section 7(i), and amendments thereto, but before dispensing cannabis to a registered qualifying patient or a registered designated primary caregiver on a registered qualifying patient's behalf, a compassion center employee must make an entry in the verification system:

(1) Specifying how much cannabis is being dispensed to the registered qualifying patient;

(2) whether it was dispensed directly to the registered qualifying patient or to the registered qualifying patient's registered designated caregiver:

(A) The entry must include the date and time the cannabis was dispensed;

(B) the batch number and harvest batch lot number;

(C) the strain names; and

(D) the dosage guidelines from their medical provider recommendation.

(3) upon first visit, the employee must also scan a copy of the patient's recommendation document, given by the patient's medical provider, into the compassion center patient data base, and keep a copy in a hard copy patient file. These must be updated every time a patient's recommended dosages are modified by the patient's medical provider;

(4) all electronic patient files must be backed up and kept within a secure server;

(5) all patient files will be given federal health insurance portability and accountability act protections under the health insurance portability and accountability act of 1996 (HIPAA; pub.l. 104–191, 110 Stat. 1936, enacted August 21, 1996); and

(6) if a patient wishes the employee of the compassion center to communicate with their medical provider, then release-of-information forms will need to be signed for both parties.

(k) No compassion center employees shall be subject to arrest, prosecution, search, seizure or penalty in any manner or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a court or occupational or professional licensing board or entity, solely for working for a registered compassion center in accordance with the Kansas safe access act and cannabis compliance agency rules and regulations to acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply or dispense cannabis, cannabis-based products, related supplies, and educational materials to registered qualifying patients, to registered designated primary caregivers on behalf of registered qualifying patients or to other registered compassion centers.

(l) All employees of a compassion center shall be residents of Kansas upon the date of their identification card application.

(m) A licensed compassion center may not sell medical cannabis over the internet but can allow registered qualifying patients to arrange delivery through the internet.

(n) The premises of a compassion center is the only place where an automatic dispensing machine that contains medical cannabis may be located. It must comply with all rules and regulations promulgated by the cannabis compliance agency for its use, including, but not limited to, real-time updates into the compassion center tracking system, registered qualifying patient cards must be scanned by kiosk at the beginning of a transaction. If the kiosk cannot read the card, or the card does not read as valid, the kiosk shall reject the transaction and a notify compassion center employee.

(o) Medical cannabis and medical cannabis products may not be consumed on the premises of the compassion center.

(p) Compassion centers selling clones and seedlings to compassion centers, researchers, patients, primary caregivers or cultivating caregivers are exempt from K.S.A. 2-2113 and 2-2120, and amendments thereto, and any other statutes.

(q) Potency quantifications for medical cannabis and medical cannabis products shall be accessible to compassion center patients in three ways:

(1) Labels in display cases;

(2) labels on products; and

(3) a book of complete testing results on each current batch number and harvest batch lot number available for sale, to be located at a compassion center.

(r) When medical cannabis is received from medical cannabis cultivation facilities, registered qualifying patient or cultivating caregivers for purchase, storage or donation consideration by the collective compassion center, and the medical cannabis has not already been tested at a certified testing facility, it must be subjected to an initial contaminants inspection before being sent out to a certified testing facility, or in the case of stored patient overages, be sent to storage:

(1) Certified and licensed product intake processors shall utilize a minimum 30X microscope for a first screening that analyzes and detects contamination of:

(A) Pathogenic molds;

(B) rot; and

(C) spider mites and other insects.

(2) In the event that the screening results indicate the presence of quantities of any substance determined to be injurious to health, such products shall be immediately quarantined and immediate notification made to the cannabis compliance agency shall be made, and the adulterated product shall be documented and properly destroyed.

(3) Food handling procedures must be followed by all processors.

(s) A compassion center shall establish written policies and procedures addressing inventory controls. The compassion center shall submit these written policies and procedures, including any updates, to the cannabis compliance agency prior to implementation.

Sec. 8. (a) The purpose of this section is to establish guidelines regarding the supply and allowances of cannabis for registered qualifying patients. It sets forth general standards and requirements for supply, storing, donations, damages, overages and emergency supply. This section is intended to help maintain an uninterrupted supply of medical cannabis and prevent any diversion to the black market.

(b) An identification card-carrying patient shall not directly, through a designated primary caregiver or through a compassion center, obtain more

than their medical-provider-recommended dosage of cannabis from registered compassion centers in any 30-day period. The exceptions to the 30-day supply are:

(1) Medical patients who can prove that hardship, either financial or physical, would be imposed by monthly travel; or

(2) allowance for patient growers to store overages for out-of-season use, or donate to compassion center for indigent members free medicine program.

(A) Overages will be stored in rented lock boxes within compassion centers.

(B) Compassion centers will enter submissions into tracking database and generate receipts for patients.

(C) Patients will be able to withdraw from lock boxes per their 30-day supply.

(D) Patients must notify the compassion center of expected overages at least 30 days after harvesting and upon completion of the curing process and file an electronic overage form.

(E) The form will list the patient identification number, name and contact information, vehicle information, including license plate information, estimate of expected overage amount, estimated date of harvest and the estimated date the overage amount is expected to arrive at the compassion center.

(F) The form will be filed at the compassion center and the compassion center will send a copy to the cannabis compliance agency. The compassion center will note all form information into the patient database file accessible to law enforcement.

(G) The cannabis overage stock, once fully cured, must be stored in a sealed glass jar.

(H) The cannabis overage stock should be examined under a 30X microscope upon receipt at the compassion center. Any stock contaminated by mold, mites or pests must be disposed of per section 22. Patients can request the same testing upon receiving their overage stock out of storage.

(3) Patients do not have to take a full 30-day supply at any one visit.

(4) To guarantee a constant and uninterrupted supply, plants are allowed in all five stages of growth: Germinating, seedling, vegetative, flowering and curing.

(5) Crop failure or damage will be reported to the cannabis compliance agency within 24 hours by electronic form with accompanying pictures and supporting documentation. The cannabis compliance agency may require an onsite inspection. Upon verification, affected patient or patients of the primary caregiver, or cultivating caregiver, will be directed to the closest compassion center for any emergency medicine replacement needs.

(6) A registered compassion center may not obtain cannabis from outside the state of Kansas, except when collective medical cannabis cultivation facilities may negotiate for the use of proprietary strains from other states by seeds and cuttings.

(7) If the medical provider feels it is necessary for the patient to have an amount over their normal allotment, the exception will be granted, and:

(A) The medical provider will provide written documentation to the patient.

(B) The medical provider will provide written documentation to the cannabis compliance agency.

(C) The written documentation will be noted in the registry file.

(D) A copy of the written documentation will be kept in the registered qualifying patient file at the compassion center, if applicable, and posted at the registered qualifying patient grow site, or cultivating caregiver grow site, if applicable.

(E) A copy shall be on file in the home of the registered qualifying patient.

(F) A copy shall be on the person of the registered qualifying patient during transport.

Sec. 9. The purpose of this section is to establish guidelines regarding the cultivation of cannabis for general supply by a collective medical cannabis cultivation facility. It sets forth general standards and requirements for cultivation, best practices, security, workforce education and health and safety standards. This section is intended to help maintain an uninterrupted supply of pharmaceutical-grade medical cannabis, establish standard operating procedures and safety standards, promote sustainable agricultural practices and prevent any diversion to the black market.

(a) To qualify to label any product as "grown by ecologically sustainable standards" the medical cannabis cultivation facility must follow guidelines in subseciton (b) and (c).

(b) The United States department of agriculture (USDA) will not inspect medical cannabis growing operations. Instead, cultivating caregivers with more than five patients and a medical cannabis cultivation facility must work with third-party certification agencies that offer certification for producers of ecologically sustainable cannabis products to a private standard that is similar to internationally accepted organic standards like the USDA organic standards and the EU organic standards.

(1) All medical cannabis crops must be inspected by a third-party ecologically sustainable certification agency inspector and earn their seal of approval to be sold in compassion centers.

(2) All agricultural products used must be materials that have been approved for use in organic farming or gardening by the EPA, WSDA

organic program, the CDFA organic input material program and other USDA accredited materials review programs.

(3) A medical cannabis cultivation facility must be ready to provide the following information to third-party inspectors:

(A) A detailed description of the operation to be certified;

(B) a history of substances applied to the land during the previous three years;

(C) the ecologically sustainable products grown, raised or processed; and

(D) a written ecologically sustainable system plan describing the practices and substances to be used.

(c) Environmentally protective practices shall be utilized to reduce the carbon footprint and environmental impact of any medical cannabis cultivation facility. Medical cannabis cultivation facilities must employ ecologically sustainable development practices. Such an inspection and rating program should be developed through the cannabis compliance agency.

(1) During growing season, outdoor gardens can be grown to reduce environmental impact. During out-of-growing season, medical cannabis cultivation facilities must use energy efficient greenhouses considering:

(A) The effects of glazing materials on heat loss and light transmission, ways to reduce infiltration and nighttime heating losses;

(B) using greenhouse heating units;

(C) the effect of heat distribution on heating costs;

(D) planning ways to maximize space utilization;

(E) using efficient circulation, basket and ventilation fans;

(F) using supplemental lighting to reduce energy requirements;

(G) using high efficiency condensing heaters;

(H) using control systems;

(I) implementing energy audits to reduce consumption;

(J) using curtain systems;

(K) using ventilating windows; and

(L) using ventilating roofs and open panel systems.

(2) LED lighting shall be the preferred method of medical cannabis cultivation facility lighting.

(3) Double-ended high intensity discharge bulbs (HID bulbs) are allowed in medical cannabis cultivation facility use, with all recycling costs to be incurred by the facility. Double-ended HID bulbs are allowed for cultivating caregivers.

(4) Solar, wind and other renewable energy sources shall be the main methods of power supply. No onsite fossil fuel generators may be used, except as backup emergency power, never as a main supply. Grid power is also allowed as backup energy source.

(5) Only 5, 4 and 2 hydro-safe resins may be used in aquaponics and hydroponic systems.

(6) Polystyrene beads shall not be used in hydroponic systems.

(7) Methods that are not allowed and may be subject to fines by the Kansas department of agriculture – water resources board are listed in the Kansas water appropriation act, K.S.A. 82a-701 et seq., and amendments thereto, and K.S.A. 42-303 and 42-313, and amendments thereto. The forgoing statutes should be consulted and followed regarding:

(A) Unpermitted grading, road construction and culvert crossings;

(B) illegal stream diversions and streams drying up;

(C) discharge of sediments, pollutants and human waste or trash;

(D) erosion or soil deposition;

(E) water contamination from pesticides, rodenticides, fungicides, fertilizers and fuels;

(F) capturing rain runoff from buildings, storing and filtering for watering which use is mandated and implemented pursuant to the guidelines in K.S.A. 42-313, and amendments thereto;

(G) greywater recycling and filtering which is mandated and implemented pursuant to all standards outlined in rules and regulations adopted by the cannabis compliance agency; and

(H) cisterns which are recommended.

(d) All collective medical cannabis cultivation facilities should be clearly marked with signs on all sides denoting the site as a medical growing operation in compliance with this statute.

(1) All cultivation facilities will utilize a seed-to-sale tracking system.

(2) All grows will be lot controlled. If specific strains are for a specific patient, or group of patients:

(A) Their member numbers will also be listed in the tracking system and the harvest batch lot associated with it;

(B) food-handling standards also apply to medical cannabis cultivation facility grows; and

(C) the site must be monitored 24 hours a day, utilizing:

(i) Cameras;

(ii) security employees;

(iii) alarms;

(iv) key card entry doors and gates;

(v) fencing at a six foot minimum, with concertina wire at the top; and

(vi) optional biometric security technology.

(e) Food handling standards must apply to medical cannabis cultivation facility trim rooms and bagging rooms.

(f) All collective medical cannabis cultivation facilities will be placed in rural, low-population areas and may supply compassion centers located

in other areas.

(g) Medical cannabis cultivation facilities may sell the stalks and vegetation (leaves) of male or female plants to farmers for use as livestock feed, following all process requirements, to be defined by the cannabis compliance agency.

(h) Medical cannabis cultivation facilities must comply with all laws on environmental audits in K.S.A. 60-3332, 60-3334 and 60-3338, and amendments thereto.

(i) Crops must be a minimum of six feet away from surrounding fence.

(j) Medical cannabis cultivation facilities may supply, but not limited be to, research programs, compassion centers and medical cannabis product manufacturers.

(k) Medical cannabis cultivation facilities must obtain and carry appropriate insurance and cannabis-crop-specific insurance, when available.

(l) Medical cannabis cultivation facilities selling clones and seedlings to compassion centers, researchers, patients, primary caregivers or cultivating caregivers are exempt from K.S.A. 2-2113 and K.S.A. 2-2120, and amendments thereto.

(m) Medical cannabis cultivation facilities may not obtain cannabis from outside the state of Kansas, except when collective medical cannabis cultivation facilities may negotiate for the use of proprietary strains from other states through seeds and cuttings.

(n) The medical cannabis cultivation facility's water supply shall be tested annually for contaminants and demonstrate results below the EPA maximum contaminant levels for organic and inorganic contaminants. If a water treatment system is needed, the department may require more frequent testing.

(o) Soil used to cultivate cannabis shall be tested annually and must meet the United States agency for toxic substance and disease registry's environmental media evaluation guidelines for residential soil levels.

(p) For each batch that water or soil fails to meet the standards, the cultivation facility shall perform and document both a root-cause analysis and any corrective action taken.

(q) The cultivation facility shall maintain the results of all testing for no less than five years.

(r) The cannabis compliance agency reserves the right to require additional testing. Copies of the results of such testing shall be sent to the cannabis compliance agency. The agency reserves the right to order recalls or destruction.

(s) All greenhouse infrastructure, hardware, and all other applicable structures or systems must be UL listed.

(t) All indoor cultivation facilities are bound by sustainability guidelines and must follow any cannabis compliance agency guidelines to reduce indoor pollution.

(u) Synthetic nutrients must be food grade and comply with guidelines in this section.

Sec. 10. (a) The purpose of this section is to establish guidelines regarding the cultivation of cannabis by cultivating caregivers and patient growers. It sets forth general standards and requirements for cultivation best practices, security, workforce education, and health and safety standards. This section is intended to help maintain an uninterrupted supply of pharmaceutical grade medical cannabis, establish standard operating procedures and safety standards, promote sustainable agricultural practices and prevent any diversion to the black market.

(b) All patient and caregiver cultivation sites should be clearly marked with signs on all sides denoting the site as a medical growing operation in compliance with this act.

(c) Patient growers may cultivate only as much as required for the patient's own medical use within the confines of the recommendation of their medical provider or the exceptions in section 8, and amendments thereto, taking into consideration the patient's chosen delivery method.

(d) Depending on the number of kinds of oils or plants the patient may need, and the patient dosing regimen, they may grow as many strains in various levels of growth to keep a continuous oil supply based on the recommendation of their medical provider or the exceptions defined in section 8, and amendments thereto.

(e) A copy of the provider's recommendations should be kept at the registered qualifying patient's home and the cultivating caregiver's home or at the cultivation site, if different from the cultivating caregiver's home.

(f) Caregiver cultivation must meet ecological standards set forth in section 9, and amendments thereto.

(g) Cultivating caregivers that exceed the five-patient limit must also adhere to the standards in section 9, and amendments thereto, and are subject to process inspections by the cannabis compliance agency for standard compliance.

(h) Cultivating caregivers that exceed 10 registered qualifying patients must apply for licensure as a cultivating facility, and if approved, will be bound by all the requirements set forth in section 9, and amendments thereto. If not approved, cultivating caregivers can appeal to the cannabis compliance agency. The cannabis compliance agency will consider the needs of patients served by the cultivating caregiver such as:

(1) Geographic hardship of patients;

(2) if the strain exclusivity dictates need of this cultivating caregiver;

(3) cultivating caregiver is excluded for qualifying as cultivation

facility because they cannot meet all requirements of section 9, and amendments thereto, and to do so would induce an undue financial hardship; and

(4) any other considerations deemed pertinent by the cannabis compliance agency.

If an appeal is denied, cultivating caregivers must conform to a patient-count limit of less than 10.

(i) Clean grow room standards and food handling standards also apply to cultivating caregiver growing operations.

(j) Cultivating caregivers must obtain and carry appropriate insurance, and cannabis crop specific insurance, when available.

(k) Cultivating caregivers cannot be denied a license for any offense consisting of conduct for which the Kansas safe access act would likely have prevented a conviction, but the conduct either occurred prior to the enactment of the Kansas safe access act or was prosecuted by an authority other than the state of Kansas, whether as a patient or caregiver. Candidates who can prove their past convictions would have been negated by the Kansas safe access act by providing to the cannabis compliance agency medical records from the time of the conviction for the patient, or records that the patient was receiving care from a caregiver, cannot be excluded from consideration.

Sec. 11. (a) Workforce education is mandatory for all cannabis industry positions. Required training information will be available through the cannabis compliance agency and the agency's webpages.

(b) Positions that require training, or an equivalent resume, are:

(1) Designated primary caregivers;

(2) medical cannabis cultivation facility workers;

(3) processors;

(4) cultivating caregivers;

(5) manufacturers; and

(6) compassion center employees.

(c) Medical care medical provider training is considered separate from cannabis industry positions, and is covered under section 4, and amendments thereto.

Sec. 12. (a) The purpose of this section is to establish guidelines regarding the standards and regulations pertaining to public use of medical cannabis, prevention of impaired driving, establish employer, registered qualifying patient employees, business owner rights and the rights of students who are registered qualifying patients. Kansas safe access act shall not permit any person to do any of the following, nor shall it prevent the imposition of any civil, criminal or other penalties for any such actions:

(1) Undertake any task while impaired.

(2) Nothing in the Kansas safe access act shall be construed to require any person or establishment in lawful possession of a commercial business property to allow a guest, client, customer or other visitor to consume cannabis on or in that property. The Kansas safe access act shall not limit a person, or entity in lawful possession of a commercial business property, or an agent of such person or entity, from expelling a person who consumes cannabis without permission from such property owner.

(3) The Kansas safe access act does not prevent any employer from setting their own policies regarding the accommodation of employee's medical need to use cannabis in any workplace, or disciplining any employee working while impaired, so long as, a qualifying patient shall not be considered to be impaired solely because of the presence of metabolites or components of cannabis.

(4) Unless an employer establishes by a preponderance of the evidence that the lawful use of medical cannabis has impaired the employee's ability to perform the employee's job responsibilities, it shall be unlawful to take any adverse employment action against an employee who is an identification card-carrying patient using medical cannabis consistent with the provisions of the Kansas safe access act based on either:

(A) The employee's status as a registry identification cardholder; or

(B) the employee's positive drug test for cannabis components or metabolites.

(5) For the purposes of this section, an employer may consider an employee's ability to perform the employee's job responsibilities to be impaired when the employee manifests specific articulable symptoms of impairment while working that decreases or lessens the employee's performance of the duties or tasks of the employee's job position. If an employer has a drug testing policy and an employee or job applicant tests positive for cannabis, the employer shall offer the employee or job applicant an opportunity to present a legitimate medical explanation for the positive test result and shall provide written notice of the right to explain to the employee or job applicant. Within three working days after receiving notice the employee or job applicant may submit information to the employer to explain the positive test result. As part of an employee's or job applicant's explanation for the positive test result, the employee or job applicant may present a doctor's recommendation for medical cannabis or their patient identification card, or both.

(6) Nothing in this section shall restrict an employer's ability to prohibit or take adverse employment action for being impaired during work hours, or require an employer to commit any act that would cause the employer to be in violation of federal law or that would result in the loss of a federal contract or federal funding.

(7) Impaired drivers are not protected by the Kansas safe access act while operating, navigating or being in actual physical control of any motor vehicle, school bus, public transport, aircraft or motorboat. The following caveats apply:

(A) The presence of metabolites does not automatically denote impairment. Registered qualifying patients who medicate daily may have a high metabolite level and yet also have a higher tolerance to psychoactive effects.

(B) Current technologies, even those that can measure metabolite levels, cannot accurately gauge impairment.

(C) Roadside testing for impairment remains the best method to evaluate drivers.

(D) A registered qualifying patient's various disabilities may also impact roadside test results, and an effort should be made by law enforcement to set guidelines that include this consideration.

(8) Educational outreach to prevent driving while impaired will be posted on the cannabis compliance agency webpages via printable information and instructional videos, and educational materials will be available at each compassion center via posters and informational sheets.

(9) No registered qualifying patient may consumes medical cannabis on the grounds of any preschool, primary, secondary or post-secondary school.

(A) Juvenile registered qualifying patients receiving medication from the school nurse, parent or caregiver may receive medication on school grounds.

(B) Post-secondary registered qualifying patients shall not be impeded from medicating per their medical provider's recommendation, either individually or by the facilitation of their primary caregiver, if they have one, on school grounds as long as the delivery method does not violate section 12, and amendments thereto.

(C) Juvenile and post-secondary registered qualifying patients shall not be impeded from participation in any extracurricular activities, or regular school activities, simply because they are a registered qualifying patient.

(b) No patient may conumes cannabis in or on any form of public transportation.

Sec. 13. (a) This act establishes the compassion board, a volunteer advisory board. The compassion board will be responsible for guiding policy on behalf of patients, medical providers and the public, with focus on continuous process improvement to better serve the needs of all to facilitate research, work with researchers, liaison with other Kansas agencies and organizations, liaison with law enforcement and the cannabis compliance agency.

(b) There is hereby established a compassion board:

(1) The board shall consist of 11 members appointed by the secretary of health and environment, after a nomination and application process. The secretary, insofar as possible, shall appoint persons from different geographical areas and persons who represent various economic regions, preferably with experience in the health care field, social work field, not-for-profit patient care sector, the field of cannabis research, industry, advocacy or cannabis medicine.

(2) If a vacancy occurs on the board, the secretary shall appoint a person to fill the vacant position for the unexpired term, if any, within a period of not more than 30 days.

(3) Members of the board shall be appointed for renewable three-year terms.

(4) The public shall have an open communication path to comment on board member rulings and performance, as well as an appeals process established so that appeals of rulings can be heard.

(5) The board shall advise the secretary about the administration of the Kansas safe access act and shall perform such duties as are required by the act.

(6) Members of the board attending meetings of the board, or attending a subcommittee meeting thereof authorized by the board, shall be reimbursed amounts provided in K.S.A. 75-3223(e), and amendments thereto, from moneys appropriated to the department of revenue from the Kansas safe access act taxes from the cannabis tax fund established by section 14, and amendments thereto.

(7) Members of the board cannot be excluded for any offense consisting of conduct for which the Kansas safe access act would likely have prevented a conviction, but the conduct either occurred prior to the enactment of the Kansas safe access act or was prosecuted by an authority other than the state of Kansas, whether as a patient or caregiver. Candidates who can prove their past convictions would have been negated by the Kansas safe access act by providing to the cannabis compliance agency medical records from the time of the conviction for the patient or records that the patient was receiving care from a caregiver cannot be excluded from consideration.

Sec. 14. (a) This section establishes a cannabis tax fund under the Kansas department of revenue. The Kansas department of revenue shall work in conjunction with the cannabis compliance agency and the compassion board to implement fair tax policies established under this act.

(b) The cannabis tax fund is hereby established within the Kansas department of revenue.

(c) Medical cannabis patients will be taxed at a flat 6% rate at compassion center point of purchase for medical cannabis and medical

cannabis products only. All other products, such as delivery items, tools for use of medicine, storage containers and similar products may be subject to sales tax.

(d) Funds will be deposited into the cannabis tax fund managed by the Kansas department of revenue and distributed by the same at a distribution of 2% to the state, 2% to the county and 2% to the city. Funds from the cannabis tax fund, after meeting costs of Kansas safe access act infrastructure expenses, will be expended for medical cannabis research, public health, mental health, substance abuse, school health, school substance abuse and school mental health programs exclusively.

(e) As the cannabis industry is often forced to a cash only business model:

(1) Compassion centers and collectives may pay taxes by cash, cashier's checks and money orders at their local revenue office;

(2) compassion centers and collectives will need to be able to pay these taxes on a daily or weekly basis, so they are not accumulating large amounts of cash and being placed at a higher risk for crime;

(3) patients, compassion centers and collectives will not be assessed any excise tax or any sales tax and shall not be subject to K.S.A. 79-5210, and amendments thereto, for any medical cannabis, or medical cannabis product;

(4) any county, city, township or jurisdiction that opts out of participation in the Kansas safe access act will be excluded from any tax benefit, other than what is derived from state benefit from the Kansas safe access act;

(5) sales tax can be levied on any product, item or device in a compassion center that is not medical cannabis or a medical cannabis product; and

(6) medical cannabis edible products qualify as medicine, and shall not be taxed under the Kansas food sales tax K.S.A. 79-3633 through 79-3639, and amendments thereto.

Sec. 15. The purpose of this section is to establish guidelines and standards for packaging and labeling for medical cannabis and medical cannabis products to ensure all of the necessary and relevant information to be enforced by the cannabis compliance agency is included. While there are slight differences in the labeling requirements for each category of medical cannabis product, all include identical parameters that mandate the type of packaging for medical cannabis products. The Kansas safe access act requires that each package or container of medical cannabis, medical cannabis product and medical cannabis concentrate includes necessary and relevant information for consumers, does not include health and physical benefit claims, is easily accessible to consumers, and is clear, easy to read and noticeable. The cannabis compliance agency shall

develop a standardized package and label template and shall develop a standardized list of information to be included on labels, including, but not limited to, the following;

(1) Every medical cannabis product sold must leave the store in a package or container that is child-resistant.

(2) If the medical cannabis product packaging is not child-resistant, the compassion center must place that container within an exit package that is child resistant and opaque so that the product cannot be seen from outside the packaging, with the exception of brown glass and sublingual syringes.

(3) Identification and consumer warning labels must be affixed to every individual container of medical cannabis, medical cannabis-infused product or medical cannabis edible.

(b) Every compassion center must ensure the following information is affixed to every container holding a medical cannabis product:

(1) The license number of the medical cannabis cultivation facility where the medical cannabis product was grown;

(2) the license number of the medical cannabis product's manufacturing facility;

(3) the license number of the compassion center that sold the medical cannabis product to the registered qualified patient;

(4) the identity statement and standardized graphic symbol of the compassion center that sold the product to the registered qualified patient;

(5) the production batch lot number assigned to the medical cannabis concentrate used to produce the product;

(6) the production batch lot number assigned to the medical cannabis product;

(7) the date of sale to the consumer;

(8) the following warning statements:

(A) Body mass, age, metabolism, gender and body chemistry at time of consumption vary in the effectiveness of the medicine;

(B) the intoxicating effects of this medicine may be delayed by two or more hours;

(C) do not operate a vehicle or machinery, especially when first beginning the use of this medicine;

(D) may cause dizziness or drowsiness, and alcohol may intensify this effect. Avoid mixing with alcohol;

(E) keep out of reach of children and animals. Such statement shall be in bold print;

(F) please consult a medical provider when taken with other medications;

(G) for medical use only, to be consumed by registered qualifying patient only; and

(H) if you are pregnant, plan on becoming pregnant or are nursing, you should consult with your medical provider before using medical cannabis;

(9) The universal symbol, indicating that the container holds medical cannabis, which must be no smaller than $^{1}/_{4}$ of an inch by $^{1}/_{4}$ of an inch to be set forth by the cannabis compliance agency;

(10) a clear set of instructions for proper usage;

(11) packaging design must not have cartoons, or in any way attract interest from children;

(12) packaging must prominently display the following in clear and legible font:

(A) Display or inspection seal;

(B) patient name and patient ID number;

(C) a potency profile expressed in milligrams and the number of tetrahydrocannabinol servings within the container; and

(D) a recommended use by or expiration date for medical cannabis products;

(13) packages containing only dried flower must record the weight of medical cannabis.

Sec. 16. The purpose of this section is to establish guidelines and standards for packaging and labeling for medical cannabis edible products to ensure all of the necessary and relevant information to be enforced by the cannabis compliance agency is included. While there are slight differences in the labeling requirements for each category of medical cannabis edible products, all include identical parameters that mandate the type of packaging for medical cannabis edible products. The Kansas safe access act requires that each package or container of medical cannabis edible products includes necessary and relevant information for consumers, does not include health and physical benefit claims, is easily accessible to consumers, and is clear, easy to read and noticeable. The cannabis compliance agency shall develop a standardized label template or templates and shall develop a standardized list of information to be included on labels. Edible medical cannabis products must include the following information, in addition to the information required by the guidelines of section 15, and amendments thereto:

(1) This wording: "The intoxicating effects of this product may be delayed three to six hours.";

(2) an ingredient list including all ingredients used to manufacture the edible medical cannabis product;

(3) a statement regarding required refrigeration if the medical cannabis product is perishable

(4) that the standardized serving size for this product includes no more than 10 milligrams of active tetrahydrocannabinol and a list on the

package of all pharmacologically active ingredients; and

(5) if the product uses nuts or another known allergen, a suitable warning.

(b) Bundled, single-serving edible medical cannabis products that are individually packaged in child-resistant packaging and labeled can be placed into a larger package that also needs to be child resistant, and include a list on the package of all pharmacologically active ingredients contained within the bundled package, including tetrahydrocannabinol that does not exceed 100 milligrams.

(c) Single-serving-size medical cannabis products must list the following:

(1) The total amount of pharmacologically active ingredients in the package including, but not limited to, tetrahydrocannabinol and cannabidiol.

(2) the expiration date;

(3) dietary restriction label and nutritional fact panel;

(4) potency tests results for all medical cannabis edible products;

(5) only generic food names that describe edible medical cannabis products;

(6) recommended use by or expiration date for medical cannabis products; and

(7) if liquid edible medical cannabis products contains more than one standardized serving;

(d) Each product must be packaged in a child-resistant container that maintains its child-resistant effectiveness after multiple openings.

(e) All containers for liquids shall clearly demark each standardized serving of liquid edible in a way that enables a reasonable person to intuitively determine how much of the product constitutes a single serving of active tetrahydrocannabinol. The portion of the container that clearly demarks each standardized serving of liquid edible medical cannabis shall not be opaque.

(f) Liquid edible containers that include a dropper or measuring device shall ensure that the device allows a reasonable person to intuitively measure and serve a single serving of active tetrahydrocannabinol.

Sec. 17. The purpose of this section is to ensure that every medical cannabis cultivation facility and medical cannabis products manufacturing facility label each shipping container and container of medical cannabis with all of the necessary and relevant information for the receiving medical cannabis establishment. In addition, this section clarifies basic shipping container requirements. The purpose is to ensure the regulated community applies proper labeling techniques on all medical cannabis products.

(b) Every medical cannabis cultivation facility and medical cannabis

products manufacturing facility must ensure that all medical cannabis is placed within a sealed, tamper-evident shipping container that contains no more than one pound of medical cannabis prior to transport or transfer of any medical cannabis products to another medical cannabis establishment.

(c) Every medical cannabis cultivation facility or medical cannabis products manufacturing facility must ensure that a label is affixed to every shipping container holding medical cannabis that includes all of the information required by this section prior to transport or transfer to another medical cannabis establishment.

(d) Every medical cannabis cultivation facility or medical cannabis products manufacturing facility must ensure the following information is affixed to every shipping container holding medical cannabis:

(1) The license number of the medical cannabis cultivation facility where the medical cannabis was grown;

(2) the harvest batch lot number assigned to the medical cannabis;

(3) the net weight using a standard of measure compatible with the state standardized seed-to-sale tracking system of the medical cannabis prior to its placement in the shipping container;

(4) a complete list of all ecologically sustainable pesticides, fungicides and herbicides used during the cultivation of the medical cannabis; and

(5) that the results of the test that a medical cannabis testing facility has conducted on a harvest batch lot, the type of information that must be labeled shall be limited to the following:

(A) A cannabinoid potency profile expressed as a range of percentages that extends from the lowest percentage to the highest percentage of concentration for each cannabinoid listed in section 19, and amendments thereto, and any required by the cannabis compliance agency;

(B) every test conducted on that strain of medical cannabis cultivated by the same medical cannabis cultivation facility within the last three months; and

(C) a statement that the product was tested for contaminants, if tests for contaminants were conducted according to section 19, and amendments thereto, and any requirements made by the cannabis compliance agency.

(e) If a medical cannabis cultivation facility or a medical cannabis products manufacturing facility packages medical cannabis within a container that is placed within a shipping container, each container must be affixed with a label containing all of the information required by section 19, and amendments thereto, and any requirements made by the cannabis compliance agency.

Sec. 18. (a) The purpose of this section is to ensure that every medical cannabis cultivation facility and medical cannabis products

manufacturing facility labels each shipping container and container of medical cannabis concentrates with all of the necessary and relevant information for the receiving medical cannabis establishment. In addition, this section clarifies basic shipping container requirements. The cannabis compliance agency shall ensure every medical cannabis cultivation facility and medical cannabis products manufacturing facility applies proper labeling techniques to all medical cannabis concentrates.

(b) Every medical cannabis cultivation facility and medical cannabis products manufacturing facility shall ensure that all medical cannabis concentrates are placed within a sealed, tamper-evident shipping container that has no more than one pound of medical cannabis concentrate within it prior to transport or transfer to another medical cannabis facility or compassion center.

(c) Every medical cannabis cultivation facility or medical cannabis products manufacturing facility shall ensure that a label is affixed to every shipping container holding a medical cannabis concentrate that includes all of the information required by section 19, and amendments thereto, and any requirements made by the cannabis compliance agency, prior to transport or transfer to another medical cannabis establishment.

(d) Every medical cannabis cultivation facility or medical cannabis products manufacturing facility shall ensure that the following information is affixed to every shipping container holding a medical cannabis concentrate:

(1) The license number of the medical cannabis cultivation facility where the medical cannabis used to produce the medical cannabis concentrate was grown;

(2) the license number of the medical cannabis cultivation facility or medical cannabis products manufacturing facility that produced the medical cannabis concentrate;

(3) the production batch lot number assigned to the medical cannabis concentrate contained within the shipping container;

(4) the net weight, using a standard of measure compatible with the seed-to-sale tracking system, of the medical cannabis concentrate prior to its placement in the shipping container;

(5) a complete list of all ecologically sustainable pesticides, fungicides and herbicides used during the cultivation of the medical cannabis used to produce the medical cannabis concentrate; and

(6) a complete list of solvents and chemicals used to create the medical cannabis concentrate.

(e) Every medical cannabis cultivation facility or medical cannabis products manufacturing facility shall affix a label to a shipping container in which a medical cannabis concentrate is placed. The label shall contain a statement asserting that the medical cannabis concentrate was tested

pursuant to section 19, and amendments thereto, and any requirements made by the cannabis compliance agency.

(f) A medical cannabis testing facility shall test every harvest batch lot used to produce the medical cannabis concentrate for molds, mildew, filth, microbials, herbicides, pesticides, fungicides, harmful chemicals and residual solvents, poisons or toxins.

(g) When a medical cannabis testing facility tests the production batch lots of the medical cannabis concentrate within a shipping container for potency, every medical cannabis cultivation facility or medical cannabis products manufacturing facility shall ensure that a label is affixed to the shipping container with a cannabinoid potency profile expressed as a percentage.

(h) When a medical cannabis cultivation facility or a medical cannabis products manufacturing facility packages a medical cannabis concentrate within a container that is then placed within a shipping container, each container shall be affixed with a label containing all of the information required by section 19, and amendments thereto, and any requirements made by the cannabis compliance agency.

Sec. 19. (a) The purpose of this section is to establish guidelines of independent testing and certification testing facilities for medical cannabis and medical cannabis products. The cannabis compliance agency shall require licensees to test medical cannabis to ensure, at a minimum, that products sold for human consumption do not contain contaminants that are injurious to health and to ensure correct labeling.

(b) No independent testing facility may handle, test or analyze cannabis or cannabis products unless the independent testing facility:

(1) Has been registered by the cannabis compliance agency;

(2) is independent from all other persons and entities involved in the medical cannabis industry, such that no board member, officer, manager, owner, partner, principal stakeholder or member of a registered organization has an interest or voting right in the testing facility performing medical cannabis testing;

(3) has a provisional registration from the cannabis compliance agency;

(4) has established standard operating procedures that provide for adequate chain of custody controls for samples transferred to the independent testing facility for testing; and

(5) is registered with a third-party accrediting body, such as the American association for laboratory accreditation (A2LA) or the ANSI-ASQ national accreditation board (ACLASS), and the assessment and accreditation process was carried out by a third-party accreditation body that is itself accredited to the ISO 17011 standard, certified under the clinical laboratory improvement act (CLIA) and participates in inter-

laboratory comparison proficiency testing (ILC/PT) and in association of commercial cannabis laboratories (ACCL).

(c) All testing facilities shall include all of their methods that have public health implications on their scope of accreditation. This includes, at a minimum, cannabinoids, pesticides, microbiology, residual solvents and water activity per the standards outlined in the American herbal pharmacopoeia cannabis inflorescence and leaf monograph, which shall be the standard for all testing facilities:

(A) Testing facilities shall pass rigorous and regular proficiency testing programs, covering all methods on the accreditation scope that carry public health implications. Proficiency testing must be administered by a body that is accredited to the ISO 17043 standard.

(B) Testing facilities shall be managed by a full-time onsite chemist, with a doctoral degree in a relevant field or at least four years of experience specific to analytical chromatography.

(C) Testing facilities shall notify the cannabis compliance agency within one business day after the testing facility obtains notice of any kind that the facility's accreditation has been denied, suspended or revoked.

(c) A medical cannabis cultivation facility shall:

(1) Collect a random, homogenous sample for testing by segregating harvest batch lots of individual strains of flowers and then selecting a random sample from various locations from within each harvest batch lot in an amount required by the medical cannabis testing facility and no less than 2.5 grams;

(2) designate an individual responsible for collecting each sample, and that individual shall:

(A) Prepare a signed statement showing that each sample has been randomly selected for testing;

(B) provide the signed statement to the medical cannabis testing facility; and

(C) maintain a copy as a business record;

(3) transport the sample to the medical cannabis testing facility's licensed premises in compliance with this section, and any requirements made by the cannabis compliance agency;

(d) A medical cannabis cultivation facility shall segregate the entire harvest batch lot from which the testing sample was selected until the medical cannabis testing facility reports the results from its tests:

(1) During this period of segregation, the medical cannabis cultivation facility that provided the sample shall maintain the harvest batch lot in a secure, cool and dry location to prevent the medical cannabis from becoming contaminated or losing its efficacy;

(2) the facility that provided the sample may not sell or transport any medical cannabis from the segregated batch lot until the medical cannabis

testing facility has completed its testing and provided those results in writing to the medical cannabis cultivation facility that provided the sample; and

(3) shall maintain the test results as a business record.

(e) A licensed testing facility shall issue a certificate of analysis for each harvest batch lot with supporting data to report both of the following:

(1) Listing the chemical profile, including, but not limited to, all of the following:

(A) Tetrahydrocannabinol (THC);

(B) tetrahydrocannabinolic acid (THCA);

(C) cannabidiol (CBD);

(D) cannabidiolic acid (CBDA);

(E) the terpenes described in the most current version of the cannabis inflorescence monograph published by the American herbal pharmacopoeia;

(F) cannabigerol (CBG);

(G) cannabinol (CBN); and

(H) any other compounds required by the cannabis compliance agency.

(2) That the presence of contaminants does not exceed the levels that are the lesser of either the most current version of the American herbal pharmacopoeia monograph or the cannabis compliance agency's standards. For purposes of this paragraph, contaminants includes, but is not limited to, all of the following:

(A) Residual solvent or processing chemicals;

(B) foreign material, including, but not limited to, hair, insects or similar or related adulterant;

(C) microbiological impurity, including total aerobic microbial count, total yeast mold count, P. aeruginosa, aspergillus spp., S. aureus, aflatoxin B1, B2, G1 or G2 or ochratoxin A;

(D) whether the batch is within specification for odor and appearance;

(E) residual levels of volatile organic compounds shall be below the lesser of either the specifications set by the United States pharmacopeia (U.S.P. chapter 467) or those set by the cannabis compliance agency; and

(F) methods:

(i) High performance liquid chromatography in tandem with triple-quadruple mass spectrometry (HPLC-MS/MS) to identify and quantify trace pesticide, fungicide and PGR residues;

(ii) 3M petrifilm and real-time polymerase chain-reaction (qPCR) technology, gas chromatography with flame ionized detection (FID) to test over 35 commonly found terpenes; and

(iii) utilizing a combination of gas chromatography/FID, headspace analysis and mass spectrometry for residual solvent testing.

(f) The cannabis compliance agency shall require that a test batch be submitted to a specific medical cannabis testing facility for testing to verify compliance, perform investigations, compile data or address a public health and safety concern through test batch samples:

(1) A medical cannabis testing facility shall establish a standard minimum weight of medical cannabis and medical cannabis concentrate that must be included in a test batch for every type of test that it conducts, but must be at least 2.5 grams;

(2) a medical cannabis testing facility must establish a standard number of finished product it requires to be included in each test batch of medical cannabis-infused product for every type of test that it conducts;

(3) a medical cannabis testing facility may not accept a test batch that is smaller than its standard minimum amount; and

(4) a medical cannabis testing facility may not accept a test batch or sample that it knows was not taken in accordance with the Kansas safe access act or any additional cannabis compliance agency sampling procedures or was not collected by qualified personnel.

(g) If medical cannabis, medical cannabis concentrate or medical cannabis-infused product fails a contaminant test, then the medical cannabis testing facility shall immediately notify the medical cannabis cultivation facility or medical cannabis product manufacturer that submitted the sample for testing and report the failure in accordance with all cannabis compliance agency procedures.

(h) If medical cannabis, medical cannabis concentrate or medical cannabis-infused product is found to have a contaminant in levels exceeding those established as permissible under this section, then it shall be considered to have failed contaminant testing. Notwithstanding the permissible levels established in this section, the cannabis compliance agency may determine, upon good cause and reasonable grounds, that a particular test batch presents a risk to the public health or safety and therefore shall be considered to have failed a contaminant test.

(i) For purposes of the microbiological test a CO2 and solvent-based extracts sample shall be deemed to have passed if it satisfies the recommended microbial and fungal limits for cannabis products in colony forming units per gram (CFU/g) set out in the American herbal pharmacopoeia monograph as follows:

Total viable aerobic bacteria.....104
Total yeast and mold.....103
Total coliforms bile-tolerant gram-negative bacteria.....102
E. coli (pathogenic strains) and salmonella spp.....not detected in 1 gram

(j) Unprocessed materials include minimally processed crude cannabis preparations such as inflorescences, accumulated resin glands (kief) and compressed resin glands (hashish).

(k) Processed materials include various solid or liquid-infused edible preparations, oils, topical preparations and water-processed resin glands (bubble hash).

(l) For purposes of the mycotoxin test, a cannabis sample shall be deemed to have passed if it meets the following standards for tests and specifications:

Aflatoxin B1.....<20 µg/kg of substance
Aflatoxin B2.....<20 µg/kg of substance
Aflatoxin G2.....<20 µg/kg of substance
Ochratoxin A.....<20 µg/kg of substance

(m) Testing facilities shall contact the cannabis compliance agency when STEC and salmonella are detected beyond the acceptable limits.

(n) These named solvents and pesticides are not permitted for use under this act, but must be tested for as contaminants. Testing shall be for specific pesticides listed in section 19, and amendments thereto, any and all solvents, permitted or not permitted, under section 20, and amendments thereto:

(A) Butanes;
(B) heptanes;
(C) benzene;
(D) toluene;
(E) hexane;
(F) total xylenes (m,p, o-xylenes);
(G) azadirachtin;
(H) myclobutanil;
(I) imidacloprid;
(J) avermectin;
(K) bifenazate; and
(L) etoxazole; and
(M) metals substance:

Arsenic max limit.....<10 PPM
Cadmium max limit.....<4.1 PPM
Lead max limit:.....<10 PPM
Mercury max limit.....<2.0 PPM

(o) A medical cannabis testing facility shall notify the cannabis compliance agency if a test batch lot is found to contain levels of a contaminant not listed within this section that could be injurious to human health if consumed.

Sec. 20. (a) A medical cannabis testing facility shall test and report results for any cannabinoid, provided the test is conducted in accordance with the cannabis compliance agency's medical cannabis testing facility certification policy statement.

(b) For potency tests:

(1) Conducted on medical cannabis and medical cannabis concentrate, results must be reported by listing a single percentage concentration for each cannabinoid that represents an average of all samples within the test batch lot;

(2) conducted on medical cannabis-infused product results, results must be reported by listing the total number of milligrams contained within a single medical cannabis-infused product unit for sale for each cannabinoid and affirming the tetrahydrocannabinol content is homogeneous; and

(3) conducted on medical cannabis, testing must occur on dried and cured medical cannabis that is ready for sale.

(c) If the tetrahydrocannabinol content of a medical cannabis-infused product is determined through testing not to be homogeneous then it shall be considered to have failed potency testing.

(d) A medical cannabis-infused product shall be considered not to be homogeneous if 10% of the infused portion of the medical cannabis-infused product contains more than 20% of the total tetrahydrocannabinol contained within the entire medical cannabis-infused product.

(e) Potency levels of edibles must meet standards set forth in section 19, and amendments thereto.

(f) A potency variance for cannabis-infused products and edibles of no more than plus or minus 5% is allowed.

(g) The cannabis compliance agency shall determine procedures to address potency misrepresentations.

(h) (1) If the sample failed the testing, the entire batch lot from which the sample was taken, the sample shall, if applicable, be recalled as provided for by standards set forth by the cannabis compliance agency, and disposed of in accordance with section 22, and amendments thereto;

(2) if the sample failed any test other than pesticides and metals, the batch lot may be used to make a CO2 or solvent-based extract. After processing, the CO2 or solvent-based extract must still pass all required tests.

(i) The testing facility shall file with the cannabis compliance agency an electronic copy of each testing facility test result for any test batch that does not pass the microbiological, mycotoxin, metals or pesticide chemical residue test at the same time that it transmits those results to the cultivation center.

(j) In addition, the testing facility shall maintain the test results for at least five years and make them available at the cannabis compliance agency's request.

(k) A medical cannabis manufacturer must develop and implement a written quality assurance program that assesses the chemical and microbiological composition of medical cannabis.

(l) Assessment includes a profile of the active ingredients, including shelf life, and the presence of inactive ingredients and contaminants. A medical cannabis manufacturer shall use these testing results to determine appropriate storage conditions and expiration dates.

(m) The testing facilities shall develop procedures and the manufacturer must follow written procedures for sampling medical cannabis that require the manufacturer to:

(1) Conduct sample collection in a manner that provides analytically sound and representative samples;

(2) document every sampling event and provide this documentation to the cannabis compliance agency upon request;

(3) describe all sampling and testing plans in written procedures that include the sampling method and the number of units per batch to be tested;

(4) ensure that random samples from each batch:

(A) Are taken in an amount necessary to conduct the applicable test;

(B) are labeled with the batch unique identifier;

(C) are submitted for testing;

(D) have their results retained for at least five years;

(E) are rejected, if a medical cannabis batch fails to meet established standards, specifications, and any other relevant quality control criteria;

(F) follow the cannabis compliance agency guidelines for responding to results indicating contamination, and determining the source of contamination; and

(G) have the documentation of test results, assessments and destruction of medical cannabis retained for at least five years; and

(5) the quality assurance program must include procedures for performing stability testing of each product type produced to determine product shelf life that addresses:

(A) Sample size and test intervals based on statistical criteria for each attribute examined to ensure valid stability estimates;

(B) storage conditions for samples retained for testing; and

(C) reliable and specific test methods; and

(6) stability studies must include:

(A) Medical cannabis testing at appropriate intervals;

(B) medical cannabis testing in the same container-closure system in which the product is marketed; and

(C) testing medical cannabis for reconstitution at the time of dispensing, as directed in the labeling, and after the samples are reconstituted.

(n) If shelf-life studies have not been completed before the implementation of this act, a medical cannabis manufacturer may assign a tentative expiration date, based on any available stability information. The

manufacturer must concurrently conduct stability studies to determine the actual product expiration date.

(o) After the manufacturer verifies the tentative expiration date or determines the appropriate expiration date, the medical cannabis manufacturer must include that expiration date on each batch of medical cannabis products, and provide supporting documentation to the cannabis compliance agency. Stability testing must be repeated if the manufacturing process or the product's chemical composition is changed.

(p) A medical cannabis manufacturer must retain a uniquely labeled reserve sample that represents each batch of medical cannabis and store it under conditions consistent with product labeling. The reserve sample must be stored in the same immediate container-closure system in which the medical cannabis is marketed, or in one that has similar characteristics. The reserve sample must consist of at least twice the quantity necessary to perform all the required tests. A medical cannabis manufacturer must retain the reserve for at least one year following the batch's expiration date.

(q) If the cannabis compliance agency deems that public health may be at risk, the cannabis compliance agency may require the manufacturer to retest any sample of plant material or medical cannabis product.

(r) A cultivation facility shall not be required to sample and test cannabis, if the batch was previously sampled, and the sample was tested by another cultivation facility and determined to have passed the testing requirements of this section and can provide such documentation to the cannabis compliance agency.

(s) If a sample does not pass testing, the producer shall determine whether remediation is appropriate, and test another sample from the batch at issue or identify processes that will render the dried cannabis or cannabis-derived product safe and retest in accordance with the requirements of this section. If the batch cannot be remediated to where it meets the testing requirements of this section, the cultivation facility shall notify the cannabis compliance agency within 24 hours, and confirm the destruction and disposal of the dried cannabis or concentrated cannabis-derived product per the guidelines laid out in section 22, and amendments thereto.

(t) A testing facility must submit its quality control manual to the cannabis compliance agency.

(1) The manual may be mailed to the cannabis compliance agency or may be sent electronically via the cannabis compliance agency's website.

(2) The cannabis compliance agency shall create a list of laboratories that have submitted a quality control manual by the deadline assigned by the cannabis compliance agency and post the list on the cannabis compliance agency's website.

(3) A compassion center may only accept test results from a testing

facility listed on the cannabis compliance agency's website.

(4) The manual must be signed by an directing official of the testing facility with an attestation that the results are accurate and that testing was done using valid testing methodologies and a quality system as required in this section.

(5) If the cannabis compliance agency determines that a testing facility is not using valid testing methodologies, does not have a quality system or is not producing test result reports in accordance with this section, the cannabis compliance agency may remove the name of the testing facility from the list on the cannabis compliance agency's website.

(u) The cannabis compliance agency may conduct audit testing of a medical cannabis cultivation facility or medical cannabis product manufacturer to access whether they are operating within the guidelines of this act.

(v) The testing facility shall require each testing facility employee to complete and execute an application for employment on a form provided by the the cannabis compliance agency:

(1) The testing facility shall establish and follow written procedures for verifying the experience and education of testing facility employees;

(2) the testing facility shall submit the registration information for each testing facility employee within 15 days after the date the testing facility employee was hired; and

(3) upon termination of the association of the registered independent testing facility employee with the testing facility, the independent testing facility shall:

(A) Obtain any keys or other entry devices from the terminated testing facility employee;

(B) ensure the terminated testing facility employee no longer has access to the testing facility premises; and

(C) within one business day of the termination of the testing facility employee, the independent testing facility notifies the cannabis compliance agency of the termination.

(w) Candidates for testing and laboratory personnel positions shall not be excluded for any conviction for an offense consisting of conduct that would not have been considered an offensive subsequent to the conduct of the Kansas safe access act or was prosecuted as a patient or caregiver by an authority other than the state of Kansas. Candidates who can demonstrate that their past convictions would have been negated by the Kansas safe access act may provide the cannabis compliance agency medical records from the time of the conviction sharing that such candidate was a patient receiving care from a caregiver and shall not be excluded from consideration.

Sec. 21. (a) The purpose of this section is to establish guidelines

regarding the manufacture of medical cannabis products, to ensure that such products do not contain harmful contaminants and to protect public safety through the use of best practices.

(b) The following methods of oil, tincture and extract production prohibited are:

(1) Butane;

(2) alcohol cook methods over open flame; and

(3) propane.

(c) Solvents banned for all products sold or purchased by compassion centers include all petroleum based products. Compassion centers shall not purchase or sell solvents, including petroleum-based products.

(d) The following extract methods are allowed:

(1) Tabletop infusing machines;

(2) slow cooker;

(3) rosin heat press and machines;

(4) ice water;

(5) food-grade glycerin;

(6) grain alcohol methods;

(7) supercritical closed loop CO_2 extraction machines, including tabletop machines;

(8) dry ice; and

(9) all other non-explosive, non-toxic solvents and new technologies or methods as long as such methods comply with the requirements of this act.

Sec. 22. (a) The cannabis compliance agency is hereby established as a division of the department of health and environment. The cannabis compliance agency shall oversee licensing, compliance and enforcement. The agency shall work in consultation with the compassion board.

(b) All license applicants shall be residents of Kansas for at least two years upon the date of their license application.

(c) The cannabis compliance agency shall submit an annual report to the legislature that includes all of the following information:

(1) The number of applications and renewals filed for identification cards;

(2) the number of qualifying patients and designated primary caregivers approved in each county;

(3) the nature of the medical conditions of the qualifying patients;

(4) the number of identification cards revoked;

(5) the number of medical providers providing written certifications for qualifying patients;

(6) the number of registered compassion centers; and

(7) the number of compassion center employees.

(e) Such report shall not contain any personally identifiable

information.

(e) It shall be a class B misdemeanor for any person, including an employee or official of the cannabis compliance agency or other state agency or local governmental agency, to breach the confidentiality of information obtained pursuant to section 7(j), and amendments thereto. This section shall not prevent the following notifications:

(1) Cannabis compliance agency employees may notify law enforcement about falsified or fraudulent information submitted to the cannabis compliance agency, so long as the employee who suspects that falsified or fraudulent information has been submitted confers with such employee's supervisor and both agree that circumstances exist that warrant reporting;

(2) the cannabis compliance agency employees may notify state or local law enforcement about apparent criminal violations of the Kansas safe access act, if the employee who suspects the offense confers with such employee's supervisor and both agree that circumstances exist that warrant reporting; and

(3) compassion center employees may notify the cannabis compliance agency of a suspected violation or attempted violation of the Kansas safe access act or the rules and regulations adopted hereunder, if the employee who suspects the offense confers with such employee's supervisor and both agree that circumstances exist that warrant reporting.

(g) (1) The cannabis compliance agency shall maintain a website which shall include the following information:

(A) The full text of the act;

(B) information on application processes and regulations for:

(i) Registered qualified patients;

(ii) compassion center licenses;

(iii) primary caregivers;

(iv) cultivating caregivers;

(v) cultivation facility licenses;

(vi) manufacturing facility licenses;

(vii) testing facility certification; and

(viii) workforce education;

(C) information for law enforcement, including:

(i) Information on a verification system; and

(ii) all pertinent contacts to provide support;

(D) information and contacts for health inspections, environmental inspections, compliance inspections and third party ecological sustainability inspections;

(E) food handling guidelines;

(F) information on the ecologically sustainable certification process, regulations and contact information;

(G) educational outreach and incentive program information, videos and printable information sheets for the driving under the influence of alcohol or drugs outreach program and information directing patients who are pregnant, planning on becoming pregnant or nursing to consult their medical provider before use;

(H) information for medical providers and first responders on training seminars, research materials and continuing education unit courses;

(I) information on workforce education and online courses for compassion center employees, growers, processors, trimmers, primary caregivers, cultivating caregivers and registered qualifying patient growers;

(J) contact information for all related agencies;

(K) registered qualifying patient section with a:

(i) medical provider search;

(ii) caregiver search;

(iii) compassion center or collective search;

(iv) information on ecologically sustainable and sustainable growing practices and products;

(v) customer service phone number and email address;

(vi) information and contacts for the appeals process; and

(vii) links for ancillary businesses.

(2) The cannabis compliance agency shall establish an edibles educational outreach and incentive program that shall include:

(A) Printable guidelines and instructional videos on the cannabis compliance agency webpages;

(B) materials at compassion centers, including posters and instructional sheets; and

(C) lockbox storage for medical cannabis products offered at cost through the compassion centers, including:

(i) purchase will qualify patients for discounts on renewal fees; and

(ii) compassion centers that meet cannabis compliance agency goals of lockbox sales to edible sales target ratios can qualify for discounts on renewal fees.

(h) The agency shall establish an educational outreach on safe extract production methods. Such outreach shall include printable guidelines and instructional videos on the cannabis compliance agency website, materials at compassion centers, including posters and instructional sheets and information and forms to report any and all changes from patients, caregivers or compassion centers.

(i) A process shall be implemented for customer service to register and track questions and complaints with a clearly outlined procedure to escalate questions and complaints.

(j) The agency shall establish rules and regulations or the storage and

transportation of medical cannabis and medical cannabis products. The agency shall also develop a universal symbol indicating the package contains medical cannabis.

(k) (1) The agency may refuse or deny a license issuance, renewal or reinstatement for good cause. As used in this subsection, "good cause" means:

(A) The licensee or applicant has violated, does not meet or has failed to comply with any of the terms, conditions or provisions of this act, any rules and regulations adopted hereunder;

(B) the licensee or applicant has failed to comply with any special terms or conditions that were placed on its license pursuant to an order of the cannabis compliance agency; or

(C) the licensed premises has operated in a manner that adversely affects the public health or the safety of the immediate neighborhood in which the premises is located.

(2) If the cannabis compliance agency denies a license pursuant to this subsection, the applicant shall be entitled to proceedings conducted in accordance with the Kansas administrative procedure act. The cannabis compliance agency shall provide written notice of the grounds for denial to the applicant and to the local jurisdiction at least 15 days prior to the hearing.

(l) The cannabis compliance agency shall not issue a license to any person unless such person's character, record and reputation are satisfactory to the agency. The cannabis compliance agency shall consider if the applicant has provided a false application, committed a fraudulent act or a criminal history record not covered by exemptions listed in sections 6, 7, 10 and 13, and amendments thereto. This act does not preclude applicants convicted of a felony or other offenses involving moral turpitude from applying for and receiving a license. The fact that such applicant has been convicted of a felony or other offense involving moral turpitude and pertinent circumstances connected with such conviction shall be given consideration in determining whether the applicant is of good moral character. Consideration shall be given based upon the ability of the applicant to show:

(1) Rehabilitation;

(2) educational achievements;

(3) financial solvency;

(4) good community standing;

(5) lack of arrest or conviction;

(6) lack of parole violation;

(7) current payment on taxes;

(8) lack of other statutory violations; and

(9) residency in Kansas for at least two years prior to the date of

application.

(m) In investigating the qualifications of an applicant or a licensee, the cannabis compliance agency may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by such agency. In the event the cannabis compliance agency considers the applicant's criminal history, the cannabis compliance agency shall also consider any information provided by the applicant regarding such criminal history record, including, but not limited to, evidence of rehabilitation, character references and educational achievements, especially those items pertaining to the time between the applicant's last criminal conviction and the application date.

(n) At the time of filing an application for a state medical cannabis establishment license, applicants shall submit a set of fingerprints and personal information history on forms prepared by the cannabis compliance agency. The cannabis compliance agency shall submit the fingerprints to the Kansas bureau of investigation for the purpose of conducting fingerprint-based criminal history record checks. An applicant who has previously submitted fingerprints for state licensing purposes may request the cannabis compliance agency use the fingerprints on file. The cannabis compliance agency shall use the information resulting from the criminal history record check to investigate and determine whether an applicant is qualified to hold a state license pursuant to guidelines outlined in this section:

(1) The cannabis compliance agency may verify any of the information an applicant is required to submit;

(2) the cannabis compliance agency shall not approve an application for the issuance of a state license:

(A) If the application for the license concerns a particular location that is the same as a location for which, within two year immediately preceding the date of the application, the cannabis compliance agency denied; or

(B) until it is established that the applicant is, or will be entitled to possession of the premises for which the application is made under a lease, rental agreement, or other arrangement for possession of the premises.

(o) A state license granted under the provisions of this act are not transferable except as provided in this section, but this section does not prevent a change of location:

(1) For a transfer of ownership, a license holder shall apply to the cannabis compliance agency or a transfer of ownership a license holder shall apply to the cannabis compliance agency on forms prepared and furnished by the cannabis compliance agency, the cannabis compliance agency shall consider only the requirements of this act and any rules and regulations promulgated by the cannabis compliance agency and any other

local restrictions.

(2) The new owner applicant must pass a fingerprint based criminal history check as required by the cannabis compliance agency and obtain the required identification prior to owning the operation.

(3) Each license issued under this act is separate and distinct. It is unlawful for a person to exercise any privileges granted under a license other than the license that the person holds or for a licensee to allow any other person to exercise the privileges granted under the licensee's license. A separate license shall be required for each specific business or business entity and each geographical location.

(4) At all times a licensee shall possess and maintain possession of the premises for which the license is issued by ownership, lease, rental or other arrangement for possession of the premises.

(5) The licenses issued pursuant to this act must specify the date of issuance, the period of licensure, the name of the licensee and the premises licensed. The licensee shall conspicuously place the license at all times on the licensed premises.

(6) A licensee may move the permanent location to any other place in Kansas once permission to do so is granted by the state and local jurisdiction provided for in this act. Upon receipt of an application for change of location, the cannabis compliance agency shall within seven days, submit a copy of the application to the local jurisdiction to determine whether the transfer complies with all local restrictions on change of location.

(7) In permitting a change of location, the local jurisdiction shall consider all reasonable restrictions that are or may be placed upon the location by the governing board of the municipality, city and county, and any such change in location shall be in accordance with all requirements of this act and rules and regulations promulgated pursuant to this act.

(8) Ninety days prior to the expiration date of an existing license, the cannabis compliance agency shall notify the licensee of the expiration date by first class mail at the licensee's address of record with the cannabis compliance agency. A licensee may apply for the renewal of an existing license to the state licensing authority not less than 30 days prior to the date of expiration. Upon receipt of an application for renewal of an existing license, and any applicable fees, the state cannabis compliance agency shall, within seven days, submit a copy of the application to the local jurisdiction to determine whether the application complies with all local restrictions on renewal of license. The cannabis compliance agency shall not accept an application for renewal after the date of expiration except as provided in this section.

(9) The cannabis compliance agency may extend the expiration date of the license application and accept a late application for renewal of a

license. The cannabis compliance agency, in its discretion, subject to the requirements of this subsection and based upon reasonable grounds, may waive the 30-day time requirement set forth in this subsection, for a licensee whose license has been expired for not more than 90 days may file a late renewal application upon the payment of a non refundable late application fee of $200. If a licensee completes a late renewal application and pays the requisite fees, they may continue to operate until the cannabis compliance agency takes final action to approve or deny the licensee's late renewal unless the cannabis compliance agency summarily suspends the license pursuant to this section and rules and regulaitons promulgated pursuant to this act. The cannabis compliance agency may administratively continue the license and accept a later application for renewal of a license at the discretion of the cannabis compliance agency.

(10) The cannabis compliance agency, in its discretion, may revoke or elect not to renew any license if it determines that the licensed premises have been inactive, without good cause, for at least one year.

(11) The cannabis compliance agency shall require a complete disclosure of all persons having a direct or indirect financial interest, and the extent of such interest, in each license issued under this section.

(12) This section is intended to prohibit and prevent the control of the outlets for the sale of medical cannabis or medical cannabis products by a person or party other than the persons licensed pursuant to the provisions of this section.

(13) For the purpose of regulating the cultivation, manufacture, distribution, sale and testing of medical cannabis and medical cannabis products the cannabis compliance agency in its discretion upon receipt of an application in the prescribed form may issue and grant to the applicant a license from any of the following classes, subject to the provisions and restrictions provided by this act:

(A) Compassion center license;

(B) medical cannabis cultivation facility license;

(C) medical cannabis products manufacturing license;

(D) medical cannabis testing facility license; and

(E) occupational licenses and registrations for owners, managers, operators, employees, contractors, and other support employees employed by, working in, or having access to restricted areas of the licensed premises, as determined by the cannabis compliance agency.

(14) A licensee may operate a licensed medical cannabis center, an optional cultivation facility, a medical cannabis-infused products manufacturing facility, and any medical cannabis establishment at the same location if the local jurisdiction permits a dual operation.

(15) A compassion center:

(A) license shall be issued only to a person selling medical cannabis

or medical cannabis products pursuant to the terms and conditions of this section;

(B) may cultivate its own medical cannabis if it obtains a medical cannabis cultivation facility license or it may purchase medical cannabis from a licensed medical cannabis cultivation facility;

(C) may purchase not more than 30% of its total on-hand inventory of medical cannabis from another licensed medical cannabis establishment not owned by the compassion center or another medical cannabis cultivation facility; and

(D) may sell no more than 30% of its total on-hand inventory to another Kansas licensed medical cannabis establishment.

(p) The cannabis compliance agency may grant a temporary waiver to a compassion center or applicant if the compassion center or applicant suffers a catastrophic event related to its inventory or to a new compassion center licensee for a period not to exceed 90 days so the new licensee can cultivate the necessary medical cannabis to comply with this subsection.

(q) The cannabis compliance agency shall work with the office of the state bank commissioner of Kansas, the Kansas department of revenue and any other pertaining departments or offices, to establish a list of all state-chartered banks, trust companies, mortgage businesses, supervised lenders, credit service organizations and money transmitters that do business in the state of Kansas and are willing to establish methods of transactions and commerce streams for the compassion centers, medical cannabis cultivation facilities and medical cannabis product manufacturers.

(r) The cannabis compliance agency shall keep record of and establish guidelines for security employees for compassion centers, cultivation facilities, cannabis product manufacturers and transport crews, including:

(1) Security professional positions shall be given preference to verified veterans of the armed services;

(2) the minimum age for employees shall be 25 years, but exceptions may be made for outstanding service record or other distinguishing factors;

(3) all training documents, qualifications, experience and personal resumes should be turned over or made available to cannabis compliance agency, as well as employing entities;

(4) employees shall be Kansas residents, or stationed in Kansas;

(5) equipment shall be in minimum serviceable condition without defects;

(6) established methods and protocols for:

(A) Supervision of construction; or

(B) law enforcement liaison;

(C) procuring all equipment;

(D) scheduling training and records of training received;
(E) logistics of training;
(F) personnel scheduling;
(G) alarm monitoring;
(H) complete hiring process, including oral boards and background checks including social media platform reviews;
(I) employee surveillance or investigations;
(J) procuring proper insurance;
(K) twenty-four-hour response to any issues with either facility and personal security of any employees if needed;
(L) visual monitoring, utilizing:
(i) Grow monitoring:
(ii) remote check-in;
(iii) IP video, including full high-definition resolution;
(iv) wide dynamic range;
(v) protective housing; and
(vi) NVR or video management software.
(7) location and site security characteristics;
(8) secured employee parking;
(9) around the clock coverage;
(10) security systems;
(11) maintenance of security systems;
(12) access control, including ingress and egress;
(13) perimeter security;
(14) product security;
(15) security threats and contingency planning;
(16) transnational security;
(17) delivery security;
(18) human resource policies;
(19) employee security training;
(20) inventory control;
(21) guest, media and visitor procedures;
(22) neighborhood involvement;
(23) emergency response;
(24) loss prevention; or
(25) employee theft.

(s) The cannabis compliance agency is authorized to develop all parameters and qualifications for philanthropic equity investors seeking to supply collective nonprofits with development capital.

(t) The cannabis compliance agency website shall list travel information, including:
(1) Medicine not allowed on federal lands or sites; and
(2) travel by air, boat, train and bus may each have their own

guidelines, and fall under federal jurisdiction.

(u) Compassion center license fees, renewal fees and application fees shall be in accordance with the following parameters:

Compassion center license fees may not exceed $1,000
Compassion center license renewal fees may not exceed.....$1,000
Compassion center application fee.....$500
Compassion center license renewal fee.....$50

(1) Payment may be made as follows:

(A) In full; or

(B) one half of the license fee plus the entire renewal fee, with the second half of the license fee and an additional 10% of the license fee due one year later.

(2) License renewal shall be required every two years.

(v) Medical cultivation facilities license fees, renewal fees and application fees shall be in accordance with the following parameters:

1-25 pounds per month .....$200 license fee
License renewal fees .....may not exceed $200
Application fee $100
6-100 pounds per month .....$500 license fee
License renewal fees .....may not exceed $500
Application fee.....$250
101-500 pounds per month.....$1,000 license fee
License renewal fees.....may not exceed $1,000
Application fee.....$500
501-1,000 pounds per month.....$2,000 license fee
License renewal fees.....may not exceed $2,000
Application fee.....$1,000
1,001-5,000 pounds per month.....$3,500 license fee
License renewal fees.....may not exceed $3,500
Application fee.....$1,250
5,001-10,000 pounds per month.....$7,000 license fee
License renewal fees.....may not exceed $7,000
Application fee.....$3,500
10,001-15,000 pounds per month.....$10,000 license fee
License renewal fees.....may not exceed $10,000
Application fee.....$5,000

(1) Payment may be made as follows:

(A) In full; or

(B) one half of the license fee plus the entire renewal fee, with the second half of the license fee and an additional 10% of the license fee due one year later.

(2) License renewal shall be required every two years.

(w) Medical cannabis manufacturing license fees, renewal fees and

application fees shall be in accordance with the following parameters:
Medical cannabis product manufacturing license fees..... may not exceed $2,200
Medical cannabis product manufacturing license renewal fees.....may not exceed $2,200
Medical cannabis product manufacturing application fee.....$1,100
Medical cannabis product manufacturing license renewal fee.....$50
(1) Payment may be made as follows:
(A) In full; or
(B) one half of the license fee plus the entire renewal fee, with the second half of the license fee and an additional 10% of the license fee due one year later.
(2) License renewal shall be required every two years.
(x) Medical cannabis-infused product manufacturing license fees, renewal fees and application fees shall be in accordance with the following parameters:
Manufacturing license fees .....may not exceed $2,200
Manufacturing license renewal fee.....may not exceed $2,200
Manufacturing application fee.....$1,100
Manufacturing license renewal fee.....$50
(1) Payment may be made as follows:
(A) In full; or
(B) one half of the license fee plus the entire renewal fee, with the second half of the license fee and an additional 10% of the license fee due one year later.
(2) License renewal shall be required every two years.
(y) Medical cannabis testing facility license fees, renewal fees and application fees shall be in accordance with the following parameters:
License fees.....may not exceed $2,200
License renewal fees.....may not exceed $2,200
Application fee.....$1,100
License renewal fee.....$50
(1) Payment may be made as follows:
(A) In full; or
(B) one half of the license fee plus the entire renewal fee, with the second half of the license fee and an additional 10% of the license fee due one year later.
(2) License renewal shall be required every two years.
(z) Administrative service fees shall be in accordance with the following parameters:
Background investigations.....$150
Modification of license premises.....$120
Duplicate business license.....$40

Duplicate occupational license.....$10
Duplicate vendor registration.....$40
Off-premise-storage permit.....$500
Subpoena fee.....$200
Change of location applicant fee – same local jurisdiction only.....$150
Change of trade name.....$50
Change of corporation of structure per person.....$25

(aa) The cannabis compliance agency shall issue a statement of understanding outlining guidelines and responsibilities to compassion centers, cultivators and manufacturers.

Sec. 23. (a) Medical cannabis and medical cannabis-infused product waste shall be stored, secured and managed in accordance with all applicable state and local statutes, rules and regulations, ordinances or other requirements.

(b) Liquid waste from medical cannabis businesses shall be disposed of in compliance all applicable federal, state and local laws, rules and regulations and other requirements.

(c) Disposal of chemical, dangerous or hazardous waste shall be conducted in a manner consistent with federal, state and local laws, rules and regulations or other requirements.

(d) Medical cannabis and medical cannabis-infused product waste shall be made unusable and unrecognizable prior to leaving the licensed premises.

(e) Medical cannabis and medical cannabis-infused product waste shall be rendered unusable and unrecognizable through one grinding and incorporating the medical cannabis waste with non-consumable, solid wastes listed below such that the resulting mixture is at least 50% non-cannabis waste:

(1) Paper waste;
(2) plastic waste;
(3) cardboard waste;
(4) food waste;
(5) grease or other compostable oil waste;
(6) bokashi or other compost activators;
(7) other wastes approved by the cannabis compliance agency that will render the medical cannabis and medical cannabis-infused product waste unusable and unrecognizable as cannabis; or
(8) soil.

(f) After the medical cannabis and medical cannabis-infused product waste is made unusable and unrecognizable, the rendered waste shall be:

(1) Disposed of at a solid waste site and disposal facility that has a certificate of designation from the local governing body;
(2) deposited at a compost facility that has a certificate of designation

from the department of health and environment; or

(3) composted on-site at a facility owned by the generator of the waste and operated in compliance with the regulations pertaining to solid waste under the department of health and environment.

(g) A licensee shall not dispose of medical cannabis and medical cannabis-infused product waste in an unsecured waste receptacle not in possession and control of the licensee.

(h) Inventory tracking requirements:

(1) In addition to all other tracking requirements set forth in these act, a licensee shall utilize the tracking system to ensure its post-harvest waste materials are identified, weighed and tracked while on the licensed premises until disposed of.

(2) All medical cannabis waste shall be weighed before leaving any medical cannabis business. A scale used to weigh medical cannabis waste prior to entry into the tracking system shall be certified;

(3) A medical cannabis cultivation facility shall be required to maintain accurate and comprehensive records regarding waste material that accounts for, reconciles and evidences all waste activity related to the disposal of cannabis.

(4) Medical cannabis cultivation facilities shall be required to maintain accurate and comprehensive records regarding any waste material produced through the trimming or pruning of a medical cannabis plant prior to harvest, including weighing and documenting all waste. Records of waste produced prior to harvest shall be maintained on the licensed premises. All waste, whether produced prior or subsequent to harvest, shall be disposed of in accordance with this section and be made unusable and unrecognizable.

Sec. 24. (a) The purpose of this section is to establish minimum health and safety regulation for compassion centers. It sets forth general standards and basic sanitary requirements for compassion centers. It covers the physical premises where the products are made as well as the individuals handling the products. This section also authorizes the cannabis compliance agency to require an independent consultant conduct a health, and sanitary audit of a compassion center. This section explains when an independent health and sanitary audit may be deemed necessary and sets forth possible consequences of a medical cannabis business' refusal to cooperate, or pay for the audit. The cannabis compliance agency modeled this section after those adopted by the department of health and environment. This section is intended to help maintain the integrity of Kansas compassion centers.

(b) Health and safety regulations, compassion center, local safety inspections or licensees may be subject to inspection of the compassion center by the local fire department, building inspector or code enforcement

officer to confirm that no health or safety concerns are present. The inspection may result in additional specific standards to meet local jurisdiction restrictions related to medical cannabis. An annual fire safety inspection may result in the required installation of fire suppression devices or other means necessary for adequate fire safety.

(c) The licensee shall take all reasonable measures and precautions to ensure that:

(1) Any person who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with medical cannabis and medical cannabis-infused product shall be excluded from any operations that may be expected to result in contamination until the condition is corrected;

(2) hand-washing facilities shall be adequate and convenient and be furnished with running water at a suitable temperature. Hand-washing facilities shall be located in the licensed premises and where good sanitary practices require employees to wash or sanitize their hands, and provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices; and

(3) all persons working in direct contact with medical cannabis and medical cannabis-infused product shall conform to hygienic practices while on duty, including, but not limited to:

(A) Maintaining adequate personal cleanliness;

(B) washing hands thoroughly in an adequate hand-washing area before starting work and at any other time when the hands may have become soiled or contaminated;

(C) refraining from having direct contact with medical cannabis and medical cannabis-infused product if the person has or may have an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination, until such condition is corrected;

(D) that litter and waste are properly removed and the operating systems for waste disposal are maintained in an adequate manner so that they do not constitute a source of contamination in areas where medical cannabis and medical cannabis-infused product are exposed;

(E) that floors, walls and ceilings are constructed in such a manner that they may be adequately cleaned and each is kept clean and in good repair;

(F) that there is adequate lighting in all areas where medical cannabis and medical cannabis-infused product are stored or sold and where equipment or utensils are cleaned;

(G) that the licensee provides adequate screening or other protection

against the entry of pests. Rubbish shall be disposed of so as to minimize the development of odor and minimize the potential for the waste becoming an attractant, harborage or breeding place for pests;

(H) that any buildings, fixtures and other facilities are maintained in a sanitary condition;

(I) that toxic cleaning compounds, sanitizing agents and other chemicals shall be identified, held, stored and disposed of in a manner that protects against contamination of medical cannabis or medical cannabis-infused product and in a manner that is in accordance with any applicable local, state or federal law, rules and regulations or ordinance;

(J) that all operations in the receiving, inspecting, transporting, segregating, preparing, manufacturing, packaging and storing of medical cannabis or medical cannabis-infused product shall be conducted in accordance with adequate sanitation principles;

(K) that each compassion center provides its employees with adequate and readily accessible toilet facilities that are maintained in a sanitary condition and good repair; and

(L) that medical cannabis and medical cannabis-infused product that can support the rapid growth of undesirable microorganisms are held in a manner that prevents the growth of these microorganisms.

(d) When the cannabis compliance agency determines a health and sanitary audit by an independent consultant is necessary, the agency may require a compassion center to undergo such an audit. The scope of the audit may include, but shall not be limited to, whether the compassion center is in compliance with the requirements set forth in this section and other applicable health, sanitary or food handling laws or rules and regulations:

(1) In such instances, the cannabis compliance agency may attempt to mutually agree upon the selection of the independent consultant with a compassion center. However, the cannabis compliance agency shall always retain the authority to select the independent consultant regardless of whether mutual agreement can be reached; and

(2) the compassion center shall be responsible for all costs associated with the independent health and sanitary audit.

(e) The cannabis compliance agency shall determine when an audit by an independent consultant is necessary. The following is a non-exhaustive list of examples that may justify an independent audit:

(1) The cannabis compliance agency has reasonable grounds to believe that the compassion center is in violation of one or more of the requirements set forth in this section or other applicable public health or sanitary laws, rules or regulations; and

(2) the cannabis compliance agency has reasonable grounds to believe that the compassion center was the cause or source of

contamination of medical cannabis, medical cannabis concentrate, or medical cannabis-infused product;

(f) A compassion center must pay for and timely cooperate with the cannabis compliance agency's requirement that it undergo an independent health and sanitary audit in accordance with this section, and the cost of audit must be comparable to audit fees across industries.

(g) If the cannabis compliance agency has objective and reasonable grounds to believe, and finds upon reasonable ascertainment of the underlying facts, that the public health, safety, or welfare, imperatively requires emergency action, and incorporates such findings into its order, it may order summary suspension of the compassion center's license. Prior to or immediately following the issuance of such an order, the compassion center may attempt to come to a mutual agreement with the cannabis compliance agency to suspend its operations until the completion of the independent audit and the implementation of any required remedial measures.

(h) If an agreement cannot be reached or the cannabis compliance agency, in its sole discretion, determines that such an agreement is not in the best interests of the public health, safety or welfare, then the cannabis compliance agency will promptly institute license suspension or revocation procedures.

(i) If an agreement to suspend operations is reached, then the compassion center may continue to care for its inventory, and conduct any necessary internal business operations, but it may not sell any medical cannabis, medical cannabis concentrate, or medical cannabis-infused product, to a patient or other medical cannabis business, during the period of time specified in the agreement.

Sec. 25. (a) Failure to comply with this section may constitute a license violation affection public safety. The purpose of this section is to establish minimum health and safety regulation for optional premises cultivation operations. The section prohibits an optional premises cultivation operation from treating, or otherwise adulterating medical cannabis with any chemical, or other compound whatsoever to alter its color, appearance, weight or smell. The cannabis compliance agency may require an independent consultant conduct an independent health and sanitary audit of an optional premises cultivation operation. This section explains when an independent health and sanitary audit may be deemed necessary and sets forth possible consequences of a medical cannabis business' refusal to cooperate or pay for the audit. The cannabis compliance agency intends this section to help maintain the integrity of Kansas' medical cannabis businesses.

(b) An optional premises cultivation operation may be subject to inspection of its licensed premises by the local fire department, building

inspector or code enforcement officer to confirm that no health or safety concerns are present. The inspection may result in additional specific standards to meet local licensing authority restrictions related to medical cannabis or other local businesses. An annual fire safety inspection may result in the required installation of fire suppression devices or other means necessary for adequate fire safety.

(c) General sanitary requirements. An optional premises cultivation operation shall take all reasonable measures and precautions to ensure the following:

(1) That any person who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including boils, sores, or infected wounds or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with medical cannabis shall be excluded from any operations which may be expected to result in such contamination until the condition is corrected;

(2) that all persons working in direct contact with medical cannabis shall conform to hygienic practices while on duty, including, but not limited to:

(A) Maintaining adequate personal cleanliness;

(B) washing hands thoroughly in an adequate hand-washing area before starting work and at any other time when the hands may have become soiled or contaminated;

(C) hand-washing facilities shall be adequate and convenient and be furnished with running water at a suitable temperature. Hand-washing facilities shall be located in the licensed premises and where good sanitary practices require employees to wash or sanitize their hands, and provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices; and

(D) refraining from having direct contact with medical cannabis if the person has or may have an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination, until such condition is corrected;

(3) that litter and waste are properly removed and the operating systems for waste disposal are maintained in an adequate manner so that they do not constitute a source of contamination in areas where medical cannabis is exposed;

(4) that floors, walls and ceilings are constructed in such a manner that they may be adequately cleaned and kept clean and kept in good repair;

(5) that there is adequate lighting in all areas where medical cannabis is stored and where equipment or utensils are cleaned;

(6) that the licensee provides adequate screening or other protection

against the entry of pests. Rubbish shall be disposed of so as to minimize the development of odor and minimize the potential for the waste becoming an attractant, harborage, or breeding place for pests;

(7) that any buildings, fixtures and other facilities are maintained in a sanitary condition;

(8) that toxic cleaning compounds, sanitizing agents and distillation process materials shall be identified, held, stored and disposed of in a manner that protects against contamination of medical cannabis or medical cannabis concentrate, and in a manner that is in accordance with any applicable local, state or federal law, rules and regulations or ordinances. All ecologically sustainable pesticide must be stored and disposed of in accordance with the information provided on the product's label;

(9) that all contact surfaces, including utensils and equipment used for the preparation of medical cannabis or medical cannabis concentrate shall be cleaned and sanitized as frequently as necessary to protect against contamination. Equipment and utensils shall be so designed and of such material and workmanship as to be adequately cleanable, and shall be properly maintained. Only sanitizers and disinfectants registered with the environmental protection agency shall be used in an optional premises cultivation operation and used in accordance with labeled instructions;

(10) that the water supply shall be sufficient for the operations intended and shall be derived from a source that is a regulated water system. Private water supplies shall be derived from a water source that is capable of providing a safe, and adequate supply of water to meet the licensed premises needs;

(11) that plumbing shall be of adequate size and design and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the plant, and shall properly convey sewage and liquid disposable waste from the licensed premises. There shall be no cross connections between the potable and wastewater lines;

(12) that all operations in the receiving, inspecting, transporting, segregating, preparing, manufacturing, packaging and storing of medical cannabis or medical cannabis-infused product shall be conducted in accordance with adequate sanitation principles;

(13) that each optional premises cultivation operation shall provide its employees with adequate and readily accessible toilet facilities that are maintained in a sanitary condition and good repair; and

(14) that medical cannabis that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms.

(d) (1) An optional premises cultivation operation shall establish written standard operating procedures for the cultivation of medical cannabis. The standard operating procedures shall at least include when,

and the manner in which, all ecologically sustainable pesticide and other sustainable agricultural chemicals are to be applied during its cultivation process. A copy of all standard operating procedures shall be maintained on the licensed premises of the optional premises cultivation operation.

(2) If an optional premises cultivation operation makes a material change to its cultivation procedures, it shall document the change and revise its standard operating procedures accordingly. Records detailing the material change shall be maintained on the relevant licensed premises.

(3) An optional premises cultivation operation shall obtain a material safety data sheet for any ecologically sustainable pesticide or other sustainable agricultural chemicals used or stored on its licensed premises. An optional premises cultivation operation shall maintain a current copy of the material safety data sheet for any ecologically sustainable pesticide or other sustainable agricultural chemicals on the licensed premises where the product is used or stored.

(4) An optional premises cultivation operation shall have the original label or a copy thereof at its licensed premises for all ecologically sustainable pesticide and other sustainable agricultural chemicals used during its cultivation process.

(5) An optional premises cultivation operation that applies any ecologically sustainable pesticide or other sustainable agricultural chemical to any portion of a medical cannabis plant, water or feed used during cultivation or generally within the licensed premises shall document, and maintain a record on its licensed premises, of the following information:

(A) The name, signature and occupational license number of the individual who applied the ecologically sustainable pesticide or other sustainable agricultural chemical;

(B) the applicator certification number, if the applicator is licensed through the department of agriculture;

(C) the date and time of the application;

(D) the United States environmental protection agency registration number of the ecologically sustainable pesticide or CAS number of any other sustainable agricultural chemical applied;

(E) any of the active ingredients of the ecologically sustainable pesticide or other sustainable agricultural chemical applied;

(F) the brand name and product name of the ecologically sustainable pesticide or other sustainable agricultural chemical applied;

(G) the restricted entry interval from the product label of any ecologically sustainable pesticide or other sustainable agricultural chemical applied; and

(H) the RFID tag number of the medical cannabis plant that the ecologically sustainable pesticide or other sustainable agricultural

chemical was applied to or if applied to all plants throughout the licensed premises, a statement to that effect.

(e) The total amount of each ecologically sustainable pesticide or other sustainable agricultural chemical applied.

(f) The chemicals shall described in sections 9 and 19, and amendments thereto, shall not be used in medical cannabis cultivation. Possession of chemicals and containers from prohibited chemicals upon the licensed premises shall be a violation of this section.

(g) An optional premises cultivation operation shall not treat or otherwise adulterate medical cannabis with any chemical or other compound whatsoever to alter its color, appearance, weight or smell.

(h) Independent health and sanitary audit for cultivation facilities, cannabis compliance agency may require a health and sanitary audit. When the cannabis compliance agency determines a health and sanitary audit by an independent consultant is necessary, it may require an optional premises cultivation operation to undergo such an audit.

(1) The scope of the audit may include, but shall not be limited to, whether the optional premises cultivation operation is in compliance with the requirements set forth in this section and other applicable public health or sanitary laws and rules and regulations:

(A) In such instances, the cannabis compliance agency may attempt to mutually agree upon the selection of the independent consultant with an optional premises cultivation operation. However, the cannabis compliance agency always retains the authority to select the independent consultant regardless of whether mutual agreement can be reached; and

(B) the optional premises cultivation operation will be responsible for all costs associated with the independent health and sanitary audit.

(2) The cannabis compliance agency has discretion to determine when an audit by an independent consultant is necessary. The following is a non-exhaustive list of examples that may justify an independent audit:

(A) An optional premises cultivation operation does not provide requested records related to the use of ecologically sustainable pesticide or other sustainable agricultural chemicals during in the cultivation process;

(B) the cannabis compliance agency has reasonable grounds to believe that the optional premises cultivation operation is in violation of one or more of the requirements set forth in this section or other applicable public health or sanitary laws, rules or regulations;

(C) the cannabis compliance agency has reasonable grounds to believe that the optional premises cultivation operation was the cause or source of contamination of medical cannabis or medical cannabis concentrate; or

(D) multiple harvest batch lots or production batch lots produced by the optional premises cultivation operation failed contaminant testing.

(3) An optional premises cultivation operation must pay for and timely cooperate with the cannabis compliance agency's requirement that it undergo an independent health and sanitary audit in accordance with this section, and the cost of audit must be comparable to audit fees across industries.

(i) (1) If the cannabis compliance agency has objective, and reasonable grounds to believe, and finds upon reasonable ascertainment of the underlying facts that the public health, safety, or welfare imperatively requires emergency action, and incorporates such findings into its order, it may order summary suspension of the optional premises cultivation operation's license.

(2) Prior to or following the issuance of such an order, optional premises cultivation operation may attempt to come to a mutual agreement with the cannabis compliance agency to suspend its operations until the completion of the independent audit and the implementation of any required remedial measures.

(3) If an agreement cannot be reached or the cannabis compliance agency, in its sole discretion, determines that such an agreement is not in the best interests of the public health, safety or welfare, then the cannabis compliance agency will promptly institute license suspension or revocation procedures.

(4) If an agreement to suspend operations is reached, then the optional premises cultivation operation may continue to care for its inventory and conduct any necessary internal business operations but it may not sell, transfer or wholesale medical cannabis or medical cannabis concentrate to other medical cannabis business during the period of time specified in the agreement.

(j) Violation affecting public safety. Failure to comply with this section may constitute a license violation affecting public safety.

Sec. 26. (a) The purpose of this section is to establish the categories of medical cannabis concentrate that may be produced at an optional premises cultivation operation and standards for the production of those concentrate.

(b) An optional premises cultivation operation may produce medical cannabis concentrate on its licensed premises and only in an area clearly designated for concentrate production on the current diagram of the licensed premises. All production must be in compliance with sections 15, 16, 17, 18 and 19, and amendments thereto, and any requirements made by the cannabis compliancy agency. No other method of production or extraction for medical cannabis concentrate may be conducted within the licensed premise, or an optional premises cultivation operation, unless the owner of the optional premises cultivation operation also has a valid medical cannabis-infused products manufacturer license, and the room in

which medical cannabis concentrate is to be produced is physically separated from all cultivation areas and has clear signage identifying the room.

(c) If an optional premises cultivation operation produces medical cannabis concentrate, then all areas in which those concentrate are produced and all owners and occupational licensees engaged in the production of those concentrate shall be subject to all of requirements imposed upon a medical cannabis-infused products manufacturer that produces medical cannabis concentrate, including general requirements.

(d) It shall be considered a violation of this section if an optional premises cultivation operation possess a medical cannabis concentrate other than a compliant form of medical cannabis concentrate on its licensed premises, unless the owner of the optional premises cultivation operation also has a valid medical cannabis-infused products manufacturer license.

Sec. 27. (a) The purpose of this section is to establish minimum health and safety regulations for medical cannabis-infused products manufacturers. It requires all owners and occupational licensees to attend a food handler training course prior to manufacturing any edible medical cannabis product. This section also authorizes the cannabis compliance agency to require that an independent consultant conduct an independent food safety audit of a medical cannabis products manufacturing facility. This section explains when an independent food safety audit may be deemed necessary and sets forth possible consequences of a medical cannabis-infused products manufacturers' refusal to cooperate, or pay for the audit. It sets forth general standards and basic sanitary requirements for medical cannabis-infused products manufacturers. It covers the physical premises where the products are made as well as the individuals handling the products. The cannabis compliance agency modeled this section after those adopted by the department of health and environment. The cannabis compliance agency intends this section to help maintain the integrity of Kansas's medical cannabis businesses and the safety of the public training.

(b) Prior to engaging in the manufacture of any edible medical cannabis-infused product each owner or occupational licensee must:

(1) Have a currently valid food establishment license obtained through the successful completion of an online assessment or print exam; or

(2) take a food safety course that includes basic food handling training by county public health agencies, and must maintain a status of good standing in accordance with the course requirements, including attending any additional classes if necessary. Any course taken pursuant to this section must last at least two hours and cover the following subjects:

(A) Causes of foodborne illness, highly susceptible populations and

worker illness;

(B) personal hygiene and food handling practices;

(C) approved sources of food;

(D) potentially hazardous foods and food temperatures;

(E) sanitization and chemical use;

(F) emergency procedures, including fire, flood or sewer backup;

(G) a medical cannabis-infused products manufacturer must obtain documentation evidencing that each owner or occupational licensee has successfully completed the examination or course required by this section and is in good standing. A copy of the documentation must be kept on file at any licensed premises where that owner, or occupational licensee is engaged in the manufacturing of an edible medical cannabis-infused product; and

(H) general standards.

(c) A medical cannabis-infused products manufacturer may be subject to inspection by the local fire department, building inspector or code enforcement officer to confirm that no health or safety concerns are present. The inspection could result in additional specific standards to meet local jurisdiction restrictions related to medical cannabis. An annual fire safety inspection may result in the required installation of fire suppression devices or other means necessary for adequate fire safety.

(d) A medical cannabis-infused products manufacturer that manufacturers edible medical cannabis-infused product shall comply with all kitchen-related health and safety standards of the relevant local licensing authority and, to the extent applicable, with all department of health and environment health and safety regulations applicable to retail food establishments. The licensee shall take all reasonable measures and precautions to ensure the following:

(1) Any person who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with preparation surfaces for medical cannabis or medical cannabis-infused product shall be excluded from any operations which may be expected to result in such contamination until the condition is corrected;

(2) hand-washing facilities shall be adequate and convenient and be furnished with running water at a suitable temperature. Hand-washing facilities shall be located in the licensed premises and/or in medical cannabis-infused product preparation areas and where good sanitary practices require employees to wash and/or sanitize their hands, and provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices;

(3) all persons working in direct contact with preparation of medical cannabis or medical cannabis-infused product shall conform to hygienic practices while on duty, including, but not limited to:

(A) Maintaining adequate personal cleanliness;

(B) washing hands thoroughly in an adequate hand-washing area before starting work, prior to engaging in the production of a medical cannabis concentrate or manufacture of a medical cannabis-infused product and at any other time when the hands may have become soiled or contaminated; and

(C) refraining from having direct contact with preparation of medical cannabis or medical cannabis-infused product if the person has or may have an illness, open lesion, including 27 boils, sores, or infected wounds, or any other abnormal source of microbial contamination, until such condition is corrected;

(4) there is sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations for production of medical cannabis or medical cannabis-infused product;

(5) litter and waste are properly removed and the operating systems for waste disposal are maintained in an adequate manner so that they do not constitute a source of contamination in areas where medical cannabis or medical cannabis-infused product are exposed;

(6) floors, walls and ceilings are constructed in such a manner that they may be adequately cleaned and kept clean and kept in good repair;

(7) there is adequate safety-type lighting in all areas where medical cannabis or medical cannabis-infused product are processed or stored and where equipment or utensils are cleaned;

(8) the licensed premises provides adequate screening or other protection against the entry of pests. Rubbish shall be disposed of so as to minimize the development of odor and minimize the potential for the waste becoming an attractant, harborage or breeding place for pests;

(9) any buildings, fixtures and other facilities are maintained in a sanitary condition;

(10) all contact surfaces, including utensils and equipment used for the preparation of medical cannabis, medical cannabis concentrate or medical cannabis-infused product, shall be cleaned and sanitized as frequently as necessary to protect against contamination. Equipment and utensils shall be so designed and of such material and workmanship as to be adequately cleanable, and shall be properly maintained. Only sanitizers and disinfectants registered with the environmental protection agency shall be used in a medical cannabis-infused products manufacturer and used in accordance with labeled instructions;

(11) toxic cleaning compounds, sanitizing agents, distillation process materials used in the production of medical cannabis concentrate and other

chemicals shall be identified, held, stored and disposed of in a manner that protects against contamination of medical cannabis, medical cannabis concentrate or medical cannabis-infused product, and in a manner that is in accordance with any applicable local, state, or federal law, rule and regulation or ordinance;

(12) the water supply shall be sufficient for the operations intended and shall be derived from a source that is a regulated water system. Private water supplies shall be derived from a water source that is capable of providing a safe, potable, and adequate supply of water to meet the licensed premises needs;

(13) plumbing shall be of adequate size and design and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the plant and that shall properly convey sewage and liquid disposable waste from the licensed premises. There shall be no cross connections between the potable and wastewater lines;

(14) each medical cannabis-infused products manufacturer shall provide its employees with adequate and readily accessible toilet facilities that are maintained in a sanitary condition and good repair;

(15) all operations in the receiving, inspecting, transporting, segregating, preparing, manufacturing, packaging and storing of medical cannabis or medical cannabis-infused product shall be conducted in accordance with adequate sanitation principles;

(16) medical cannabis or medical cannabis-infused product that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms; and

(17) storage and transport of finished medical cannabis-infused product shall be under conditions that will protect products against physical, chemical, and microbial contamination as well as against deterioration of any container.

(e) A medical cannabis-infused products manufacturer shall have written standard operating procedures for each category of medical cannabis concentrate and type of medical cannabis-infused product that it produces.

(f) All standard operating procedures for the production of a medical cannabis concentrate shall follow the following requirements:

(1) A copy of all standard operating procedures shall be maintained on the licensed premises of the medical cannabis-infused products manufacturer; and

(2) if a medical cannabis-infused products manufacturer makes a material change to its standard medical cannabis concentrate or medical cannabis-infused product production process, it shall document the change and revise its standard operating procedures accordingly. Records detailing the material change must be maintained on the relevant licensed premises.

Sec. 28. (a) The cannabis compliance agency may require an independent health and sanitary audit.

(b) When the cannabis compliance agency determines a health and sanitary audit by an independent consultant is necessary, it may require a medical cannabis-infused products manufacturer to undergo such an audit. The scope of the audit may include, but shall not be limited to, whether the medical cannabis-infused products manufacturer is in compliance with the requirements set forth in this section or other applicable food handling laws and rules and regulations and in compliance with the concentrate production rules and regulations or other applicable laws or rules and regulations:

(1) In such instances, the cannabis compliance agency may attempt to mutually agree upon the selection of the independent consultant with a medical cannabis-infused products manufacturer. However, the cannabis compliance agency shall retain the authority to select the independent consultant regardless of whether mutual agreement can be reached.

(2) The medical cannabis-infused products manufacturer will be responsible for all direct costs associated with the independent health and sanitary audit.

(3) The cannabis compliance agency has discretion to determine when an audit by an independent consultant is necessary. The following is a non-exhaustive list of examples that may justify an independent audit:

(A) A medical cannabis-infused products manufacturer does not provide requested records related to the food handling training required for owners and occupational licensees engaged in the production of edible medical cannabis-infused products to the cannabis compliance agency;

(B) a medical cannabis-infused products manufacturer does not provide requested records related to the production of medical cannabis concentrate, including but not limited to, certification of its licensed premises, equipment or standard operating procedures, training of owners or employees, or production batch lots specific records;

(C) the cannabis compliance agency has reasonable grounds to believe that the medical cannabis-infused products manufacturer is in violation of one or more of the requirements set forth in this section; or

(D) the cannabis compliance agency has reasonable grounds to believe that the medical cannabis-infused products manufacturer was the cause or source of contamination of medical cannabis, medical cannabis concentrate or medical cannabis-infused product; or

(E) multiple production batch lots of medical cannabis concentrate or medical cannabis-infused product produced by the medical cannabis-infused products manufacturer failed contaminant testing.

(c) A medical cannabis-infused products manufacturer shall pay for and timely cooperate with the cannabis compliance agency's requirement

that it undergo an independent health and sanitary audit in accordance with this section.

(d) If the cannabis compliance agency has objective and reasonable grounds to believe and finds upon reasonable ascertainment of the underlying facts that the public health, safety or welfare imperatively requires emergency action and incorporates such findings into its order, it may order summary suspension of the medical cannabis-infused products manufacturer's license.

(e) Prior to or following the issuance of such an order, the medical cannabis-infused products manufacturer may attempt to come to a mutual agreement with the cannabis compliance agency to suspend its operations until the completion of the independent audit and the implementation of any required remedial measures:

(1) If an agreement cannot be reached or the cannabis compliance agency, in its sole discretion, determines that such an agreement is not in the best interests of the public health, safety or welfare, then the cannabis compliance agency will promptly institute license suspension or revocation procedures.

(2) If an agreement to suspend operations is reached, then the medical cannabis-infused product manufacturer may continue to care for its inventory and conduct any necessary internal business operations but it may not sell, transfer or wholesale medical cannabis, medical cannabis concentrate or medical cannabis-infused product to another medical cannabis business during the period of time specified in the agreement. Depending on the condition of the licensed premises and required remedial measures, the cannabis compliance agency may permit a medical cannabis-infused products manufacturer to produce medical cannabis concentrate or manufacture medical cannabis-infused product while operations have been suspended.

Sec. 29. (a) Failure to comply with this section may constitute a license violation affecting public safety. The purpose of this section is to establish the categories of medical cannabis concentrate that may be produced at a medical cannabis-infused products manufacturer and establish standards for the production of those concentrate.

(b) Permitted categories of medical cannabis concentrate production.

(1) A medical cannabis-infused products manufacturer may produce medical cannabis concentrate and food-based medical cannabis concentrate.

(2) A medical cannabis-infused products manufacturer that engages in the production of medical cannabis concentrate, regardless of the method of extraction or category of concentrate being produced, must:

(A) Ensure that the space in which any medical cannabis concentrate is to be produced is a fully enclosed room and clearly designated on the

current diagram of the licensed premises;

(B) ensure that all applicable sanitary rules and regulations are followed;

(C) ensure that the standard operating procedure for each method used to produce a medical cannabis concentrate on its licensed premise includes, but need not be limited to, step-by-step instructions on how to safely and appropriately:

(i) Conduct all necessary safety checks prior to commencing production;

(ii) prepare medical cannabis for processing;

(iii) extract cannabinoids and other essential components of medical cannabis;

(iv) purge any distillation process material or other unwanted components from a medical cannabis concentrate,

(v) clean all equipment, counters and surfaces thoroughly; and

(vi) dispose of any waste produced during the processing of medical cannabis in accordance with all applicable local, state and federal laws or rules and regulations;

(D) establish written and documentable quality control procedures designed to maximize safety for owners and occupational licensees and minimize potential product contamination;

(E) establish written emergency procedures to be followed by owners or occupational licensees in case of a fire, chemical spill or other emergency;

(F) have a comprehensive training manual that provides step-by-step instructions for each method used to produce a medical cannabis concentrate on its licensed premises. The training manual must include, but need not be limited to, the following topics:

(i) All standard operating procedures for each method of concentrate production used at that licensed premises;

(ii) the medical cannabis-infused products manufacturer's quality control procedures;

(iii) the emergency procedures for that licensed premises;

(iv) the appropriate use of any necessary safety or sanitary equipment;

(v) the hazards presented by all distillation process materials used within the licensed premises as described in the material safety data sheet for each distillation process material;

(vi) clear instructions on the safe use of all equipment involved in each process and in accordance with manufacturer's instructions, where applicable; and

(vii) any additional periodic cleaning required to comply with all applicable sanitary rules and regulations;

(G) provide adequate training to every owner or occupational licensee prior that to that individual undertaking any step in the process of producing a medical cannabis concentrate:

(i) Adequate training must include, but need not be limited to, providing a copy of the training manual for that licensed premises and live, in-person instruction detailing at least all of the topics required to be included in the training manual; and

(ii) the individual training an owner or occupational licensee must sign and date a document attesting that all required aspects of training were conducted and that he or she is confident that the owner or occupational licensee can safely produce a medical cannabis concentrate; and

(iv) The owner or occupational licensee that received the training must sign and date a document attesting that he or she can safely implement all standard operating procedures, quality control procedures, and emergency procedures, operate all closed loop extraction systems, use all safety, sanitary and other equipment and understands all hazards presented by the distillation process materials to be used within the licensed premises and any additional period cleaning required to maintain compliance with all applicable sanitary rules and regulations.

(H) maintain clear and comprehensive records of the name, signature, and owner or occupational license number of every individual who engaged in any step related to the creation of a production batch lots of medical cannabis concentrate and the step that individual performed.

(c) Medical cannabis concentrate, food-based medical cannabis concentrate and medical cannabis-infused products manufacturer that engages in the production of a water-based medical cannabis concentrate or a food-based medical cannabis concentrate shall:

(1) Ensure that all equipment, counters and surfaces used in the production of a water-based medical cannabis concentrate or a food-based medical cannabis concentrate is food-grade including ensuring that all counters and surface areas were constructed in such a manner that it reduces the potential for the development of microbials, molds and fungi and can be easily cleaned;

(2) ensure that all equipment, counters, and surfaces used in the production of a water-based medical cannabis concentrate or a food-based medical cannabis concentrate are thoroughly cleaned after the completion of each production batch lots;

(3) ensure that any room in which dry ice is stored or used in the processing medical cannabis into a medical cannabis concentrate is well ventilated to prevent against the accumulation of dangerous levels of CO2;

(4) ensure that the appropriate safety or sanitary equipment, including personal protective equipment, is provided to, and appropriately used by,

each owner or occupational licensee engaged in the production of a water-based medical cannabis concentrate or food-based medical cannabis concentrate;

(5) ensure that only finished drinking water and ice made from finished drinking water is used in the production of a medical cannabis concentrate;

(6) ensure that if glycerin is used in the production of a food-based medical cannabis concentrate, then the glycerin to be used is food-grade; and

(7) follow all of the rules and regulations related to the production of a medical cannabis concentrate if a pressurized system is used in the production of a medical cannabis concentrate or a food-based medical cannabis concentrate.

(d) A medical cannabis-infused products manufacturer that engages in the production of medical cannabis concentrate using food grade alcohol, or CO2 extraction shall:

(1) Obtain a report from a certified industrial hygienist or a professional engineer that certifies that the equipment, licensed premises and standard operating procedures comply with these sections and all applicable local and state building codes, fire codes, electrical codes and other laws. If a local jurisdiction has not adopted a local building code or fire code or if local regulations do not address a specific issue, then the certified industrial hygienist or professional engineer shall certify compliance with the international building code of 2012, the international fire code of 2012 or the national electric code of 2014, as appropriate. The cannabis compliance agency shall maintain a copy of each code, and shall make a copy of each code available to the public;

(2) if food-grade alcohol or CO2 is to be used in the processing of medical cannabis into a medical cannabis concentrate, then the certified industrial hygienist or professional engineer shall:

(A) Establish a maximum amount of distillation process material materials that may be stored within that licensed premises in accordance with applicable laws, rules and regulations;

(B) determine what type of electrical equipment, which may include but need not be limited to outlets, lights, junction boxes, must be installed within the room in which medical cannabis concentrate are to be produced, or distillation process material materials are to be stored in accordance with applicable laws, rules and regulations;

(C) determine whether a gas monitoring system must be installed within the room in which medical cannabis concentrate are to be produced or distillation process material materials are to be stored, and if required the system's specifications, in accordance with applicable laws, rules and regulations; and

(D) determine whether fire suppression system must be installed within the room in which medical cannabis concentrate are to be produced, or distillation process material materials are to be stored, and if required the system's specifications, in accordance with applicable laws, rules and regulations;

(3) if CO_2 is used at the licensed premises, then the certified industrial hygienist or professional engineer shall determine whether a CO_2 gas monitoring system must be installed within the room in which medical cannabis concentrate are to be produced or CO_2 is stored, and if required the system's specifications, in accordance with applicable laws and rules and regulations:

(A) Exhaust system determination. The certified industrial hygienist or professional engineer must determine whether a fume vent hood or exhaust system must be installed within the room in which medical cannabis concentrate are to be produced, and if required the system's specifications, in accordance with applicable laws, rules and regulations;

(B) material change. If a medical cannabis-infused products manufacturer makes a material change to its licensed premises, equipment or a concentrate production procedure, in addition to all other requirements, it must obtain a report from a certified industrial hygienist, or professional engineer re-certifying its standard operating procedures and, if changed, its licensed premises and equipment as well;

(C) manufacturer's instructions. The certified industrial hygienist or professional engineer may review and consider any information provided to the medical cannabis-infused products manufacturer by the designer or manufacturer of any equipment used in the processing of medical cannabis into a medical cannabis concentrate; and

(D) records retention. A medical cannabis-infused products manufacturer must maintain copy of all reports received from a certified industrial hygienist and professional engineer on its licensed premises. Notwithstanding any other law, section or regulation, compliance with this section is not satisfied by storing these reports outside of the licensed premises. Instead the reports must be maintained on the licensed premises until the licensee ceases production of medical cannabis concentrate on the licensed premises;

(4) ensure that all equipment, counters and surfaces used in the production of a medical cannabis concentrate must be food-grade and must not react adversely with any of the distillation process materials to be used in the licensed premises. Additionally, all counters and surface areas must be constructed in a manner that reduces the potential development of microbials, molds and fungi and can be easily cleaned;

(5) ensure that the room in which medical cannabis concentrate shall be produced must contain an emergency eye-wash station;

(6) ensure that a professional grade, closed-loop extraction system capable of recovering the food grade alcohol used to produce CO2 medical cannabis concentrate:

(A) UL or ETL Listing;

(B) if the system is UL or ETL listed, then a medical cannabis-infused products manufacturer may use the system in accordance with the manufacturer's instructions; and

(C) if the system is not UL or ETL listed, then there must a designer of record. If the designer of record is not a professional engineer, then the system must be peer reviewed by a professional engineer. In reviewing the system, the professional engineer shall review and consider any information provided by the system's designer or manufacturer;

(7) Ensure that all materials used in the extraction process are food-grade or at least 99% pure:

(A) A medical cannabis-infused products manufacturer must obtain a material safety data sheet for each distillation process material used or stored on the licensed premises. A medical cannabis-infused products manufacturer must maintain a current copy of the material safety data sheet and a receipt of purchase for all distillation process materials used or to be used in an extraction process; and

(B) a medical cannabis-infused products manufacturer is prohibited from using denatured alcohol to produce a medical cannabis concentrate;

(8) ensure that all distillation process material distillation process materials or other distillation process material materials, chemicals and waste are stored in accordance with all applicable laws, rules and regulations. At no time may a medical cannabis-infused products manufacturer store more distillation process material on its licensed premises than the maximum amount established for that licensed premises by the certified industrial hygienist or professional engineer;

(9) ensure that the appropriate safety and sanitary equipment, including personal protective equipment, is provided to, and appropriately used by, each owner or occupational licensee engaged in the production of a distillation process medical cannabis concentrate; and

(10) ensure that an occupational licensee is present at all times during the production of a distillation process material based medical cannabis concentrate whenever an extraction process requires the use of pressurized equipment.

(e) Ethanol and isopropanol. If a medical cannabis-infused products manufacturer only produces distillation process material based medical cannabis concentrate using ethanol or isopropanol at its licensed premises and no other distillation process material, then it shall be considered exempt from the requirements in paragraph 4 of this section and instead must follow the requirements in paragraph 3 of this rule. Regardless of

which section is followed, the ethanol or isopropanol must be food grade or at least 99% pure and denatured alcohol cannot be used.

(f) Violation affecting public safety. Failure to comply with this section may constitute a license violation affecting public safety.

Sec. 30. Any provision or section of this act being held invalid as to any person or circumstances shall not affect the application of any other provision or section of this act that can be given full effect without the invalid provision or section or application, and to this end, the provisions of this act are severable.

Sec. 31. This act shall take effect and be in force from and after its publication in the statute book.