

Amendment No. 1 to SB2334

Crowe  
Signature of Sponsor

**AMEND Senate Bill No. 2334\***

**House Bill No. 2454**

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 68, is amended by adding the following as a new chapter:

**68-7-101.** This chapter shall be known and may be cited as the "Tennessee Clinical Cannabis Authorization and Research Act."

**68-7-102.** As used in this chapter:

(1) "Allowable amount" means the amount of usable clinical cannabis product based on levels of THC and measured in milligrams that may be dispensed to or for a qualifying patient in a thirty-day period;

(2) "Authorized form of cannabis" or "authorized form" means a clinical cannabis product produced in a form approved by the commission for dispensing to a cardholder;

(3) "Bona fide practitioner-patient relationship" means a practitioner and patient have a treatment or consulting relationship, during the course of which the practitioner has completed an assessment of the patient's medical history and current medical condition, including an appropriate examination and confirmation of the patient having a debilitating medical condition;

(4) "Cannabis":

(A) Means all parts of the plant cannabis, whether growing or not; the seeds of the plant; any clones of the plant; the resin extracted from any part of the plant; and every compound, processing, salt, derivative, mixture, or preparation of the plant; and

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(B) 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 from the mature stalks, fiber, oil, or cake, or the sterilized seeds of the plant that are incapable of germination; or hemp as defined in § 43-27-101 or hemp-based products;

(5) "Cardholder" means a qualifying patient or a designated caregiver who has been issued and possesses a valid registry identification card;

(6) "Clinical cannabis center" means a facility licensed by the commission to acquire, possess, store, transport, sell, or dispense clinical cannabis products, clinical cannabis devices, and related supplies and educational materials to cardholders;

(7) "Clinical cannabis device" means a device or product, including paraphernalia, used for, or to aid in, the administering of doses of clinical cannabis product;

(8) "Clinical cannabis establishment" means a clinical cannabis center, cultivation facility, independent testing facility, integrated facility, processing facility, or other clinical cannabis entity authorized to operate pursuant to a license issued by the commission;

(9) "Clinical cannabis product":

(A) Means cannabis oil, cannabis extract, or a product that is infused with cannabis oil or cannabis extract and intended for use or consumption in a recognized clinical modality;

(B) Includes sprays intended for sublingual or buccal administration, capsules, pills, suppositories, transdermal patches, ointments, lotions, lozenges, tinctures, oils, and liquids; and

(C) Does not include vape or vaporization pens or cartridges, atomization, nebulization, gummies, candy, candy bars, or products in a form that a reasonable person would consider as marketed or appealing to children;

(10) "Clinical cannabis research and therapeutics committee" or "research and therapeutics committee" means the clinical cannabis research and therapeutics committee, created by § 68-7-501;

(11) "Clinical license" means a license issued in accordance with § 68-7-105 for a single operation of a clinical cannabis center;

(12) "Clinical use":

(A) Includes the acquisition, administration, cultivation, manufacture, processing, delivery, harvest, possession, preparation, transfer, transportation, or use of cannabis, clinical cannabis product, or a clinical cannabis device relating to the administration of clinical cannabis product to treat or alleviate a registered qualifying patient's debilitating medical condition or symptoms associated with the patient's debilitating medical condition; and

(B) Does not include:

(i) The cultivation of cannabis performed outside of a cultivation facility or integrated facility; or

(ii) The use of cannabis in a form that is not an authorized form;

(13) "Commission" means the Tennessee clinical cannabis commission, created by § 68-7-401;

(14) "Cultivation facility" means a facility licensed by the commission to cultivate, transport, supply, store, sell, and deliver cannabis;

(15) "Cultivation license" means a license issued in accordance with § 68-7-105 for a single operation of a cultivation facility with a grow area not to exceed five thousand square feet (5,000 sq. ft.); except, that the commission, in its discretion, may issue a license for a single operation of a cultivation facility with a grow area not to exceed ten thousand square feet (10,000 sq. ft.) based on market and patient demand;

(16) "Debilitating medical condition" means:

(A) Cancer;

(B) Human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS);

(C) Hepatitis C;

(D) Amyotrophic lateral sclerosis (ALS);

(E) Post-traumatic stress disorder (PTSD);

(F) Alzheimer's disease;

(G) Severe arthritis;

(H) Inflammatory bowel disease, including Crohn's disease and ulcerative colitis;

(I) Multiple sclerosis;

(J) Parkinson's disease;

(K) Cerebral palsy;

(L) Tourette syndrome;

(M) Sickle cell anemia;

(N) A chronic or debilitating disease or medical condition with a confirmation of diagnosis, or the treatment of such disease or condition, that produces one (1) or more of the following:

- (i) Cachexia or wasting syndrome;
- (ii) Peripheral neuropathy;
- (iii) Chronic pain;
- (iv) Severe nausea;
- (v) Seizures, including those characteristic of epilepsy; or
- (vi) Severe or persistent muscle spasms;

(O) Neurological, mental, emotional, or behavioral disorders and associated disorders that interfere with mental health; and

(P) Any other medical condition approved by the clinical cannabis research and therapeutics committee and submitted to the commission;

(17) "Department" means the department of agriculture;

(18) "Designated caregiver" means a person who meets the requirements of § 68-7-202;

(19) "Disqualifying felony offense" means:

(A) A violent offense, as classified by § 40-35-120(b); or

(B) A violation of a state or federal controlled substances law that was classified as a felony in the jurisdiction where the person was convicted, not including:

(i) An offense for which the sentence, including any term of probation, incarceration, or supervised release, was completed five (5) or more years earlier; or

(ii) An offense that consisted of conduct that is not an offense under this chapter, but the conduct either occurred prior to the enactment

of this chapter or was prosecuted by an authority other than the state of Tennessee;

(20) "Establishment agent" means an owner, officer, board member, employee, or agent of a clinical cannabis establishment;

(21) "Establishment agent registration card" or "registration card" means a registration card that is issued by the commission to authorize a person to work at a clinical cannabis establishment;

(22) "Healthcare facility" means a facility licensed to provide health or medical care under title 33 or this title;

(23) "Independent testing facility" means an independent testing laboratory issued a testing license by the commission to analyze the safety and potency of cannabis or clinical cannabis products, including any quality variance standards established by the commission;

(24) "Integrated facility" means a facility licensed in accordance with § 68-7-105 for a vertically integrated enterprise to cultivate, prepare, manufacture, process, package, transport, supply, store, sell, and deliver cannabis, a clinical cannabis product, or a clinical cannabis device to a clinical cannabis center, integrated facility, or processing facility;

(25) "License" means a license issued by the commission that authorizes the license holder to conduct a cannabis-related activity or operate a clinical cannabis establishment;

(26) "Nonresident card" means a card or other identification that is issued by a state or jurisdiction other than Tennessee;

(27) "Nonresident cardholder" means a person who is issued a valid nonresident card as described in § 68-7-116;

(28) "Practitioner" means a physician who is licensed to practice medicine in this state pursuant to title 63, chapter 6, or osteopathic medicine in this state pursuant to title 63, chapter 9;

(29) "Processing facility" means a facility licensed by the commission to prepare, manufacture, process, package, transport, supply, store, sell, and deliver cannabis, a clinical cannabis product, or a clinical cannabis device;

(30) "Processing license" means a license issued in accordance with § 68-7-105 for a single operation of a processing facility;

(31) "Qualified pharmacist" means a pharmacist licensed pursuant to title 63, chapter 10, who is registered with the commission and completes at least two (2) hours of continuing education on clinical cannabis biennially;

(32) "Qualifying patient" means a person who has been diagnosed by a practitioner as having a debilitating medical condition and who meets the requirements of § 68-7-201;

(33) "Registry identification card" means a card issued by the commission that identifies a person as a registered qualifying patient or registered designated caregiver;

(34) "Secure facility" means a building, greenhouse, warehouse, room, or fenced, outdoor area that is equipped with locks or other security devices that restricts access to only an authorized clinical cannabis establishment agent or other person authorized by law;

(35) "THC" means delta-9-tetrahydrocannabinol, which is a primary active ingredient in cannabis for clinical use;

(36) "Vertically integrated license" means a license issued in accordance with § 68-7-105 for a vertically integrated enterprise consisting of one (1) integrated facility and at least one (1) but no more than five (5) clinical cannabis centers; and

(37) "Written certification" means a standardized form promulgated by the commission that is completed, dated, and signed by a practitioner that:

(A) Affirms that the certification is made in the course of a bona fide practitioner-patient relationship; and

(B) Specifies the qualifying patient's debilitating medical condition.

**68-7-103.**

(a) No enterprise may acquire, possess, cultivate, manufacture, process, deliver, transfer, transport, supply, or dispense cannabis or cannabis products in this state without a license issued under this chapter and applicable to the establishment's operations. The commission shall begin accepting applications for calendar year 2021 on October 1, 2020, and continue accepting calendar year 2021 applications until July 31, 2021. A license may be conditionally approved but shall not be finally approved or denied until after an onsite inspection of facilities pursuant to rules promulgated by the commission. The commission shall accept applications in subsequent years in accordance with rules promulgated by the commission.

(b) To be eligible for a license under this chapter, a person or entity must submit the license fee described in § 68-7-107 and a completed application to the commission in the manner prescribed by the commission. Applications developed by the commission must require the following information:

(1) The type of license being sought;

(2) The legal name of the clinical cannabis establishment, including any doing business as (d/b/a) designations used in this state;

(3) The identity of owners, officers, and board members of the clinical cannabis establishment and whether such individuals:

(A) Have ever been convicted of any felony offense;

(B) Have ever served as an owner, officer, or board member for a clinical cannabis establishment that has had its clinical cannabis establishment license revoked;

(C) Have ever previously had a clinical cannabis establishment agent registration card revoked; and

(D) Are at least twenty-one (21) years of age or older;

(4) The physical address where the clinical cannabis establishment is to be located, which must:

(A) Be located in a jurisdiction in which the presence of the type of clinical cannabis establishment being proposed is permitted in accordance with § 68-7-106; and

(B) Comply with all applicable local zoning requirements;

(5) Evidence that the owner of the real property on which the clinical cannabis establishment will be located has given express permission to operate the establishment at that location;

(6) Evidence that the applicant meets the minimum capitalization requirements of § 68-7-105, to cover initial expenses of opening the clinical cannabis establishment and complying with this chapter. This subdivision (b)(6) does not apply to any application for an independent testing facility or a research license;

(7) Operating procedures for the clinical cannabis establishment that are consistent with the commission's rules and must include:

(A) Procedures to ensure adequate security;

(B) The use of an inventory control system and an electronic verification system in accordance with §§ 68-7-113 and 68-7-114; and

(C) If the clinical cannabis establishment will process, manufacture, sell, or deliver clinical cannabis products, operating procedures for handling those products, which must be approved by the commission; and

(8) Any other information as the commission may reasonably require by rule.

(c)

(1) Each person submitting an application pursuant to this section, and each person who is to be an owner, officer, or board member of a clinical cannabis establishment, shall:

(A) Provide a fingerprint sample and submit to a criminal history records check to be conducted by the Tennessee bureau of investigation and the federal bureau of investigation; and

(B) Authorize the Tennessee bureau of investigation to submit the results of the criminal history records check to the commission and the owner or board of the clinical cannabis establishment.

(2) The applicant is responsible for any reasonable costs incurred by the Tennessee bureau of investigation or federal bureau of investigation, or both, in conducting an investigation of the applicant. Such fees may be reimbursed by the clinical cannabis establishment. The assessed costs must not exceed those assessed for other criminal history records checks required by law.

(d) The commission shall issue licenses in accordance with § 68-7-105. Meeting the criteria of this section does not grant any person or entity a right to a license.

(e) A person or entity may be issued one (1) or more licenses and own or operate one (1) or more clinical cannabis establishments regardless of the type of clinical cannabis establishment subject to the following:

(1) A person or entity who is serving as an owner or operator of a cultivation facility, processing facility, vertically integrated enterprise, or clinical cannabis center shall not own or operate an independent testing facility;

(2) A holder of a vertically integrated license, or any person or entity having any interest greater than ten percent (10%) in a vertically integrated licensed enterprise, shall not have any interest as partner or otherwise, either direct or indirect, in any other vertically integrated license; and

(3) A person or entity seeking to obtain more than one (1) type of license or own or operate more than one (1) clinical cannabis establishment must submit to the commission the application described in subsection (b) and the license fee described in § 68-7-107 for each license sought. A single fingerprint sample and criminal history records check may be used for multiple applications.

(f) A license expires one (1) year after the date of issuance and shall be renewed upon:

(1) Resubmission of the information set forth in this section in a form or manner developed by the commission; except, that fingerprints are not required to be resubmitted; and

(2) Payment of the renewal fee described in § 68-7-107.

**68-7-104.** Each clinical cannabis establishment must:

(1) Comply with applicable local ordinances and regulations pertaining to zoning, land use, and signage; and

(2) Notify the commission of any change in circumstance for any information required pursuant to § 68-7-103.

**68-7-105.**

(a)

(1) The commission is responsible for accepting applications for licenses. The commission shall publish application requirements and submission dates on its website.

(2) In order to facilitate timely implementation of this chapter, the commission shall submit proposed rules in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, no later than October 1, 2020, including, at a minimum, rules for application forms, written certification forms, facility operation and security requirements, and objective criteria and prioritization for issuing licenses across the three (3) grand divisions as set forth in this chapter. Rules may be amended and supplemented thereafter as the commission deems necessary.

(3) The commission shall act on each completed application received in accordance with this subsection (a) within ninety (90) days of receipt.

(4) An applicant who submits an application in accordance with this subsection (a) and whose application for a license is denied may appeal the denial in accordance with procedures established by the commission by rules promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(b)

(1) The commission shall not issue a license to an applicant unless the applicant meets all the requirements of this chapter.

(2) In evaluating a license application, the commission shall consider:

(A) Whether the applicant provided a plain narrative describing the type of operation and general business plan;

(B) Whether the applicant has liquid and illiquid financial resources sufficient to meet at least two (2) years of operating expenses for the proposed clinical cannabis establishment;

(C) The previous experience of the owners, officers, or board members of the clinical cannabis establishment at operating other businesses or organizations;

(D) The vocational or professional background of the owners, officers, or board members;

(E) Any demonstrated knowledge or expertise on the part of the owners, officers, or board members with respect to cannabis or clinical cannabis products;

(F) Whether the location of the clinical cannabis establishment would be convenient to serve the needs of qualifying patients and designated caregivers;

(G) The adequacy of the size of the clinical cannabis establishment to serve the needs of qualifying patients and designated caregivers;

(H) The type of integrated plan for the care, quality, and safekeeping of cannabis and clinical cannabis products from seed to sale; and

(I) Any other reasonable criteria of merit that the commission determines to be relevant.

(c) Each license issued must have a unique identification number.

(d) In addition to subsections (a)-(c) and in accordance with rules promulgated by the commission, the commission shall use the following procedures and criteria to award licenses:

(1) The commission shall issue licenses in the following numbers; provided, that the commission shall not issue a license to an applicant unless the applicant meets all of the requirements of this chapter:

(A) For each of the three (3) grand divisions, at least fifteen (15), but no more than twenty-five (25), clinical licenses;

(B) At least three (3), but no more than six (6), cultivation licenses;

(C) For each of the three (3) grand divisions, at least two (2), but no more than three (3), vertically integrated licenses; and

(D) Processing licenses as determined by the commission, but not more than one hundred ten (110) processing licenses;

(2) The commission shall make a decision on any qualifying application as expeditiously as possible;

(3) To ensure geographic representation and broad access to clinical cannabis products, the commission shall prioritize the issuance of clinical licenses so that clinical cannabis centers are dispersed throughout rural and urban counties;

(4) The commission shall give additional consideration as to whether the county where the proposed clinical cannabis establishment being applied for is located in, first, an economically distressed county or, second, in an at-risk county as determined by the department of economic and community development for the most recent fiscal year;

(5) Applicants for cultivation licenses, processing licenses, clinical licenses, and vertically integrated licenses must comply with the following requirements:

(A) An individual applicant for a cultivation license, processing license, clinical license, or vertically integrated license must be a natural person:

- (i) Is at least twenty-one (21) years of age;
- (ii) Is a current resident of this state;
- (iii) Has not previously held a license for a clinical cannabis center, cultivation facility, integrated facility, or processing facility that has been revoked;
- (iv) Has not been convicted of a felony offense;
- (v) If possessing a professional license, has the license in good standing; and
- (vi) Has no outstanding tax delinquencies owed to the state of Tennessee;

(B) An applicant for a cultivation license, processing license, clinical license, or vertically integrated license that is an entity must have a natural person acting on behalf of the applicant who:

- (i) Complies with subdivision (d)(5)(A);
- (ii) Is legally authorized to submit an application on behalf of the entity;
- (iii) Serves as the primary point of contact with the commission; and
- (iv) Submits sufficient proof that:
  - (a) The entity has no owner, board member, or officer under twenty-one (21) years of age;

(b) Fifty-one percent (51%) of the equity ownership interests in the entity are held by individuals who are residents of this state;

(c) The entity has no owner, board member, or officer that has previously been an owner of a clinical cannabis center, cultivation facility, integrated facility, or processing facility that has had its license revoked;

(d) The entity has no owner, board member, or officer that has been convicted of a felony offense;

(e) If an owner, board member, or officer has or had a professional license, the person's license is in good standing;

(f) The entity has no owner, board member, or officer that owes delinquent taxes to the state of Tennessee; and

(g) The entity has owners with experience in managing and securing large quantities of cash and experience in regulated industries;

(C) Applicants for a clinical license, cultivation license, and processing license shall provide:

(i) Proof of assets or a surety bond in the amount of two million dollars (\$2,000,000); and

(ii) Proof of at least one million dollars (\$1,000,000) in liquid assets; and

(D) Applicants for a vertically integrated license shall provide:

(i) Proof of assets or a surety bond in the amount of ten million dollars (\$10,000,000); and

(ii) Proof of at least five million dollars (\$5,000,000) in liquid assets; and

(6)

(A) Each vertically integrated license recipient is authorized to operate up to five (5) clinical cannabis centers under one (1) vertically integrated license, but is only required to operate one (1); and

(B) The integrated facility and at least one (1) clinical cannabis center associated with a vertically integrated license must be operated within the same grand division unless a waiver is obtained from the commission. Any additional clinical cannabis centers associated with the vertically integrated license may be operated in the same grand division or any county in the state, subject to this chapter.

**68-7-106.**

(a) The cultivation of clinical cannabis, the production of clinical cannabis product, and the dispensing of clinical cannabis product by appropriately licensed clinical cannabis establishments is authorized within the jurisdictional boundaries of each county and municipality of this state.

(b) The legislative body of any county or municipality may enact reasonable zoning regulations applicable to clinical cannabis establishments; provided, that the regulations must not be more burdensome than those applicable to pharmacies and medical offices.

(c)

(1) Except as provided in subdivision (c)(2), the legislative body of any county or municipality may, at any time, opt out of subsection (a) and restrict the

establishment of any cultivation facility, processing facility, integrated facility, or clinical cannabis center within its jurisdictional boundaries in accordance with subsection (d); provided, that any action by a county legislative body is limited to the unincorporated areas of the county.

(2) Any action taken by the legislative body of a county or municipality in accordance with subsections (d) and (e) does not restrict the establishment or operation of a cultivation facility, processing facility, integrated facility, or clinical cannabis center within its jurisdictional boundaries if the facility or center is licensed or conditionally licensed by the commission prior to the restrictive action.

(d)

(1) The legislative body of any county may opt out of subsection (a) and restrict the establishment of a cultivation facility, processing facility, integrated facility, or clinical cannabis center within the unincorporated areas of the county by passage of a resolution.

(2) The legislative body of any municipality or any county with a metropolitan form of government may opt out of subsection (a) and restrict the establishment of a cultivation facility, processing facility, integrated facility, or clinical cannabis center within its jurisdictional boundaries by passage of an ordinance.

(3) A resolution or ordinance authorizing opt-out pursuant to subdivision (d)(1) or (d)(2) does not take effect unless it is approved by a two-thirds (2/3) majority vote of the appropriate legislative body at two (2) consecutive, regularly scheduled meetings or unless it is approved by a majority of the number of qualified voters of the county or municipality voting in an election held in accordance with subsection (e) on the question of whether the opt-out should be authorized.

(e)

(1) If there is a petition of registered voters amounting to ten percent (10%) of the votes cast in the county or municipality in the last gubernatorial election that is filed with the county election commission within thirty (30) days of final approval of a resolution described in subdivision (d)(1) or an ordinance described in subdivision (d)(2), then the county election commission shall call an election on the question of whether the county or municipality should opt out of subsection (a) and restrict the establishment of a cultivation facility, processing facility, integrated facility, or clinical cannabis center within its jurisdictional boundaries.

(2) The local governing body shall direct the county election commission to call the election to be held in a regular election or in a special election for the purpose of approving or rejecting an opt-out.

(3) The ballots used in the election must have printed on them the substance of the resolution or ordinance and the voters must vote for or against its approval by majority vote.

(4) The votes cast on the question must be canvassed and the results proclaimed by the county election commission and certified by it to the local governing body.

(f)

(1) Any county or municipality that has previously opted out under this section may opt in at a later date by passage of a resolution or ordinance by a majority vote at two (2) consecutive, regularly scheduled meetings or in accordance with subdivision (f)(2).

(2)

(A) The county election commission shall call and hold an election at the next regular election of the county or municipality, as the case may be, upon receipt of a petition not less than sixty (60) days before the date on which an election is scheduled to be held, signed by residents of the county or municipality, amounting to ten percent (10%) of the votes cast in the county or municipality in the last gubernatorial election, requesting the holding of the election.

(B)

(i) The petition must be addressed to the county election commission and must read substantially as follows:

We, registered voters of \_\_\_\_\_ (Here insert name of county or municipality, as appropriate), do hereby request the holding of a local option election to authorize the establishment of a [licensed cultivation facility, licensed processing facility, licensed integrated facility, or licensed clinical cannabis center] within the [county or municipal] jurisdictional boundaries.

(ii) The petition must also contain:

(a) The signatures and addresses of registered voters only, pursuant to § 2-1-107;

(b) The printed name of each signatory; and

(c) The date of signature.

(C) An election called and held in a county applies only to those portions lying without the corporate limits of any municipality within the county. Petitioners for the election and the voters participating in the

election must reside within the portions of the county lying outside the corporate limits of municipalities.

(D)

(i) Registered voters of the county or municipality, as appropriate, may vote in the election. Ballots must be in the form prescribed by the general election laws of the state, except as otherwise provided in this section.

(ii) The questions submitted to the voters must be in the following form:

To authorize the establishment of a [licensed cultivation facility, licensed processing facility, licensed integrated facility, or licensed clinical cannabis center] in

\_\_\_\_\_ (Here insert name of county or municipality)

To prohibit the establishment of a [licensed cultivation facility, licensed processing facility, licensed integrated facility, or licensed clinical cannabis center] in

\_\_\_\_\_ (Here insert name of county or municipality)

(E)

(i) The county election commission shall certify the results to the appropriate local governing body.

(ii) Not more than one (1) election in any county or municipality is authorized to be held under this chapter within any period of twenty-four (24) months. However, no election in a county in which a municipality is located is an election held in the municipality within the meaning of this subdivision (f)(2).

(g) Except as otherwise provided by this section, a clinical cannabis establishment is authorized within the jurisdictional boundaries of each county and municipality of this state.

**68-7-107.**

(a) The commission shall establish a schedule of fees as follows, as long as the renewal fees in aggregate do not exceed the commission's costs in administering the state's clinical cannabis program, including any expenses related to research:

(1) For a clinical license, a nonrefundable application fee in the amount of ten thousand dollars (\$10,000), and an annual licensing renewal fee established by the commission in an amount not to exceed ten thousand dollars (\$10,000);

(2) For a cultivation license, a nonrefundable application fee in the amount of fifty thousand dollars (\$50,000), and an annual licensing renewal fee established by the commission in an amount not to exceed fifty thousand dollars (\$50,000);

(3) For a processing license, a nonrefundable application fee in the amount of fifty thousand dollars (\$50,000), and an annual licensing renewal fee established by the commission in an amount not to exceed fifty thousand dollars (\$50,000);

(4) For a vertically integrated license, a nonrefundable application fee in the amount of one hundred thousand dollars (\$100,000), and an annual licensing renewal fee established by the commission in an amount not to exceed one hundred thousand dollars (\$100,000);

(5) For a testing license, a nonrefundable application fee in the amount of one thousand dollars (\$1,000), and an annual licensing renewal fee established by the commission in an amount not to exceed one thousand dollars (\$1,000);

(6) For a research license, a nonrefundable application fee and renewal fee, as applicable, in an amount set forth by the commission in consultation with the research and therapeutics committee; and

(7) For a clinical cannabis establishment agent registration card, a nonrefundable application fee in the amount of fifty dollars (\$50.00), and an annual licensing renewal fee established by the commission in an amount not to exceed fifty dollars (\$50.00).

(b) The commission shall review the fee schedule and its administrative costs every two (2) years and reschedule renewal fees as necessary to ensure compliance with the requirement that the renewal fees in aggregate do not exceed the commission's costs in administering the state's clinical cannabis program. Any rescheduled renewal fees become effective the next January 1 after promulgation.

(c) The scheduling and rescheduling of renewal fees in accordance with this section must be done pursuant to rulemaking procedures set forth in the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

**68-7-108.**

(a) Except as otherwise provided in this section, a person shall not work at a clinical cannabis establishment as a clinical cannabis establishment agent unless the person is registered with the commission pursuant to this section.

(b) A clinical cannabis establishment that wishes to employ a clinical cannabis establishment agent must submit to the commission an application on a form prescribed by the commission. The application must be accompanied by:

(1) The name, address, and date of birth of the prospective clinical cannabis establishment agent;

(2) A statement signed by the prospective clinical cannabis establishment agent pledging not to dispense or otherwise divert cannabis to any

person who is not authorized to possess cannabis in accordance with this chapter;

(3) A statement signed by the prospective clinical cannabis establishment agent asserting that the prospective agent has not previously had a clinical cannabis establishment agent registration card revoked;

(4) The license fee described in § 68-7-107; and

(5) Any other information as the commission may require by rule.

(c) The following criteria disqualify a person from serving as a clinical cannabis establishment agent:

(1) Being younger than twenty-one (21) years of age; or

(2) Having been convicted of any felony offense.

(d)

(1) A person applying for employment as a clinical cannabis establishment agent must:

(A) Supply a fingerprint sample and submit to a criminal history records check to be conducted by the Tennessee bureau of investigation and the federal bureau of investigation; and

(B) Agree that the Tennessee bureau of investigation may send information indicating the results of the criminal history records check to the commission and the clinical cannabis establishment.

(2) The applicant shall pay any reasonable costs incurred by the Tennessee bureau of investigation or federal bureau of investigation, or both, in conducting an investigation of the applicant. A clinical cannabis establishment may reimburse the applicant for the costs of the investigation regardless of whether the applicant accepts an offer of employment by the clinical cannabis establishment.

(e) An owner, officer, or board member of a clinical cannabis establishment who previously furnished information and fingerprints pursuant to § 68-7-103 is not required to resubmit the information or fingerprints under this section.

(f)

(1) If an applicant for registration as a clinical cannabis establishment agent complies with this section and is not disqualified from serving as an agent, then the commission shall issue to the person a clinical cannabis establishment agent registration card.

(2) If the commission does not act upon an application for a clinical cannabis establishment agent registration card within thirty (30) days after the date on which the application is received, then the application is deemed conditionally approved until such time as the commission acts upon the application.

(g) A clinical cannabis establishment agent registration card expires one (1) year after the date of issuance and shall be renewed upon:

(1) Resubmission of the information set forth in this section; provided, that fingerprints are not required to be resubmitted; and

(2) Payment of the renewal fee described in § 68-7-107.

(h) Notwithstanding subsection (b), a person may submit an application for registration as a clinical cannabis establishment agent independent of a clinical cannabis establishment. A clinical cannabis establishment that hires a person registered as a clinical cannabis establishment agent is not required to submit a new application for the agent.

(i) A clinical cannabis establishment shall notify the commission no later than ten (10) days after a clinical cannabis establishment agent whose employment is terminated for cause and involving theft, fraud, diversion, or other criminal activity.

**68-7-109.**

(a) Cultivation licenses, processing licenses, clinical licenses, and vertically integrated licenses are nontransferable for a period of two (2) years after the license was issued by the commission. The commission may adopt rules prescribing the manner in which a license may be transferred and a fee for the transfer of the license.

(b) Clinical cannabis establishment agent registration cards are nontransferable. An existing clinical cannabis establishment agent registration card may only be reissued outside of the application process described in § 68-7-108 to reflect a change in ownership of the clinical cannabis establishment.

**68-7-110.**

(a) A person shall not transport cannabis or a clinical cannabis product on any public highway unless the person is an agent of a clinical cannabis center, cultivation facility, integrated facility, or processing facility transporting the cannabis or clinical cannabis products.

(b) Cannabis or a clinical cannabis product transported on a public highway must comply with all inventory tracking rules promulgated by the commission, including any relevant packaging, labeling, and seals.

(c) This section does not apply to an allowable amount of clinical cannabis products in the possession of a cardholder or to law enforcement officers in performance of their duties.

**68-7-111.**

(a) The following are grounds for the commission to revoke a license:

(1) Dispensing, delivering, or otherwise transferring cannabis to a person other than a clinical cannabis establishment agent, another clinical cannabis establishment, a person or entity issued a research license, a patient who holds a valid registry identification card, or the designated caregiver of the patient;

(2) Acquiring usable cannabis or mature cannabis plants from any person other than a clinical cannabis establishment agent or another clinical cannabis establishment;

(3) Dispensing an unauthorized form of cannabis or clinical cannabis product to a qualifying patient or designated caregiver; or

(4) Violating a rule promulgated pursuant to this chapter; provided, that the rule, expressly or by reference, provides that a violation of the rule is grounds for revocation of a clinical cannabis establishment license.

(b) The following are grounds for the commission to revoke a clinical cannabis establishment agent registration card:

(1) Conviction of a felony offense;

(2) Dispensing, delivering, or otherwise transferring cannabis to a person other than a clinical cannabis establishment agent, a person or entity issued a research license, another clinical cannabis establishment, a patient who holds a valid registry identification card, or the designated caregiver of the patient;

(3) Dispensing an unauthorized form of cannabis or clinical cannabis product to a qualifying patient or designated caregiver; or

(4) Violating a rule promulgated pursuant to this chapter if the rule, expressly or by reference, provides that a violation of the rule is grounds for revocation of a clinical cannabis establishment agent registration card.

(c) The licensure of clinical cannabis establishments and registration of clinical cannabis establishment agents is to protect the public health and safety and the general welfare of the people of this state. A license issued pursuant to § 68-7-105 and a clinical cannabis establishment agent registration card issued pursuant to § 68-7-108 are revocable privileges, and the holder of the license or registration card, as applicable, does not acquire a vested right in the license or registration card.

**68-7-112.**

(a) The operating documents of a clinical cannabis establishment must include procedures:

(1) For the oversight of the clinical cannabis establishment;

(2) To ensure accurate recordkeeping, including the requirements of §§ 68-7-113 and 68-7-114; and

(3) Supporting good agricultural practices and good manufacturing practices, as applicable.

(b) A clinical cannabis establishment must have a system of physical controls to deter and prevent theft of clinical cannabis products and unauthorized entrance into areas containing clinical cannabis products.

(c) A clinical cannabis establishment is prohibited from acquiring, possessing, cultivating, manufacturing, processing, delivering, transferring, transporting, supplying, or dispensing cannabis for any purpose except to:

(1) Directly or indirectly assist qualifying patients who possess valid registry identification cards; and

(2) Directly or indirectly assist qualifying patients who possess valid registry identification cards by way of those patients' designated caregivers.

(d) All cultivation or production of cannabis that a cultivation facility, integrated facility, or processing facility carries out or causes to be carried out must take place at a secure facility at the physical address provided to the commission during the licensure process for the cultivation facility, integrated facility, or processing facility. The secure facility must be accessible only by clinical cannabis establishment agents who are lawfully associated with the cultivation facility, integrated facility, or processing facility. However, limited access by persons necessary to perform maintenance, construction, or

repairs or provide other labor is permissible if the persons are supervised by a clinical cannabis establishment agent.

(e) Clinical cannabis establishments are subject to reasonable inspection by or on behalf of the commission at any time, and a person or entity that holds a clinical cannabis establishment license must be available, or make a representative of the establishment available, and present for any inspection of the establishment by or on behalf of the commission.

**68-7-113.**

(a)

(1) Each clinical cannabis establishment shall maintain an inventory control system that meets the requirements of this section and all requirements established by the commission.

(2) The inventory control system must be able to monitor and report information, including:

(A) The chain of custody and current whereabouts, in near real time, of cannabis from the point that a seed, cutting, or clone is planted at a cultivation facility and processed into a clinical cannabis product at a processing facility;

(B) The chain of custody and current whereabouts, in near real time, of a clinical cannabis product from the point that it is produced at a processing facility until it is sold or dispensed at a clinical cannabis center;

(C) In the case of an integrated facility, the chain of custody and current whereabouts, in near real time, of cannabis from the point that a seed, cutting, or clone is planted and processed into a clinical cannabis

product at an integrated facility until it is sold or dispensed at a clinical cannabis center;

(D) The name of each person or other clinical cannabis establishment, or both, to which the establishment transferred or sold cannabis or a clinical cannabis product;

(E) In the case of a clinical cannabis center, the date on which the center sold or dispensed a clinical cannabis product to a person who holds a valid registry identification card and the quantity of clinical cannabis products sold or dispensed; and

(F) Any other information the commission may require by rule.

(3) Except where otherwise prohibited by federal law, this section does not prohibit more than one (1) clinical cannabis establishment from co-owning or using an inventory control system in cooperation with other clinical cannabis establishments, or sharing the information obtained from the system.

(b)

(1) Except as provided in subsection (c), each clinical cannabis establishment shall maintain a digital video surveillance system that meets the requirements of this section and all requirements established by the commission.

(2) The video surveillance system must comply with the following requirements:

(A) Each clinical cannabis establishment shall install and use security cameras to continuously monitor and record, twenty-four (24) hours per day, all areas where cannabis is cultivated, processed, stored, disposed of, and loaded or unloaded for transportation, including any areas through which cannabis or a clinical cannabis product is moved

within the premises from cultivation, processing, storage, disposal, or transport, such as hallways and staging areas;

(B) Security cameras must record in high definition and allow for clear and certain identification of any person and activities in all areas required to be monitored in accordance with subdivision (b)(2)(A);

(C) Recordings from security cameras must be maintained for a minimum of ninety (90) days in a secure location or through a service over a network that provides remote, peer-to-peer access;

(D) Except as provided in subsection (d), all live video surveillance system feeds must be accessible by the commission via remote login credentials, and the commission may authorize the inspection of video surveillance system recordings by authorized Tennessee bureau of investigation personnel upon request;

(E) The video surveillance system must have the ability to remain operational during a power outage and be equipped with a failure notification system that provides notification to the clinical cannabis establishment of any interruption or failure of the video surveillance system or video surveillance system data storage device; and

(F) All recorded video must display a time and date stamp.

(c)

(1) Clinical cannabis centers, cultivation facilities, integrated facilities, and processing facilities are not required to have a video surveillance system in any vehicle used to transport cannabis or a clinical cannabis product, but shall maintain a video surveillance system in accordance with this section in areas under their control that are used to store cannabis or clinical cannabis products awaiting transport, including warehouse facilities and secure parking lots.

(2) Any vehicle used by a clinical cannabis center, cultivation facility, integrated facility, or processing facility to transport cannabis or clinical cannabis products must be equipped with a system that provides time-correlated and continuous tracking of the geographic location of the vehicle using a global positioning system (GPS) based on satellite and other location tracking technology when the vehicle is used to transport cannabis or clinical cannabis products.

(d) This section does not restrict a clinical cannabis center from using a video surveillance system in areas where clinical cannabis products are sold or dispensed to cardholders; however, to maintain patient privacy protections, the live video surveillance system feed must not be made available as provided in subdivision (b)(2)(D).

(e) In addition to any report filed with law enforcement, a clinical cannabis establishment shall notify the commission within one (1) business day of any notice of theft or significant loss of cannabis or clinical cannabis products.

**68-7-114.**

(a) Each clinical cannabis center must have the capability to send data to and receive data from the electronic verification system established by the commission pursuant § 68-7-205 in a manner prescribed by the commission.

(b) Each clinical cannabis center shall check the electronic verification system established by the commission pursuant to § 68-7-205 prior to dispensing any clinical cannabis products described in § 68-7-119 to determine if the cardholder's registry identification card is valid.

(c) A clinical cannabis center must exercise reasonable care to ensure that the personal identifying information of cardholders is protected and not divulged for any purpose not specifically authorized by law.

(d) Each clinical cannabis center shall ensure the following:

(1) That the weight, content, and concentration of THC, cannabidiol, cannabinol, and any other significant active ingredient in all clinical cannabis products the clinical cannabis center sells is clearly and accurately stated on the product sold;

(2) That the clinical cannabis center does not sell more than the allowable amount of clinical cannabis products to or for a qualifying patient in any one (1) thirty-day period;

(3) That the clinical cannabis center does not sell clinical cannabis product in any form other than an authorized form;

(4) That, prior to or upon the dispensing of a clinical cannabis product, the qualifying patient, or designated caregiver if the qualifying patient is unable, completes and submits the longitudinal study form developed by the commission and complies with any additional research license program requirements of which the patient is a participant; and

(5) That the authorized forms and allowable amounts of clinical cannabis products for clinical use, as developed by the commission, are clearly and conspicuously posted within the clinical cannabis center.

**68-7-115.**

(a) At each clinical cannabis establishment, cannabis and clinical cannabis products must be stored in a secure facility.

(b) Except as otherwise provided in subsection (c), at each clinical cannabis center, clinical cannabis products must be stored in a secure, locked device, display case, cabinet, or room within a secure facility.

(c) At a clinical cannabis center, clinical cannabis products may only be removed from the secure setting described in subsection (b):

(1) For the purpose of dispensing the clinical cannabis product; provided, that the clinical cannabis product is only removed immediately before the clinical cannabis product is dispensed and only by a clinical cannabis establishment agent who is employed by the clinical cannabis center; or

(2) For other purposes expressly authorized by the commission and in strict compliance with rules promulgated by the commission.

**68-7-116.**

(a) A nonresident card is recognized as valid in this state only under the following circumstances:

(1) The state or jurisdiction from which the bearer obtained the nonresident card grants an exception from criminal prosecution for the clinical use of cannabis;

(2) The state or jurisdiction from which the bearer obtained the nonresident card requires, as a prerequisite to the issuance of the card, that a practitioner complete and sign a written certification, or similar document, that specifies a bearer's debilitating medical condition;

(3) The nonresident card has an expiration date and has not yet expired;

(4) The nonresident cardholder provides evidence, in the form of a signed affidavit or other form as determined by the commission, that the nonresident cardholder is:

(A) Entitled to engage in the clinical use, or assist in the clinical use, of cannabis in the person's state or jurisdiction of residence; and

(B) Has been diagnosed with a debilitating medical condition, or is the parent, guardian, conservator, or other person with authority to consent to the medical treatment of a person who has been diagnosed with a debilitating medical condition; and

(5) The nonresident cardholder complies with restrictions on how cannabis may be used in this state and the legal limits regarding the allowable amount that may be possessed for clinical use.

(b) For purposes of the reciprocity described in this section:

(1) The authorized form and the amount of cannabis that the nonresident cardholder is entitled to possess in the cardholder's state or jurisdiction of residence are not relevant; and

(2) While present in this state, the nonresident cardholder shall not possess cannabis in an amount that exceeds the allowable amount or in a form that is not an authorized form of cannabis.

(c) The commission shall publish on its website the states or jurisdictions to which this state grants reciprocity and the affidavit form described in subdivision (a)(4).

**68-7-117.** Each clinical cannabis center, integrated facility, and processing facility, in consultation with the commission, shall ensure that all clinical cannabis products for sale are:

(1) Labeled clearly and unambiguously as clinical cannabis, with the weight, content, and concentration of THC, cannabidiol, cannabitol, and any other significant active ingredients clearly indicated;

(2) Upon dispensing, labeled clearly with dosage information, the qualifying patient's name and unique identification number, and a "use by" date;

(3) Upon dispensing, accompanied with instructions for use;

(4) Not presented in packaging or in a form that is appealing to children;

(5) Regulated and sold on the basis of the concentration of THC, cannabidiol, and cannabitol in the products and not solely by weight; and

(6) Packaged and labeled in such a manner as to allow tracking by way of an inventory control system.

**68-7-118.**

(a) The commission shall perform all statutory and regulatory inspection and enforcement requirements of testing facilities under this chapter. The commission may engage qualified contractors or other state agencies to implement this section.

(b) The commission shall issue testing licenses to at least three (3) independent testing facilities, with at least one (1) issued per grand division.

(c) Product testing must be performed during cultivation and final processing to ensure that limits on the regulated constituents have been met prior to point of sale.

(d) The protocols for testing must include, but are not limited to, the following constituents:

- (1) Cannabinoids;
- (2) Heavy metals;
- (3) Microbials;
- (4) Mycotoxins;
- (5) Residual pesticides; and
- (6) Residual solvents.

(e) To obtain a testing license from the commission, an applicant must:

- (1) Apply successfully as required pursuant to § 68-7-103; and
- (2) Pay the requisite fees described in § 68-7-107.

(f) The cultivation, manufacture, and distribution or sale without independent testing to standards determined by the commission under this chapter is prohibited. A violation of this subsection (f) is a Class C felony.

**68-7-119.**

(a) A clinical cannabis center is authorized to sell:

- (1) Clinical cannabis products containing concentrations of greater than three-tenths of one percent (0.3%) but less than nine-tenths of one percent

(0.9%) of THC as a behind-the-counter product to any person who is a cardholder; and

(2) Clinical cannabis products containing concentrations of nine-tenths of one percent (0.9%) or more of THC to any person who is a cardholder.

(b) The maximum allowable amount of a clinical cannabis product described in subdivision (a)(2) that may be dispensed to or for a qualifying patient for a thirty-day period is two thousand eight hundred milligrams (2,800 mg) of THC.

(c)

(1) A clinical cannabis center shall ensure that every cardholder has received a medication therapy management consultation from a qualified pharmacist:

(A) Upon issuance of a temporary registry identification card;

(B) If it is the cardholder's first transaction at a clinical cannabis center;

(C) Upon renewal of a registry identification card; and

(D) Upon request by the cardholder.

(2) A consultation pursuant to this subsection (c) may be in person or via telephone or other live electronic communication.

(3) During a consultation, a qualified pharmacist may recommend a dosing level, but the dosing level must not exceed two thousand eight hundred milligrams (2,800 mg) of THC. For a qualifying patient to receive a clinical cannabis product containing concentrations of nine-tenths of one percent (0.9%) or more of THC in an amount greater than six hundred milligrams (600 mg), the qualified pharmacist must document this dosage recommendation during a medication therapy management consultation with the patient.

(4) Any qualified pharmacist acting in good faith and with reasonable care in the provision of consultation services pursuant to this section is immune from disciplinary or adverse administrative actions for acts or omissions during the provision of consultation services.

(5) Any qualified pharmacist involved in the provision of consultation services pursuant to this section is immune from civil liability for actions authorized by this section in the absence of gross negligence or willful misconduct.

(d) Prior to dispensing a clinical cannabis product described in subsection (a), the clinical cannabis center shall:

(1) Have the qualifying patient complete and submit the longitudinal study form developed by the commission;

(2)

(A) Identify whether the qualifying patient is a participant in a current research license program; and

(B) Ensure the qualifying patient complies with any requirements of the research license program, including data collection; and

(3) Review the clinical cannabis products dispensed to or for the qualifying patient and update the information in a manner required by the commission.

(e) This section does not authorize a clinical cannabis center to sell a clinical cannabis product described in subsection (a) to a person presenting a nonresident card.

(f) A person who is a prospective cardholder may present an application receipt issued pursuant to § 68-7-201(e)(2) in lieu of a registry identification card for up to forty-five (45) days from the date of issuance.

(g) A clinical cannabis center shall provide applicable clinical cannabis program information and data to the commission upon request or as required by the commission.

**68-7-120.**

(a)

(1) The commission is responsible for accepting applications from eligible entities seeking to be issued a research license to research or study clinical cannabis in this state. The commission shall establish application requirements and publish those requirements on its website.

(2) The commission shall act on each completed application received in accordance with this subsection (a) within sixty (60) days of receipt.

(3) An applicant who submits an application in accordance with this subsection (a) and whose application for a research license is denied may appeal the denial in accordance with procedures established by the commission by rules promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(b) In evaluating an application by an eligible entity for a research license, the commission shall consider:

(A) The nature of the medical research or study to be conducted, including medical conditions or symptoms, duration of the research or study, and modalities and dosages of clinical cannabis products, and whether the applicant provided a plain narrative describing the goals and type of research or study to be conducted;

(B) The previous experience of the applicant in conducting or organizing medical research or studies;

(C) Any demonstrated knowledge or expertise on the part of the applicant with respect to the clinical use of cannabis or clinical cannabis products;

(D) The applicant's understanding of and compliance with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) (42 U.S.C. § 1320d et seq.), and other federal and state confidentiality laws;

(E) Whether the research or study will include peer-reviewed publishing of results;

(F) Whether the research or study will evaluate the effectiveness of clinical cannabis products compared to United States food and drug administration (FDA) approved drugs;

(G) The applicant's plan for adverse event reporting; and

(H) Any other criteria of merit that the commission determines to be relevant.

(c) A research license authorizes an eligible entity to research or study clinical cannabis in this state and lasts until the eligible entity completes the approved research or study or after one (1) year, whichever is shorter. If the eligible entity will not complete the approved research or study at the end of one (1) year, the research license may be renewed for up to one (1) additional year upon the eligible entity paying the fee described in § 68-7-107. An eligible entity must reapply for a medical research or study that extends beyond two (2) years.

(d) An eligible entity issued a research license is authorized to:

(1) Contract with a cultivation facility, integrated facility, or processing facility for the production of clinical cannabis products specific to the research or study; and

(2) Coordinate with the commission for the administration, collection, and compilation of research forms and data through clinical cannabis centers.

(e) An eligible entity issued a research license pursuant to this section is immune from civil liability for actions authorized by this section in the absence of gross negligence or willful misconduct.

(f) For purposes of this section, "eligible entity" means:

(1) An accredited:

(A) College or university;

(B) Medical school; or

(C) School or college of pharmacy;

(2) A health-related organization that has received a determination of exemption from the United States internal revenue service pursuant to 26 U.S.C. § 501(c)(3), if the organization is currently operating under the exemption; or

(3) Any corporation, limited liability company, or other business entity approved by the commission.

**68-7-121.**

(a) A person shall not act as a qualified pharmacist unless registered with the commission in accordance with this section.

(b) To be registered as a qualified pharmacist, a person must:

(1) Complete at least two (2) hours of continuing education on medicinal cannabis biennially; and

(2) Submit an application to the commission on a form prescribed by the commission. The application must include:

(A) Proof that the applicant is licensed as a pharmacist under title 63, chapter 10, and in good standing with the board of pharmacy; and

(B) Proof that the applicant is in compliance with the requirement that a qualified pharmacist must complete at least two (2) hours of continuing education on medicinal cannabis biennially.

(c) Registration as a qualified pharmacist expires one (1) year from the date of issuance.

(d) Registration may be renewed by submission of a renewal application in a form prescribed by the commission. The renewal application must include:

(1) Proof that the applicant is still licensed as a pharmacist under title 63, chapter 10, and in good standing with the board of pharmacy; and

(2) Proof that the applicant is in compliance with the requirement that a qualified pharmacist must complete at least two (2) hours of continuing education on medicinal cannabis biennially.

**68-7-122.**

Any person or entity operating under a license issued pursuant to this chapter shall maintain confidentiality of patient information and data in conformity with standards established under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) (42 U.S.C. § 1320d et seq.), and the rules and regulations promulgated by federal authorities in connection with HIPAA.

**68-7-201.**

(a)

(1) Except as provided in subsections (b) and (g), the commission shall issue a registry identification card to a qualifying patient who is a resident of this state or a contiguous state and who submits an application on a form prescribed by the commission accompanied by the following:

(A) A written certification issued by a practitioner, including a confirmation of diagnosis of a debilitating medical condition if applicable, not more than ninety (90) days before the date of the application;

(B) An application fee of thirty-five dollars (\$35.00);

(C) The name, address, telephone number, social security number, and date of birth of the qualifying patient;

(D) Proof satisfactory to the commission that the qualifying patient is a resident of this state or a contiguous state;

(E) The name, address, and telephone number of the qualifying patient's practitioner;

(F) The name, address, telephone number, social security number, and date of birth of the designated caregiver chosen by the qualifying patient; and

(G) If more than one (1) designated caregiver is designated at any given time, documentation demonstrating that more than one (1) designated caregiver is needed due to the patient's age or debilitating medical condition. Only a qualifying patient who is a resident of a healthcare facility is allowed to have more than two (2) designated caregivers at one (1) time.

(2) A prospective cardholder shall submit the application and application fee for the registry identification card to the commission.

(b) The commission shall issue a registry identification card to a qualifying patient who is less than eighteen (18) years of age if the custodial parent or legal guardian with responsibility for healthcare decisions for the person under eighteen (18) years of age:

(1) Submits the materials required pursuant to subsection (a); and

(2) Signs a written statement setting forth that the parent or guardian consents to allowing the qualifying patient's clinical use of clinical cannabis products and will:

(A) Serve as the qualifying patient's designated caregiver; and

(B) Control the acquisition, dosage, and administration of the clinical cannabis product for the qualifying patient.

(c) A qualifying patient who is younger than eighteen (18) years of age and who is emancipated by marriage, court order, or in any other way recognized by law in this state has all the rights and responsibilities of an adult under this chapter, except to the extent those rights are restricted by court order.

(d) If a qualifying patient is unable to personally submit the information required by this section due to the person's age or debilitating medical condition, the person with the legal authority to make medical decisions for the qualifying patient may do so on behalf of the qualifying patient.

(e) Upon receipt of an application that is completed and submitted pursuant to this section, the commission shall:

(1) Record the date on which the application was received;

(2) Immediately issue proof of receipt to the applicant; and

(3) Distribute written or electronic copies of the application in the

following manner:

(A) One (1) copy to the qualifying patient's practitioner; and

(B) One (1) copy to the board of medical examiners if the practitioner is licensed to practice medicine pursuant to title 63, chapter 6, or one (1) copy to the board of osteopathic examination if the practitioner is licensed to practice osteopathic medicine pursuant to title 63, chapter 9.

(f)

(1) The commission shall verify the information contained in an application submitted pursuant to this section and approve or deny the application within thirty (30) days of receiving a completed application. The commission may contact the qualifying patient, or qualifying patient's custodial parent or legal guardian if applicable, and the qualifying patient's practitioner and designated caregiver by telephone to determine that the information provided on or accompanying the application is accurate.

(2) Within five (5) days of approving an application, the commission shall issue registry identification cards to the qualifying patient and the patient's designated caregiver, if applicable. A designated caregiver must have a registry identification card for each of the caregiver's qualifying patients.

(g) The commission may deny an application only on the following grounds:

(1) The applicant:

(A) Did not provide the required information, fee, or accompanying materials;

(B) Materially failed to comply with rules promulgated by the commission to effectuate this chapter;

(C) Previously had a registry identification card revoked; or

(D) Previously had a registry identification card suspended for a conviction under § 68-7-303(c), possession of an unauthorized form of cannabis; or

(2) The commission:

(A) Determines that the qualifying patient's practitioner is not licensed in this state or is not in good standing with the board of medical examiners or board of osteopathic examination, as applicable; or

(B) Determines that false information was knowingly provided by the applicant.

(h) If the commission denies an application for a registry identification card, then the qualifying patient or, in the case of an unemancipated person under eighteen (18) years of age, the person's parent or legal guardian, may appeal the denial with the commission. The denial of an application for a registry identification card following administrative review is considered a final action, subject to judicial review. Any administrative or judicial review of the denial of an application for a registry identification card must be in accordance with the procedures set forth in the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

**68-7-202.**

(a) When issuing a registry identification card to a qualifying patient, the commission shall also issue a registry identification card to each person identified as a designated caregiver by the qualifying patient if the designated caregiver:

(1) Is a resident of this state or a contiguous state;

(2) Is at least twenty-one (21) years of age or a parent or legal guardian of a qualifying patient;

(3) Has agreed in writing, on a form prescribed by the commission, to assist with the qualifying patient's clinical use of a clinical cannabis product;

(4) Has not been convicted of a disqualifying felony offense;

(5) Has not previously had a registry identification card revoked;

(6) Has not previously had a registry identification card suspended for a conviction under § 68-7-303(c), possession of an unauthorized form of cannabis; and

(7) Does not assist more than five (5) qualifying patients with their clinical use of a clinical cannabis product, unless the designated caregiver's qualifying

patients each reside in or are admitted to a healthcare facility where the designated caregiver is employed.

(b) A qualifying patient must submit an application, on a form prescribed by the commission, to designate a new caregiver or change the patient's designated caregiver. An application fee of fifteen dollars (\$15.00), or other amount as determined by the commission, applies.

(c) Prior to issuing a registry identification card to a designated caregiver, the commission shall:

(1) Conduct a criminal history records check of the designated caregiver to determine whether the caregiver has been convicted of a disqualifying felony offense;

(2) Verify that the designated caregiver has not previously had a registry identification card revoked; and

(3) Verify that the designated caregiver is not currently registered as assisting five (5) or more qualifying patients with their clinical use of a clinical cannabis product or that the designated caregiver's qualifying patients reside in or are admitted to a healthcare facility where the designated caregiver is employed.

(d) The commission may deny the issuance of a registry identification card to a designated caregiver only if:

(1) The designated caregiver does not meet the requirements of subsection (a); or

(2) The qualifying patient notifies the commission that the patient no longer wishes the person to be the patient's designated caregiver.

(e) If a designated caregiver is denied the issuance of a registry identification card, then:

(1) The commission shall give written notice to the qualifying patient and designated caregiver of the reason for the denial of the registry identification card;

(2) A qualifying patient or, in the case of an unemancipated person under eighteen (18) years of age, the person's parent or legal guardian, whose chosen designated caregiver has been denied a registry identification card may appeal the denial with the commission. The denial of a designated caregiver's registry identification card following administrative review is considered a final action, subject to judicial review. Any administrative or judicial review of the denial of a designated caregiver's registry identification card must be in accordance with the procedures set forth in the Uniform Administrative Procedures Act, compiled in title 4, chapter 5; and

(3) In lieu of an appeal, a qualifying patient may submit an application designating a new designated caregiver.

(f) The commission is authorized to create a designated public caregiver program in which the commission may assign a vetted volunteer to provide assistance as a designated caregiver to a qualifying patient for whom there is no designated caregiver otherwise available.

**68-7-203.**

(a) A registry identification card must contain all of the following:

(1) The name of the cardholder;

(2) A designation of whether the cardholder is a qualifying patient or a designated caregiver;

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

(4) An identification number that is unique to the cardholder;

(5) If a temporary registry identification card, a temporary designation on the card;

(6) If the cardholder is a designated caregiver, the identification number of the qualifying patient the caregiver is designated to assist;

(7) The telephone number or website for the verification system established pursuant to § 68-7-205; and

(8) Security features to prevent diversion, fraud, and abuse and to track the dispensing of a clinical cannabis product to the patient.

(b) Except as provided in subsection (c), the expiration date is one (1) year after the date of issuance.

(c) If the practitioner stated in the written certification that the qualifying patient's debilitating medical condition is expected to last until a specified date and for a period of less than one (1) year, then the registry identification card expires on that date.

**68-7-204.**

A cardholder may submit an application for renewal of an existing registry identification card beginning sixty (60) days prior to the expiration date. An application for renewal may be submitted at a clinical cannabis center or through an online renewal procedure established by the commission.

**68-7-205.**

(a) The commission shall establish and maintain an electronic verification system and may use an existing electronic verification system, such as the controlled substance database established in the Tennessee Prescription Safety Act of 2016, compiled in title 53, chapter 10, part 3, for purposes of this chapter. The information kept in the system must be kept confidential except as provided in this chapter and must not be used for any purpose other than that described in this chapter.

(b) The electronic verification system must allow law enforcement personnel and clinical cannabis establishments to enter a registry identification number to determine whether the number corresponds with a valid registry identification card. For law enforcement purposes, the system may disclose only:

- (1) Whether the identification card is valid; and
- (2) The name of the cardholder.

(c) To ensure the privacy and confidentiality of patient records, information obtained from the electronic verification system database shall not be made a public record. Any information used in a criminal or administrative action from the database must be placed under seal or have patient names and all other personally identifying information of patients redacted.

**68-7-206.**

(a) A cardholder is required to notify the commission as follows:

(1) A registered qualifying patient shall notify the commission of any change in the patient's name or address, or if the registered qualifying patient ceases to have the patient's debilitating medical condition, within thirty (30) days of the change;

(2) A registered designated caregiver shall notify the commission of any change in the caregiver's name or address, or if the designated caregiver becomes aware of the death of the caregiver's qualifying patient, within thirty (30) days of the change; and

(3) If a cardholder's registry identification card becomes lost or stolen, the cardholder shall notify the commission within ten (10) days of becoming aware the card has been lost or stolen.

(b) If a qualifying patient is unable to make the notification required under subsection (a) due to the patient's age or medical condition, the patient's designated caregiver shall make the notification.

(c) When a cardholder notifies the commission of a circumstance identified in subsection (a) and the cardholder remains eligible under this chapter, the commission shall inform the cardholder whether it will issue a new registry identification card. If a new registry identification card is to be issued, the commission shall issue the cardholder a new card with a new unique identification number within ten (10) days of receiving the updated information and any fee required to replace the card. If applicable, the commission shall also issue a new registry identification card to the patient's designated caregiver within ten (10) days of receiving the updated information.

**68-7-207.**

(a) If the commission receives notification of a cardholder's conviction under § 68-7-303(h), then the commission shall immediately suspend the cardholder's registry identification card and promptly notify the cardholder of the reason for the suspension.

(b) The commission shall reinstate a registry identification card that has been suspended pursuant to subsection (a) upon the commission receiving written confirmation that the cardholder has fulfilled all the requirements for the sentence imposed by the court in which the cardholder was convicted of the offense; provided, that such court may authorize the commission to reinstate the registry identification card prior to the fulfillment of the requirements for the sentence. If the card is restored pursuant to this subsection (b) prior to its expiration date, then the cardholder is not required to pay an application fee for the period remaining before the card's expiration. The commission may impose a reasonable reinstatement fee of five dollars (\$5.00), or other reasonable amount determined by the commission, for processing the restoration of the card.

(c) If the commission receives notification of a cardholder's conviction under § 68-7-304 or a designated caregiver's conviction for a disqualifying felony offense, then the commission shall immediately suspend the cardholder's registry identification card and shall begin the process to revoke the cardholder's card in accordance with procedures established by rule. Except pursuant to court order or commission review on appeal, a cardholder who has had a registry identification card revoked is not eligible to receive or be issued a registry identification card.

(d) A cardholder or, in the case of an unemancipated person under eighteen (18) years of age, the person's parent or legal guardian, whose registry identification card has been suspended or revoked may appeal the suspension or revocation with the commission in accordance with procedures established by the commission. The suspension or revocation of a cardholder's registry identification card following an appeal is considered a final action, subject to judicial review. Jurisdiction and venue for judicial review are vested in the chancery court of Davidson County.

**68-7-301.**

(a) It is an exception to the application of title 39, chapter 17, part 4, that, at the time of the commission of an act constituting an offense under such part, the person:

(1) Was issued a valid registry identification card and in strict compliance with this chapter;

(2) Was a nonresident cardholder and in strict compliance with this chapter; or

(3) Acted in the person's capacity as a clinical cannabis establishment agent or pursuant to a research license issued by the commission and was in strict compliance with this chapter.

(b) A practitioner is not subject to arrest or prosecution under state law, or to being penalized in any manner, or denied any right or privilege, including any disciplinary

action by a state professional licensing board, for completing a written certification for a qualifying patient if:

(1) The practitioner has diagnosed, or confirmed the diagnosis of, the patient as having a debilitating medical condition;

(2) The written certification is based upon the practitioner's professional opinion after having completed a full assessment of the patient's medical history and current medical condition made in the course of a bona fide practitioner-patient relationship; and

(3) The practitioner has not abused the practitioner's authority to provide written certifications or diagnoses of debilitating medical conditions, including confirmation of diagnoses as described under § 68-7-102(16)(N).

(c) A professional licensing board shall not penalize or take any disciplinary action against, or deny any right or privilege to, a person solely on the basis of the person:

(1) Being issued a valid registry identification card and acting in strict compliance with this chapter;

(2) Acting in the person's capacity as a clinical cannabis establishment agent in strict compliance with this chapter;

(3) If the person is an attorney licensed to practice law in this state, providing legal advice or services regarding activities authorized under this chapter;

(4) Providing professional advice or services regarding activity authorized under this chapter; or

(5) If a practitioner, properly issuing written certifications, regardless of the number issued.

(d) A qualifying patient or designated caregiver is presumed to be engaged in the clinical use of cannabis pursuant to this chapter if the person is in possession of a valid registry identification card, issued by this state or another and that must be presented upon request of a law enforcement officer, and an amount of clinical cannabis products in an authorized form that does not exceed the allowable amount.

**68-7-302.**

A clinical cannabis product, a clinical cannabis device, or other property seized from a qualifying patient or designated caregiver in connection with a claimed clinical use of cannabis under this chapter must be returned immediately upon the determination by a court that the qualifying patient or designated caregiver is entitled to the protections of this chapter, as evidenced by a decision not to prosecute, dismissal of charges, or an acquittal.

**68-7-303.**

(a) A qualifying patient is authorized to obtain clinical cannabis product for clinical use only from:

- (1) A clinical cannabis center licensed pursuant to § 68-7-105; or
- (2) A designated caregiver.

(b) A designated caregiver shall obtain clinical cannabis product for clinical use only from a clinical cannabis center licensed pursuant to § 68-7-105.

(c) A qualifying patient or designated caregiver shall not possess cannabis in any form other than an authorized form.

(d) A qualifying patient or designated caregiver shall not possess clinical cannabis product in an amount that exceeds the allowable amount.

(e) Any clinical cannabis product possessed by a qualifying patient or designated caregiver must be:

(1) Labeled clearly and unambiguously as clinical cannabis, with the weight, content, and concentration of THC, cannabidiol, cannabinol, and any other significant active ingredients clearly indicated;

(2) Labeled clearly with dosage information and the qualifying patient's name and unique identification number; and

(3) Kept with or in the labeled container or packaging provided by the licensed clinical cannabis center if the product itself is incapable of being labeled.

(f) The smoking of cannabis or any clinical cannabis product is prohibited. A clinical cannabis product that is aerosolized, nebulized, or vaporized by means of a clinical cannabis device approved by the commission or the federal food and drug administration (FDA) is not considered to be smoked.

(g) A qualifying patient or designated caregiver who knowingly violates this section commits a Class C misdemeanor.

(h) Notwithstanding subsection (g), a qualifying patient or designated caregiver who intentionally possesses a clinical cannabis product in an amount that the patient or caregiver knows to exceed the allowable amount, and the possession of such amount would be an offense under § 39-17-417, commits an offense and may be prosecuted under that section.

**68-7-304.**

(a) It is an offense for a person to knowingly obtain or attempt to obtain any clinical cannabis product for clinical use by:

(1) Fraud, deceit, misrepresentation, embezzlement, or theft;

(2) The forgery or alteration of a practitioner's written certification;

(3) Furnishing fraudulent medical information or concealing a material fact;

(4) The use of a false name or patient identification number, or the giving of a false address; or

(5) The forgery or alteration of a registry identification card.

(b) A violation of subsection (a) is a Class E felony.

**68-7-305.** A person is not subject to arrest, prosecution, or penalty in any manner, and must not be denied any right or privilege, including any civil penalty or disciplinary action by a court or occupational or professional licensing board or bureau, for:

(1) Being in the presence or vicinity of the clinical use of clinical cannabis products; or

(2) Allowing the person's property to be used for activities authorized by this chapter.

**68-7-401.**

(a) There is created and established the Tennessee clinical cannabis commission, which consists of five (5) members. Two (2) members of the commission shall be appointed by the speaker of the house of representatives; two (2) members shall be appointed by the speaker of the senate; and one (1) member shall be appointed by the governor. No more than two (2) members of the commission may be appointed and reside in the same grand division. The members comprising the commission shall not be less than thirty (30) years of age, and must have been residents of this state for at least two (2) years preceding their appointment.

(b) In making appointments to the commission, the appointing authorities shall strive to ensure that the commission is composed of persons who have experience in management or business and have demonstrated a commitment to integrity, ethics, and professionalism.

(c) A person who has an economic interest in a clinical cannabis establishment is not eligible for appointment to the commission. A commission member shall not

acquire an economic interest in a clinical cannabis establishment during the member's term on the commission or within twelve (12) months following the expiration of the member's term.

**68-7-402.**

(a) The appointment of members to the commission shall be as follows:

(1) On or before July 1, 2020, the speaker of the senate shall appoint two (2) members for a term that begins on July 1, 2020, and expires on June 30, 2022;

(2) On or before July 1, 2020, the speaker of the house of representatives shall appoint two (2) members for a term that begins on July 1, 2020, and expires on June 30, 2023; and

(3) On or before July 1, 2020, the governor shall make one (1) appointment that begins July 1, 2020, and expires on June 30, 2024.

(b) The five (5) members of the commission appointed by the speaker of the senate, the speaker of the house of representatives, and the governor are subject to confirmation by the senate and house of representatives, but appointments are effective until and unless adversely acted upon by joint resolution of the senate and the house of representatives within sixty (60) days of the member's appointment or, if the general assembly is not in session when the appointment is made, within sixty (60) calendar days after the general assembly next convenes in regular session following the member's appointment.

(c)

(1) Following the expiration of a member's initial term as prescribed in subsection (a), all appointments to the commission are for terms of four (4) years and begin on July 1 and terminate on June 30, four (4) years thereafter.

(2) All members serve until the expiration of the term to which they were appointed and until their successors are appointed.

(3) A vacancy occurring other than by expiration of term must be filled in the same manner as the original appointment but for the balance of the unexpired term only.

(4) The appointing authority may remove a member appointed by the authority only for just cause, including misconduct, incompetency, or willful neglect of duty, after first delivering to the member a copy of the charges against the member.

(5) Members are eligible for reappointment to the commission following the expiration of their terms.

(d)

(1) The appointing authority shall remove from the commission any member who is absent from more than thirty-three percent (33%) of the scheduled commission meetings in a calendar year and shall appoint a new member to fill the remainder of the unexpired term.

(2) The presiding officer of the commission shall promptly notify, or cause to be notified, the applicable appointing authority of any member who violates the attendance requirement described in subdivision (d)(1).

(e) Prior to beginning their duties, each member of the commission shall take and subscribe to the oath of office provided for state officers.

**68-7-403.**

(a) The official domicile of the commission is in Nashville. All meetings of the commission must be held in Nashville.

(b) The commission must be impaneled and hold its first meeting no later than July 15, 2020, at which time, and annually thereafter, the members shall elect a chair and other officers as the members deem necessary.

(c) The commission shall meet at least one (1) time in Nashville each month and hold other meetings for any period of time as may be necessary for the commission to transact and perform its official duties and functions. The commission may hold a special meeting at any time it deems necessary and advisable in the performance of its official duties. Three (3) members of the commission constitute a quorum for the transaction of any business or the performance of any duty, power, or function of the commission. A special meeting may be called by the chair or by a majority of the commission. The commission may participate by electronic or other means of communication for the benefit of the public and the commission in connection with any meeting authorized by law; provided, that a physical quorum is maintained at the location of the meeting.

**68-7-404.**

(a) The members of the commission shall receive compensation in the sum of twenty thousand dollars (\$20,000) per year through June 30, 2021, after which members shall receive compensation in the sum of ten thousand dollars (\$10,000) per year. Compensation is payable in monthly installments out of the state treasury.

(b) All members of the commission shall be reimbursed for their actual and necessary expenses incurred in connection with their official duties as members of the commission.

(c) All reimbursement for travel expenses must be in accordance with the comprehensive travel regulations as promulgated by the department of finance and administration and approved by the attorney general and reporter.

**68-7-405.**

(a) The commission shall appoint a director to serve at the pleasure of the commission. The commission shall fix the director's salary with the approval of the

appropriate state officials as now required by law. The office of the director is to be located in Nashville.

(b) The director must be at least thirty (30) years of age, have attained a bachelor's level degree or higher, and have demonstrated a commitment to integrity, ethics, and professionalism. The director is designated as director, Tennessee clinical cannabis commission.

(c) The director is the chief administrative officer of the commission, and all personnel employed by the commission are under the director's direct supervision. The director is solely responsible to the commission for the administration and enforcement of this chapter and is responsible for the performance of all duties and functions delegated by the commission and for coordination of administrative needs with the department of agriculture.

(d) The director shall keep and be responsible for all records of the commission and also serve as secretary of the commission. The director shall prepare and keep the minutes of all meetings held by the commission, including a record of all business transacted and decisions rendered by the commission.

(e) The director shall act and serve as hearing officer when designated by the commission and perform such duties as hearing officer as now authorized under this chapter.

(f) The commission is authorized to appoint an assistant director who shall perform such duties and functions that may be assigned by the director or the commission. The assistant director, if licensed to practice law in this state, may also be designated by the commission to sit, act, and serve as a hearing officer, and when designated as a hearing officer, the assistant director is authorized to perform the same duties and functions as the regular hearing officer.

(g) The director and assistant director shall be reimbursed for travel expenses in accordance with the comprehensive travel regulations as promulgated by the department of finance and administration and approved by the attorney general and reporter.

(h) The director shall strive to attend all meetings of the research and therapeutics committee.

**68-7-406.**

(a) The commission is attached to the department of agriculture for administrative matters relating to budgeting, audit, and other related items, and for additional administrative support, including the use of department attorneys, inspectors, agents, officers, and clerical assistance as may be necessary for the effective administration and enforcement of this chapter.

(b) All fees authorized by this chapter must be paid into the general fund and credited to a separate account for the commission. Funds in this account must be used solely for the implementation and enforcement of this chapter, including administrative costs of the commission, subject to the approval of the commissioner of finance and administration with the approval of the governor. It is the intent of the general assembly that this account be the sole source of funds for the commission and that the amount appropriated to the commission not exceed the amount collected from fees under this chapter. Additional funds may be appropriated to the commission to assist with expenses prior to the commission becoming self-sufficient.

**68-7-407.** The commission shall adopt and implement a conflict of interest policy for its members. The policy must mandate annual written disclosures of financial interests and other possible conflicts of interest and an acknowledgement by commission members that they have read and understand all aspects of the policy. The policy must also require persons who are to

be appointed to acknowledge, as a condition of appointment, that they are not in conflict with the conditions of the policy.

**68-7-408.**

(a) The commission is empowered and authorized to promulgate rules, including emergency rules, as may be necessary to effectuate this chapter and to carry out the functions, duties, and powers of the commission as provided in this chapter. All rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5. The commission shall enforce and administer this chapter and the rules made by it.

(b) The commission has the following functions, duties, and powers and shall:

(1) Issue all licenses and registration cards, and revoke any license or registration card authorized by this chapter under the following conditions:

(A) Revocation of a license or registration card must be made by the commission only on account of the violation of, or refusal to comply with, this chapter or any rule of the commission, after not less than ten-days' notice to the holder of the license or registration card proposed to be revoked, informing the licensee or establishment agent of the time and place of the hearing to be held, and all further procedure with reference to the revocation of any license or registration card must be fixed and prescribed in the rules adopted and promulgated by the commission;

(B) A person does not have a property right in any license or registration card issued under this chapter; and

(C) The commission shall hold a hearing to determine whether a license or registration card is to be revoked, which hearing must be held in accordance with the contested case provisions of the Uniform Administrative Procedures Act, whenever the appropriate local legislative

body certifies that any licensee has habitually violated this chapter, or any regulation adopted by the county legislative bodies or legislative councils, relative to the conduct and operation of the business provided for in this chapter;

(2) Refuse to issue a license or registration card if, upon investigation, the commission finds that the applicant for a license or registration card has concealed or misrepresented, in writing or otherwise, any material fact or circumstance concerning the operation of the business or employment, or if the interest of the applicant in the operation of the business or employment is not truly stated in the application, or in case of any fraud or false swearing by the applicant touching any matter relating to the operation of the business or employment. If a license or registration card has been issued, then the commission shall issue a citation to the licensee or establishment agent to show cause why the license or registration card should not be suspended or revoked. All data, written statements, affidavits, evidence, or other documents submitted in support of an application are a part of the application;

(3) Issue registry identification cards and research licenses;

(4) Conduct investigations and audits for enforcing and preventing violations of this chapter;

(5) Summon any applicant for a license or registration card and also summon and examine witnesses, and administer oaths to applicants and witnesses in making any investigation;

(6) Prescribe reporting and educational programs the commission deems necessary or appropriate to ensure that the laws governing licensees and registration cards are observed;

(7) Prevent parts of the premises connected with or in any sense used in connection with the premises, where the possession, cultivation, production, transportation, delivery, receipt, sale, or purchase of clinical cannabis or clinical cannabis product may be lawful, from being used as a subterfuge, or means of evading this chapter or the rules of the commission;

(8) Issue a citation or refuse to issue or renew a license if, upon investigation, the commission finds that the applicant for a license has not demonstrated the financial capacity to operate the business in a manner consistent with the rules of the commission or is not generally paying its debts as they come due except for debts as to which there is a bona fide dispute;

(9) Require, on licensed premises, the destruction or removal of any containers or devices used or likely to be used in evading, violating, or preventing the enforcement of this chapter or the rules of the commission;

(10) Collect all fees paid or due and deposit collections with the state treasurer to be earmarked for and allocated to the commission, as described in § 68-7-406(b), for the purpose of the administration and enforcement of the duties, powers, and functions of the commission;

(11) Issue research licenses upon approval by the research and therapeutics committee;

(12) Develop a longitudinal study form under the guidance of the research and therapeutics committee for the purposes of gathering relevant data on clinical cannabis, and ensure the utilization of the form and compliance of clinical cannabis centers;

(13) Be ultimately responsible for the collection, processing, and storage of research data developed from the longitudinal study form, as well as other

research data as part of any agreement with an eligible entity issued a research license;

(14) Make data collected by the commission available to the research and therapeutics committee in the form of an annual summary report and otherwise in a form and frequency as reasonably requested by the research and therapeutics committee; and

(15) Develop protocols for the management, storage, and distribution of data to the research and therapeutics committee for analysis or publication while ensuring patient confidentiality. The commission is authorized to outsource collection, processing, and storage services.

**68-7-409.**

(a) In addition to its functions, duties, and powers under § 68-7-408, the commission shall, in consultation with the clinical cannabis research and therapeutics committee:

(1) Promulgate a standardized form to be used by practitioners for written certifications. The form must be made available to qualifying patients on the commission's website and allow for the inclusion of the following information:

(A) Patient's diagnosis and corresponding medical code, if applicable;

(B) Severity of the patient's symptoms or condition on a scale of one (1) to ten (10); and

(C) Current and immediate past treatments for the patient's symptoms or condition;

(4) Promulgate a standardized label for dispensed clinical cannabis products that allows for dosage information, the qualifying patient's name and unique identification number, and a "use by" date;

(5) Identify the top ten (10) practitioners by the number of written certifications issued and share the list with the appropriate professional licensing boards under title 63, chapters 6 and 9;

(6) Consider complaints or reports regarding alleged abuses by practitioners relative to written certifications or diagnoses of debilitating medical conditions and notify the appropriate professional licensing board;

(7) Accept and submit to the research and therapeutics committee for its approval requests for waivers for individualized exceptions to dosing restrictions;

(8) Consider physical appearance and signage standards for clinical cannabis centers. However, if standards are set by the commission, they must not be more burdensome than those applicable to pharmacies and medical offices;

(9) Administer a research license program under the direction of the research and therapeutics committee;

(10) Promulgate relevant application forms to be used for the research license programs;

(11) Develop a standardized form that is to be used by qualifying patients at clinical cannabis centers as part of a longitudinal study of clinical cannabis and clinical cannabis products. The study must be compliant with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) (42 U.S.C. § 1320d et seq.), and the rules and regulations promulgated by federal authorities in connection with HIPAA. At a minimum, the longitudinal study form must include symptom modification, side effects, and efficacy of clinical cannabis or clinical cannabis products;

(12) Develop and issue registry identification cards to cardholders that include security features to prevent diversion, fraud, and abuse, and allow for the

tracking of the dispensing of clinical cannabis products to or for a qualifying patient; and

(13) Approve clinical cannabis devices for the aerosolization, nebulization, or vaporization of clinical cannabis products, and identify on the commission's website the clinical cannabis devices approved by the commission or the federal food and drug administration (FDA).

(b) The commission, in consultation with the departments of agriculture, health, and safety, shall promulgate rules necessary to effectuate this chapter, including:

(1) Requirements for applications submitted pursuant to §§ 68-7-103, 68-7-108, and 68-7-120;

(2) Rules regarding:

(A) Clinical cannabis products, labeling standards, and doses;

(B) Approved forms or uses of clinical cannabis products;

(C) Fees;

(D) Security requirements for clinical cannabis establishments;

and

(E) Procedures for the appeal of a license denied under § 68-7-105;

(3) Rules pertaining to the safe and healthful operation of clinical cannabis establishments, including:

(A) The manner of protecting against diversion and theft without imposing an undue burden on clinical cannabis establishments or compromising the confidentiality of cardholders;

(B) Minimum requirements for the oversight of clinical cannabis establishments;

(C) Minimum requirements for recordkeeping by clinical cannabis establishments;

(D) Provisions for the security of clinical cannabis establishments, including requirements for the protection of each clinical cannabis establishment by a fully operational security alarm system; and

(E) Procedures pursuant to which cultivation facilities and clinical cannabis centers must use the services of an independent testing facility to ensure that any clinical cannabis product sold by the clinical cannabis centers to end users are tested for content, quality, and potency in accordance with standards established by the commission;

(4) Establishing fees described in § 68-7-107 and circumstances and procedures pursuant to which those fees may be reduced over time, and ensuring that the fees do not exceed an amount that is more than the cost of administering this chapter, including any expenses related to research;

(5) Protecting the identity and personal identifying information of each person who receives, facilitates, or delivers services in accordance with this chapter while maintaining accountability of those persons;

(6) Establishing different categories of clinical cannabis establishment agent registration cards, including criteria for training and certification, for each of the different types of clinical cannabis establishments;

(7) Establishing:

(A) Authorized forms of cannabis that may be dispensed to and possessed by cardholders;

(B) Labeling standards and guidelines for clinical cannabis products, including that clinical cannabis products and container packaging are:

(i) Labeled clearly and unambiguously as clinical cannabis, with the weight, content, and concentration of THC, cannabidiol, cannabitol, and any other significant active ingredients clearly indicated; and

(ii) Labeled clearly with dosage information, the qualifying patient's name and unique identification number, and the "use by" date upon dispensing; and

(C) Standards for identifying the allowable amount of clinical cannabis products, including THC, cannabidiol, cannabitol, and other significant active ingredient concentration and recommended doses;

(8) The transportation of cannabis and clinical cannabis products on public highways; and

(9) Addressing other matters necessary for the implementation of this chapter.

**68-7-410.** The commission is authorized and encouraged to apply for and utilize grants, contributions, appropriations, and other sources of revenue which must be deposited in the commission's general fund account to facilitate clinical cannabis study and research under the clinical cannabis research license program. The commission shall also assist researchers with obtaining any necessary waivers and approval from the federal drug enforcement agency and food and drug administration for clinical cannabis study and research under the clinical cannabis research license program.

**68-7-411.** The commission is authorized to investigate and examine the premises of any clinical cannabis establishment, including the books, papers, and records of any clinical cannabis establishment, for the purpose of determining compliance with this chapter. Any refusal to permit the examination of any books, papers, and records, or the investigation and

examination of the premises, constitutes sufficient reason for the revocation of a license or the refusal to issue a license.

**68-7-412.** In any action or suit brought against the members of the commission in their official capacity in a court of competent jurisdiction to review any decision or order issued by the commission, service of process issued against the commission may in their absence be lawfully served or accepted by the director on behalf of the commission as though the members of the commission were personally served with process.

**68-7-413.**

(a) In any case where the commission is given the power to suspend or revoke any license or registration card, it may impose a fine in lieu of or in addition to suspension or revocation. The commission shall promulgate by rule pursuant to the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, a schedule setting forth a range of fines for each violation. The commission shall deposit collections of any fine with the state treasurer into the general fund of the state and credited to a separate account for the commission. For the purpose of imposing fines, each violation may be treated as a separate offense.

(b) Any document a person receives informing the person or entity of having a fine imposed upon the person or entity must cite each particular rule or statute the person or entity is being charged with violating.

(c) In any case where the commission is authorized to suspend or revoke a license or registration card, it may enter into an agreement by order with the licensee or registrant where the licensee or registrant voluntarily surrenders the license or registration card. The surrender is deemed a revocation of the license or registration card.

**68-7-414.** Any action brought against the commission must be brought in the circuit or chancery court of Davidson County.

**68-7-415.**

(a) The commission shall file a report with the attorney general and reporter whenever any person or entity licensed under this chapter:

(1) Fails to account for or pay over any license fees or taxes or levies pursuant to this chapter; or

(2) Has failed or refused to pay any obligations or liability or penalty imposed by this chapter.

(b) Upon receipt of the report under subsection (a), the attorney general and reporter shall institute the necessary action for the recovery of any such license fee, tax, levy, or any sum due the state of Tennessee under this chapter. The respective district attorney general is ordered and directed to assist the attorney general and reporter whenever required under this subsection (b).

**68-7-416.** Beginning in 2021, the director of the commission shall file an annual report with the chief clerks of the senate and the house of representatives and the legislative librarian for the benefit of the judiciary and the health and welfare committees of the senate and the judiciary and the health committees of the house of representatives no later than March 1 detailing with specificity each rule promulgated during the previous year together with the rationale for promulgating the rule.

**68-7-501.**

(a) There is created the clinical cannabis research and therapeutics committee for the purpose of providing clinical expertise and guidance to the commission. The committee consists of eleven (11) members, including seven (7) healthcare practitioners who are voting members and four (4) ex-officio non-voting members.

(b) The seven (7) voting members shall be appointed as follows:

(1) Three (3) members appointed by the speaker of the house:

(A) Two (2) of whom must be licensed under title 63, chapters 6 or 9, representing one (1) or more of the fields of neurology, medical oncology, rheumatology, psychiatry, or family medicine; and

(B) One (1) advanced practice registered nurse, as defined in 63-7-126, representing the field of palliative care;

(2) Three (3) members appointed by the speaker of the senate:

(A) Two (2) of whom must be licensed under title 63, chapters 6 or 9, representing one (1) or more of the fields of neurology, medical oncology, rheumatology, psychiatry, or family medicine; and

(B) One (1) pharmacist licensed under title 63, chapter 10; and

(3) One (1) member appointed by the governor, and who must be licensed under title 63, chapters 6 or 9, representing one (1) or more of the fields of neurology, medical oncology, rheumatology, psychiatry, or family medicine.

(c) The practitioners appointed under subdivisions (1)(A), (2)(A), and (3) must be nationally board-certified in their area of specialty and knowledgeable about the medical use of cannabis.

(d) The four (4) ex-officio members are as follows:

(1) The director of the clinical cannabis commission, who shall serve as secretary of the research and therapeutics committee;

(2) The commissioner of the department of health or the commissioner's designee;

(3) The commissioner of the department of agriculture or the commissioner's designee; and

(4) The commissioner of the department of safety or the commissioner's designee;

**68-7-502.**

(a) The appointment of members to the research and therapeutics committee shall be as follows:

(1) On or before July 1, 2020, the speaker of the senate shall appoint three (3) members for a term that begins on July 1, 2020, and expires on June 30, 2021;

(2) On or before July 1, 2020, the speaker of the house of representatives shall appoint three (3) members for a term that begins on July 1, 2020, and expires on June 30, 2022; and

(3) On or before July 1, 2020, the governor shall make one (1) appointment that begins on July 1, 2020, and expires on June 30, 2023.

(b) The seven (7) members of the committee appointed by the speaker of the senate, the speaker of the house of representatives, and the governor are subject to confirmation by the senate and house of representatives, but appointments are effective until and unless adversely acted upon by joint resolution of the senate and the house of representatives within sixty (60) days of the member's appointment or, if the general assembly is not in session when the appointment is made, within sixty (60) calendar days after the general assembly next convenes in regular session following the member's appointment.

(c)

(1) Following the expiration of a member's initial term as prescribed in subsection (a), all appointments to the commission are for terms of two (2) years and begin on July 1 and terminate on June 30, two (2) years thereafter.

(2) All members serve until the expiration of the term to which they were appointed and until their successors are appointed.

(3) A vacancy occurring other than by expiration of term must be filled in the same manner as the original appointment but for the balance of the unexpired term only.

(4) The appointing authority may remove a member appointed by the authority only for just cause, including misconduct, incompetency, or willful neglect of duty, after first delivering to the member a copy of the charges against the member.

(5) Members are eligible for reappointment to the committee following the expiration of their terms.

(d)

(1) The appointing authority may remove from the committee any voting member who is absent from more than fifty percent (50%) of the scheduled committee meetings in a calendar year and appoint a new member to fill the remainder of the unexpired term.

(2) The presiding officer of the committee shall promptly notify, or cause to be notified, the applicable appointing authority of any member who violates the attendance requirement described in subdivision (d)(1).

(e) Prior to beginning their duties, each member of the committee shall take and subscribe to the oath of office provided for state officers.

**68-7-503.** The duties of the research and therapeutics committee are as follows:

(1) Consult and advise the clinical cannabis commission in furtherance of the commission's duties under § 68-7-409;

(2) Accept and review petitions submitted by practitioners and potentially qualifying patients regarding medical conditions, medical treatments, or diseases to be added to the list of debilitating medical conditions that qualify for the clinical use of cannabis;

(3) Review and approve additional debilitating medical conditions that would benefit from the medical use of cannabis and provide to the commission at least annually a list of such qualifying debilitating diseases, if any;

(4) Convene at least twice per year to conduct public hearings and to evaluate petitions, which must be maintained as confidential personal health information, to consider additional qualifying debilitating diseases under § 68-7-102(16)(P);

(5) Issue recommendations concerning rules to be promulgated by the commission relative to the research and therapeutics committee's duties; and

(6) Recommend to the commission quantities of cannabis that are necessary to constitute an adequate supply for qualified patients and primary caregivers.

**68-7-504.** The members of the research and therapeutics committee shall receive a per diem not to exceed the per diem provided to members of the general assembly pursuant to § 3-1-106, for each day's service spent in the performance of the duties and responsibilities of the research and therapeutics committee.

**68-7-505.**

(a) The director of the clinical cannabis commission shall keep and be responsible for all records of the research and therapeutics committee and also serve as secretary of the committee. The director shall prepare and keep the minutes of all meetings held by the committee, including a record of all business transacted and decisions rendered by the committee.

(b) The director is authorized to appoint an assistant director who shall perform such duties and functions that may be assigned by the director or the commission under this section.

**68-7-601.** This chapter does not require:

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

(2) Any person or establishment in lawful possession of real property to allow a guest, client, customer, or other visitor to use clinical cannabis products on or in that property; or

(3) Any correctional facility to allow the possession or use of clinical cannabis on the facility's grounds.

**68-7-602.**

(a) An employer is authorized to establish policies permitting, restricting, or prohibiting the use of clinical cannabis products in the workplace.

(b) This chapter does not prohibit an employer from:

(1) Disciplining an employee for using a clinical cannabis product in the workplace or for working while under the influence of a clinical cannabis product; or

(2) Considering a job applicant's use of cannabis as a basis for refusing to hire the applicant for employment responsibilities described in § 50-9-106(a)(3)(A).

(c)

(1) Notwithstanding title 50, chapter 9, or any other law to the contrary, a public employer shall not take any adverse employment action against an employee who is a participating patient in the clinical cannabis program on the basis of a failed drug test attributable to a clinical cannabis product without a reasonable suspicion that the employee is under the influence in the workplace.

(2) Subdivision (c)(1) does not apply to a person employed in a safety-sensitive position, as defined in § 50-9-103.

**68-7-603.**

(a) A healthcare facility may adopt reasonable protocols on the use of cannabis by their residents or persons receiving inpatient services, including that:

(1) The facility is not required to store or maintain the patient's supply of clinical cannabis product;

(2) The facility, caregivers, or agencies serving the facility's residents are not responsible for providing the clinical cannabis product for qualifying patients; and

(3) Clinical cannabis products be used or administered only in a place specified by the facility.

(b) This section does not require a healthcare facility to adopt restrictions on the clinical use of cannabis.

(c) A healthcare facility shall not unreasonably limit a registered qualifying patient's access to or use of clinical cannabis products authorized under this chapter unless failing to do so would cause the facility to lose a monetary or licensing-related benefit under federal law.

**68-7-604.** Notwithstanding any law to the contrary, electronic payment and filing requirements for taxes levied under title 67 are waived and a clinical cannabis establishment may file a return in paper form and remit payments in cash or other form approved by the department of revenue. The commissioner of revenue is authorized to require that any paper filing be accompanied by a manual handling fee, not to exceed twenty-five dollars (\$25.00), that is reasonably calculated by the department to account for the additional cost of preparing, printing, receiving, reviewing, and processing any paper filing.

SECTION 2. Tennessee Code Annotated, Section 4-29-242(a), is amended by adding the following as a new subdivision:

( ) Tennessee clinical cannabis commission, created by § 68-7-401;

SECTION 3. Tennessee Code Annotated, Section 39-17-427, is amended by deleting the section and substituting instead the following:

It is an exception to this part if the person lawfully possessed, manufactured, or distributed the controlled substance as otherwise authorized by this part; title 53, chapter 11, parts 3 and 4; or the Tennessee Clinical Cannabis Authorization and Research Act, compiled in title 68, chapter 7. Participation in the state's clinical cannabis program in accordance with the Tennessee Clinical Cannabis Authorization and Research Act does not imply illegal use of controlled substances regulated by the program.

SECTION 4. Tennessee Code Annotated, Title 39, Chapter 17, Part 13, is amended by adding the following as a new section:

**39-17-1326.** Notwithstanding any law to the contrary:

(1) A state or local law enforcement agency shall not use, or permit the use of, the electronic verification system or registry described in the Tennessee Clinical Cannabis Authorization and Research Act, compiled in title 68, chapter 7 to determine whether a person is authorized to purchase, transfer, possess, or carry a firearm under this part;

(2) A person who is an authorized participant in the clinical cannabis program described in the Tennessee Clinical Cannabis Authorization and Research Act, whether participating as a registered agent, patient, or caregiver, does not commit an offense under this part when purchasing, transferring, possessing, or carrying a firearm and the basis for the commission of the offense is the person's participation in the program; and

(3) The prohibition on the use of public funds, personnel, or property to be allocated to enforce federal laws governing firearms under § 38-3-115 applies to the clinical cannabis program under the Tennessee Clinical Cannabis Authorization and Research Act, and persons acting in accordance with the program.

SECTION 5. Tennessee Code Annotated, Section 67-6-320(a), is amended by deleting the following language:

There is exempt from the tax imposed by this chapter any drug, including over-the-counter drugs, for human use dispensed pursuant to a prescription. This exemption shall not apply to grooming and hygiene products.

and substituting instead the following:

There is exempt from the tax imposed by this chapter any drug, including over-the-counter drugs, for human use dispensed pursuant to a prescription. This exemption does not apply to grooming and hygiene products or clinical cannabis products dispensed pursuant to the Tennessee Clinical Cannabis Authorization and Research Act, compiled in title 68, chapter 7.

SECTION 6. Tennessee Code Annotated, Title 67, Chapter 6, Part 2, is amended by adding the following new section:

Notwithstanding this title to the contrary:

(1) The retail sale of clinical cannabis products pursuant to the Tennessee Clinical Cannabis Authorization and Research Act, compiled in title 68, chapter 7, is taxed at a rate equal to the rate of tax levied on the sale of tangible personal property at retail by § 67-6-202; and

(2) All revenue from the tax collected from the retail sale of clinical cannabis products must be deposited in the state general fund and credited to a separate account for the commission.

SECTION 7. Except where prohibited by federal law and notwithstanding any other law to the contrary, in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, the department of financial institutions shall promulgate rules authorizing clinical cannabis establishments to use banking services, including the depositing of revenue, in Tennessee-chartered banks or other Tennessee-chartered financial institutions.

SECTION 8. If any provision of this act or the application of any provision of this act to any person or circumstance is held invalid, the invalidity shall not affect other provisions or

applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act are declared to be severable.

SECTION 9. For purposes of establishing the Tennessee clinical cannabis commission, promulgating rules and forms, and conducting local option elections, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect October 1, 2020, the public welfare requiring it.