

Updated Short Cannabis Summary 2023 Bill

This bill establishes a regulatory framework for adult-use cannabis, moves the medical cannabis program under the newly created Office of Cannabis Management Office, establishes taxes on adult-use cannabis, creates grants to assist individuals entering the legal cannabis market, amends criminal penalties, provides for expungement and resentencing of certain convictions, reschedules marijuana, and appropriates money.

Article One: Regulation of Adult-Use Cannabis

This article establishes the Office of Cannabis Management to oversee the regulation of cannabis and cannabis products; specifies licensure categories for cannabis businesses and requirements and procedures for licensure and operations; establishes legal limitations on the use, possession, and transportation of cannabis and cannabis products; transfers the medical cannabis registry program from the Department of Health to the Cannabis Management Office; and establishes the cannabis industry community renewal grant program.

Local Control:

- a. A local unit of government may not prohibit the possession, transportation, or use of cannabis or cannabis products authorized under this chapter
- b. A local unit of government may not prohibit the establishment or operation of a cannabis licensed under this chapter
- c. A local unit of government may adopt reasonable restrictions on the time, place, and manner of operation of a cannabis business provided such restrictions do not prohibit the establishment or operation of such business. A local unit of government may prohibit operation of a cannabis business within 1,000 feet of a school, day care, nursing home, union headquarters, house of worship, Capitol or Capitol grounds provided prohibition does not prevent the establishment or operation of a cannabis business within the boundaries of that local unit or government
- d. The office shall work with local units of government to develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business
- e. Within 30 days of receiving a copy of an application from the office, a local unit of government shall certify whether the proposed business complies with local zoning ordinances

Article Two: Taxes

- a. Allows a business income tax subtraction for business-related expenses for any business licensed under chapter 342.
- b. Imposes an eight percent gross receipts tax on the retail sale of adult-use cannabis and adult-use cannabis products.
- c. Subjects' adult-use cannabis and adult-use cannabis products to the state sales tax and any local sales taxes.
- d. Clarifies that medical cannabis is not subject to the gross receipts tax, state sales tax, or any local sales taxes.
- e. Provides a sales tax exemption for farm equipment purchased for the cultivation of cannabis.
- f. Amends the statutes relating to the controlled substances tax to account for legalized recreational cannabis

- g. Adult-Use Cannabis Local Tax is prohibited

Article Three: Business Development

Establishes grant programs so support cannabis businesses

- a. Cannabis Growers Grants
- b. Cannabis industry startup financing grants
- c. Cannabis industry navigation grants
- d. Cannabis industry training grants

** Local governments are eligible for all grants

Article Four: Criminal Penalties

Establishes new crimes related to the possession, sale, and cultivation of cannabis and cannabis products.

- Establishes petty misdemeanor, misdemeanor, gross misdemeanor, and felony crimes for selling cannabis and cannabis products without a license.
 - Includes increased penalty for repeat offenders, sale to a minor, sale in a school zone, park zone, public housing zone, or drug treatment facility
- Oral fluid preliminary testing- authorizes pilot project. Directs the commissioner of safety to design and implement a pilot project to determine the efficacy of oral fluid roadside testing

Article Five: Expungement

Provides for automatic expungement of petty misdemeanor and misdemeanor marijuana convictions. Establishes a Cannabis Expungement Board to review other cannabis convictions and determine whether a person is eligible for expungement, resentencing, or neither. Directs the Cannabis Expungement Office to consider whether an offense involved violence or a victim, the amount of marijuana involved in an offense, and whether expungement or resentencing is in the public interest. Requires public meetings, but further requires that the identity of a person being considered, and any identified victim be private.

Article Six: Miscellaneous Provisions

This article requires the governor to negotiate compacts with Indian Tribes regarding medical cannabis and adult-use cannabis, makes conforming changes, requires education programs on cannabis use, requires the commissioner of health to collect data on cannabis use in the state, adds provisions governing workplace testing for cannabis, and repeals existing statutes and rules governing the medical cannabis registry program.

- Prohibits cannabis testing of job applicants or using cannabis test results to make hiring decisions. Allows cannabis testing of current employees based on reasonable suspicion that an employee is impaired by cannabis at work, violated an employer's valid written cannabis policy, or sustained an injury or caused a work-related injury or accident
- Cannabis testing exceptions
 - Safety-sensitive person
 - Peace officer

- Firefighter
- Position working directly with children
- Position requiring a commercial driver's license or requiring testing for motor vehicle operation
- Federally funded grant position
- Any other position where state or federal law requires testing

Article Seven: Temporary Regulation of Certain Products

This article directs the Department of Health to temporarily regulate products containing hemp-derived cannabinoids, including products that contain CBD and edible products that contain up to 5 milligrams of THC per serving

- Permits exclusive liquor stores to sell edible cannabinoid products
- Requires persons seeking testing of hemp-derived products to disclose any foreign substances, including pesticides, applied to the hemp or product

Article Eight: Scheduling of Marijuana

Reschedules marijuana from Schedule I to Schedule II

Article Nine: Appropriations

Appropriates money to pay for establishing the regulatory structure for adult-use cannabis and other costs that will be incurred before the legal sale of adult-use cannabis