

1 AN ACT relating to the regulation of cannabis and making an appropriation
2 therefor.

3 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

4 ➔SECTION 1. KRS CHAPTER 245 IS ESTABLISHED AND A NEW
5 SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

6 *For the purposes of this chapter:*

7 *(1) "Cannabis" means all parts of the plant Cannabis sp., whether growing or not;*
8 *the seeds thereof; the resin extracted from any part of the plant; and every*
9 *compound, manufacture, salt, derivative, mixture, or preparation of the plant, its*
10 *seeds or resin or any compound, mixture, or preparation which contains any*
11 *quantity of these substances. The term "cannabis" does not include:*

12 *(a) Industrial hemp that is in the possession, custody, or control of a person*
13 *who holds a license issued by the Department of Agriculture permitting that*
14 *person to cultivate, handle, or process industrial hemp;*

15 *(b) Industrial hemp products that do not include any living plants, viable seeds,*
16 *leaf materials, or floral materials;*

17 *(c) The substance cannabidiol, when transferred, dispensed, or administered*
18 *pursuant to the written order of a physician practicing at a hospital or*
19 *associated clinic affiliated with a Kentucky public university having a*
20 *college or school of medicine;*

21 *(d) For persons participating in a clinical trial or in an expanded access*
22 *program, a drug or substance approved for the use of those participants by*
23 *the United States Food and Drug Administration;*

24 *(e) A cannabidiol product derived from industrial hemp, as defined in KRS*
25 *260.850; or*

26 *(f) A cannabidiol product approved as a prescription medication by the United*
27 *States Food and Drug Administration;*

- 1 (2) "Cannabis accessories" means any equipment, products, or materials of any kind
2 which are used, intended for use, or designed for use in planting, propagating,
3 cultivating, growing, harvesting, composting, manufacturing, compounding,
4 converting, producing, processing, preparing, testing, analyzing, packaging,
5 repackaging, storing, vaporizing, or containing cannabis, or for ingesting,
6 inhaling, or otherwise introducing cannabis into the human body;
- 7 (3) "Cannabis concentrate" means the separated resin, whether crude or purified,
8 obtained from any part of the cannabis plant;
- 9 (4) "Cannabis cultivation facility" means an entity located in Kentucky and
10 registered to cultivate, prepare, and package cannabis and sell cannabis to retail
11 cannabis stores, cannabis product manufacturing facilities, on-site consumption
12 facilities, and other cannabis cultivation facilities, but not to consumers. A
13 cannabis cultivation facility may not produce cannabis concentrates, tinctures,
14 extracts, or other cannabis products;
- 15 (5) "Cannabis establishment" means an entity located in Kentucky that is a
16 cannabis cultivation facility, a cannabis testing facility, a cannabis product
17 manufacturing facility, an on-site consumption facility, or a retail cannabis
18 store;
- 19 (6) "Cannabis product" means a product that is composed of cannabis and other
20 ingredients and is intended for use or consumption, including but not limited to
21 an edible product, ointment, or tincture;
- 22 (7) "Cannabis product manufacturing facility" means an entity located in Kentucky
23 that is licensed to purchase cannabis; manufacture, prepare, and package
24 cannabis products; and sell cannabis and cannabis products to other cannabis
25 product manufacturing facilities, on-site consumption facilities, and retail
26 cannabis stores, but not to individual purchasers or consumers;
- 27 (8) "Cannabis testing facility" means an entity located in Kentucky that is registered

1 to test cannabis for potency and contaminants;

2 (9) "Consumer" means a person who:

3 (a) Is at least twenty-one (21) years of age, except as provided in Section 7 of
4 this Act; and

5 (b) Purchases, possesses, cultivates, transfers, uses, or consumes cannabis in
6 accordance with Sections 1 to 16 of this Act;

7 (10) "Department" means the Department of Cannabis Control;

8 (11) "Disproportionally impacted area" means a census tract or comparable
9 geographic area that the department determines:

10 (a) Meets at least one (1) of the following criteria:

11 1. The area has a poverty rate of at least twenty percent (20%) according
12 to the most recent federal decennial census;

13 2. At least seventy-five percent (75%) of the children in the area
14 participate in the federal free lunch program according to reported
15 statistics to the Kentucky Board of Education;

16 3. At least twenty percent (20%) of households in the area receive
17 assistance under the Supplemental Nutrition Assistance Program; or

18 4. The area has an average unemployment rate, as determined by the
19 Kentucky Labor Cabinet, that is more than one hundred twenty
20 percent (120%) of the national unemployment average as determined
21 by the United States Department of Labor, for a period of at least two
22 (2) consecutive calendar years preceding; and

23 (b) Has high rates of arrests, convictions, and incarcerations related to the sale,
24 possession, use, cultivation, manufacture, or transport of cannabis;

25 (12) "Disqualifying felony offense" means:

26 (a) A felony offense that would classify the person as a violent offender under
27 KRS 439.3401; or

1 (b) A violation of state or federal controlled substance law that was classified as
2 a felony in the jurisdiction where the person was convicted, except:

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

6 2. An offense that consisted of conduct for which Sections 1 to 16 of this
7 Act would likely have prevented a conviction, but the conduct either
8 occurred prior to the enactment of Sections 1 to 16 of this Act or was
9 prosecuted by an authority other than the Commonwealth of
10 Kentucky;

11 (13) "Immature cannabis plant" means a cannabis plant that has not flowered and
12 that does not have buds that may be observed by visual examination;

13 (14) "Locality" means a municipality or, in reference to a location outside the
14 boundaries of a municipality, a county;

15 (15) "Local regulatory authority" means the office or entity designated to process
16 cannabis establishment applications by a municipality or, in reference to a
17 location outside the boundaries of a municipality, a county;

18 (16) "Mature cannabis plant" means a cannabis plant that has flowered or has buds
19 that may be observed by visual examination;

20 (17) "On-site consumption facility" means an entity located in Kentucky that is
21 registered to;

22 (a) Purchase cannabis from cannabis cultivation facilities;

23 (b) Purchase cannabis and cannabis products from cannabis product
24 manufacturing facilities;

25 (c) Sell cannabis and cannabis products to consumers; and

26 (d) Provide consumers with an on-site location in which to consume cannabis
27 and cannabis products purchased from the entity;

1 (18) "Public place" means the same as in KRS 525.010;

2 (19) "Retail cannabis store" means an entity located in Kentucky that is registered to:

3 (a) Purchase cannabis from cannabis cultivation facilities;

4 (b) Purchase cannabis and cannabis products from cannabis product
5 manufacturing facilities; and

6 (c) Sell cannabis and cannabis products to consumers;

7 (20) "Social equity applicant" means a person or entity applying for a cannabis
8 business license that meets at least one (1) of the following criteria:

9 (a) The entity applying for a cannabis business license is at least fifty-one
10 percent (51%) owned or controlled by one (1) or more individuals who have
11 resided for at least five (5) of the preceding ten (10) years in a
12 disproportionately impacted area; or

13 (b) The entity applying for a cannabis business is at least fifty-one percent
14 (51%) owned or controlled by one (1) or more individuals who:

15 1. Have been arrested for, convicted of, or adjudicated delinquent for an
16 offense that is eligible for expungement under Section 23 of this Act;

17 or

18 2. Have an immediate family member who has been arrested for,
19 convicted of, or adjudicated delinquent for an offense that is eligible
20 for expungement under Section 23 of this Act; and

21 (21) "Unreasonably impracticable" means that the measures necessary to comply
22 with the regulations require such a high investment of risk, money, time, or any
23 other resource or asset that the operation of a cannabis establishment is not
24 worthy of being carried out in practice by a reasonably prudent businessperson.

25 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
26 READ AS FOLLOWS:

27 (1) Notwithstanding any other provision of Kentucky law to the contrary, except as

1 provided in this chapter, the following acts are not unlawful and shall not be a
2 criminal or civil offense under Kentucky law or the law of any political
3 subdivision of Kentucky or be a basis for seizure or forfeiture of assets under
4 Kentucky law for persons twenty-one (21) years of age or older, except as
5 provided in Section 7 of this Act:

6 (a) Possessing, consuming, growing, cultivating, using, processing, purchasing,
7 or transporting an amount of cannabis that does not exceed the possession
8 limit defined in Section 3 of this Act;

9 (b) Consuming cannabis on private property with the permission of the
10 property owner or, in the case of non-smoked consumption, in a rented or
11 leased residential dwelling with the permission of the lessee;

12 (c) Transferring no more than:

13 1. One (1) ounce of cannabis in plant form;

14 2. Five (5) grams of concentrated cannabis;

15 3. Cannabis products containing no more than three hundred (300)
16 milligrams of delta-9 tetrahydrocannabinol;

17 4. Three (3) immature cannabis plants; or

18 5. Any combination of the products listed in subsection (1)(c)1. to 3. of
19 this section if the combination of cannabis and cannabis containing
20 products do no exceed the equivalent of one (1) ounce of cannabis
21 flower as defined in Section 3 of this Act;

22 to persons twenty-one (21) years of age or older, except as provided in
23 Section 7 of this Act, without remuneration, except as permitted pursuant to
24 this chapter;

25 (d) Assisting any person who is twenty-one (21) years of age or older, except as
26 provided in Section 7 of this Act, in any of the acts described in this section;
27 or

1 (e) Manufacturing, possessing, or purchasing cannabis accessories, or
2 distributing or selling cannabis accessories to a person who is twenty-one
3 (21) years of age or older, except as provided in Section 7 of this Act.

4 (2) Notwithstanding any other provision of Kentucky law to the contrary, the
5 following acts, when performed by a retail cannabis store with a current, valid
6 license, or a person who is acting in his or her capacity as an owner, employee, or
7 agent of a retail cannabis store, are not unlawful and shall not be an offense
8 under Kentucky law or be a basis for seizure or forfeiture of assets under
9 Kentucky law:

10 (a) Possessing, displaying, storing, or transporting cannabis or cannabis
11 products;

12 (b) Purchasing cannabis from a cannabis cultivation facility;

13 (c) Purchasing cannabis or cannabis products from a cannabis product
14 manufacturing facility;

15 (d) Delivering or transferring cannabis or cannabis products to a cannabis
16 testing facility; or

17 (e) Delivering, distributing, or selling cannabis or cannabis products to
18 consumers or retail cannabis stores.

19 (3) Notwithstanding any other provision of Kentucky law to the contrary, the
20 following acts, when performed by an on-site consumption establishment with a
21 current, valid license, or a person who is acting in his or her capacity as an
22 owner, employee, or agent of an on-site consumption establishment, are not
23 unlawful and shall not be an offense under Kentucky law or be a basis for seizure
24 or forfeiture of assets under Kentucky law:

25 (a) Possessing, displaying, storing, or transporting cannabis or cannabis
26 products;

27 (b) Purchasing cannabis from a cannabis cultivation facility;

1 (c) Purchasing cannabis or cannabis products from a cannabis product
2 manufacturing facility;

3 (d) Delivering or transferring cannabis or cannabis products to a cannabis
4 testing facility; or

5 (e) Delivering, distributing, or selling cannabis or cannabis products to
6 consumers or on-site consumption establishments.

7 (4) Notwithstanding any other provision of Kentucky law to the contrary, the
8 following acts, when performed by a cannabis cultivation facility with a current,
9 valid license, or a person who is acting in his or her capacity as an owner,
10 employee, or agent of a cannabis cultivation facility, are not unlawful and shall
11 not be an offense under Kentucky law or be a basis for seizure or forfeiture of
12 assets under Kentucky law:

13 (a) Cultivating, harvesting, processing, packaging, transporting, displaying,
14 storing, or possessing cannabis;

15 (b) Delivering or transferring cannabis to a cannabis testing facility;

16 (c) Delivering, distributing, or selling cannabis to:

17 1. A cannabis cultivation facility;

18 2. A cannabis product manufacturing facility;

19 3. An on-site consumption establishment; or

20 4. A retail cannabis store;

21 (d) Receiving or purchasing cannabis from a cannabis cultivation facility; or

22 (e) Receiving cannabis seeds or immature cannabis plants from a consumer.

23 (5) Notwithstanding any other provision of Kentucky law to the contrary, the
24 following acts, when performed by a cannabis product manufacturing facility
25 with a current, valid license, or a person who is acting in his or her capacity as
26 an owner, employee, or agent of a cannabis product manufacturing facility, are
27 not unlawful and shall not be an offense under Kentucky law or be a basis for

- 1 seizure or forfeiture of assets under Kentucky law:
- 2 (a) Packaging, processing, transporting, manufacturing, displaying, or
- 3 possessing cannabis or cannabis products;
- 4 (b) Delivering or transferring cannabis or cannabis products to a cannabis
- 5 testing facility;
- 6 (c) Delivering, distributing, or selling cannabis to:
- 7 1. A cannabis cultivation facility;
- 8 2. A cannabis product manufacturing facility;
- 9 3. An on-site consumption establishment; or
- 10 4. A retail cannabis store;
- 11 (d) Purchasing cannabis from a cannabis cultivation facility; or
- 12 (e) Purchasing cannabis or cannabis products from a cannabis product
- 13 manufacturing facility.
- 14 (6) Notwithstanding any other provision of Kentucky law to the contrary, the
- 15 following acts, when performed by a cannabis testing facility with a current, valid
- 16 license, or a person who is acting in his or her capacity as an owner, employee, or
- 17 agent of a cannabis testing facility, are not unlawful and shall not be an offense
- 18 under Kentucky law or be a basis for seizure or forfeiture of assets under
- 19 Kentucky law:
- 20 (a) Possessing, cultivating, processing, repackaging, storing, transporting, or
- 21 displaying cannabis or cannabis products;
- 22 (b) Receiving cannabis or cannabis products from a cannabis establishment or
- 23 a consumer; or
- 24 (c) Returning cannabis or cannabis products to a cannabis establishment or a
- 25 consumer.
- 26 (7) Nothing in this section shall prevent the imposition of penalties for violations of
- 27 this chapter or administrative regulations promulgated by the department or

1 regulations adopted by localities pursuant to this chapter.

2 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
3 READ AS FOLLOWS:

4 (1) A person twenty-one (21) years of age or older, except as provided in Section 7 of
5 this Act, may possess an amount of cannabis that does not exceed:

6 (a) One (1) ounce of cannabis in flower form;

7 (b) Eight (8) grams of cannabis concentrate;

8 (c) Cannabis products containing no more than eight hundred (800)
9 milligrams of delta-9 tetrahydrocannabinol;

10 (d) Six (6) mature cannabis plants and six (6) immature cannabis plants;

11 (e) Any combination of the products listed in subsections (1)(a) to (c) of this
12 section if the combination of cannabis and cannabis containing products
13 does not exceed the equivalent of one (1) ounce of cannabis flower as
14 defined in subsection (2) of this section; or

15 (f) Any cannabis produced by the person's cannabis plants, provided that any
16 amount of cannabis in excess of the amounts listed in subsection (1)(a) to
17 (e) of this section shall be possessed in the same secure facility where the
18 person's plants are cultivated.

19 (2) One (1) ounce of cannabis in flower form shall be equivalent to:

20 (a) Eight (8) grams of cannabis concentrate; or

21 (b) Eight hundred (800) milligrams of delta-9 tetrahydrocannabinol in the form
22 of cannabis products.

23 (3) In a twenty-four (24) hour period, no person shall purchase and no licensed
24 cannabis retail store shall sell to a person more cannabis or cannabis containing
25 products than he or she is permitted to possess pursuant to subsection (1) of this
26 section.

27 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO

1 READ AS FOLLOWS:

2 (1) A person is guilty of smoking cannabis in public when he or she uses a flame or
3 any other source of heat to combust cannabis for the purpose of consuming
4 cannabis in a public place except that a person shall not be guilty of smoking
5 cannabis in public if done in a licensed on-site consumption facility.

6 (2) Smoking cannabis in a public place is a violation subject to a maximum fine of:

7 (a) Fifty dollars (\$50) for a first offense; and

8 (b) One hundred dollars (\$100) for each subsequent offense.

9 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
10 READ AS FOLLOWS:

11 (1) No person shall consume cannabis while operating or driving in:

12 (a) A vehicle as defined in KRS 189.010;

13 (b) A vessel as defined in KRS 235.010;

14 (c) An aircraft as defined in KRS 183.011; or

15 (d) Any other device now known, or hereafter invented, that is powered by
16 machinery and that is or may be used to transport persons or property;
17 anywhere in this state, except that consuming cannabis while operating a vehicle
18 powered by human or animal muscular power while on private property shall not
19 be considered a violation of this subsection.

20 (2) The penalty for a violation of subsection (1) of this section shall be the same as
21 those established for operating a motor vehicle while under the influence of
22 alcohol or any other substance in KRS 189A.010.

23 (3) Nothing in this section supersedes statutory laws relating to driving while under
24 the influence of intoxicants. This section shall not prevent the enforcement of
25 current laws pertaining to driving while intoxicated, including KRS 183.061,
26 189.520, 189A.010, and 235.240.

27 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO

1 READ AS FOLLOWS:

2 *Nothing in this chapter:*

3 *(1) Requires an employer to permit or accommodate the use, consumption,*
4 *possession, transfer, display, transportation, sale, or growing of cannabis in the*
5 *workplace; or*

6 *(2) Impacts the ability of employers to have policies restricting employees from*
7 *workplace impairment of cannabis during work hours.*

8 ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
9 READ AS FOLLOWS:

10 *(1) Except as provided in subsections (4) and (5) of this section, a person under*
11 *twenty-one (21) years of age shall not:*

12 *(a) Enter any cannabis establishment;*

13 *(b) Possess for his or her own use or purchase, attempt to purchase, or have*
14 *another purchase for him or her any cannabis or cannabis products;*

15 *(c) Misrepresent his or her age for the purpose of inducing any retail cannabis*
16 *store, or the retail cannabis store's agent or employee, to sell any cannabis*
17 *or cannabis products to the person who is under twenty-one (21) years of*
18 *age; or*

19 *(d) Use, or attempt to use any false, fraudulent, or altered identification card,*
20 *paper, or any other document to purchase or attempt to purchase or*
21 *otherwise obtain any cannabis or cannabis products.*

22 *(2) No person shall aid or assist any person under twenty-one (21) years of age in*
23 *purchasing or having delivered or served to him or her any cannabis or cannabis*
24 *products.*

25 *(3) A licensee, or his or her agents or employees, shall not:*

26 *(a) Employ any person under twenty-one (21) years of age; or*

27 *(b) Permit any person under twenty-one (21) years of age to remain on any*

1 premises where cannabis and cannabis products are sold. For the purposes
2 of this section, "premises" means the building where a person licensed by
3 the department sells cannabis, cannabis products, and immature cannabis
4 plants to retail consumers.

5 (4) A person who is at least eighteen (18) years of age may enter the premises of a
6 cannabis establishment, and may be allowed to enter and remain on the premises,
7 if:

8 (a) The person is present at the cannabis establishment to perform contract
9 work, including but not limited to electrical or security maintenance, that
10 does not involve handling cannabis; or

11 (b) The person is a government employee and is at the cannabis establishment
12 in the course of his or her official duties.

13 (5) (a) As used in this subsection:

14 1. "Bona fide practitioner-patient relationship" means a treatment or
15 consulting relationship, during the course of which the practitioner:

16 a. Has completed an assessment of the patient's medical history
17 and current medical condition;

18 b. Has consulted with the patient, or the patient's custodial parent
19 or legal guardian, with respect to the possible palliative and
20 therapeutic properties of cannabis;

21 c. Has advised the patient, or the patient's custodial parent or legal
22 guardian, of the possible risks and side effects of cannabis; and

23 d. Provides follow-up care and treatment to the patient; and

24 2. "Practitioner" means the same as in KRS 218A.010.

25 (b) A practitioner may provide a written recommendation for the use of
26 cannabis for palliative or therapeutic relief to a patient who is under twenty-
27 one (21) years of age, or to a patient's custodial parent or legal guardian

1 responsible for providing consent to treatment if the patient is under
2 eighteen (18) years of age, with whom the practitioner has a bona fide
3 practitioner relationship if the practitioner, in his or her professional
4 judgement, believes that the patient may receive palliative or therapeutic
5 relief from the use of cannabis.

6 (c) Notwithstanding any provisions of this chapter to the contrary, a person
7 who is at least eighteen (18) years of age and is in possession of a written
8 recommendation for the use of cannabis obtained from a practitioner with
9 whom the patient has a bona fide practitioner-patient relationship may:

- 10 1. Enter a retail cannabis store;
- 11 2. In accordance with subsection (3) of Section 3 of this Act, purchase
12 cannabis for his or her own personal use;
- 13 3. Possess an amount of cannabis that does not exceed the possession
14 limits established in subsection (1) of Section 3 of this Act; and
- 15 4. Use or consume cannabis as recommended by his or her practitioner.

16 (d) Notwithstanding any provisions of this chapter to the contrary, the custodial
17 parent or legal guardian of a child under eighteen (18) years of age who is
18 in possession of a written recommendation for the use of cannabis obtained
19 from a practitioner with whom the child has a bona fide practitioner-patient
20 relationship may:

- 21 1. In accordance with subsection (3) of Section 3 of this Act, purchase
22 cannabis for use by his or her child;
- 23 2. Possess cannabis intended for use or consumption by his or her child;
24 and
- 25 3. Assist his or her child in the use or consumption of cannabis, as
26 recommended by the child's practitioner.

27 (6) A violation of subsection (1) of this section shall be deemed a status offense if

1 committed by a person under the age of eighteen (18) and shall be under the
2 jurisdiction of the juvenile session of the District Court or the family division of
3 the Circuit Court, as appropriate.

4 (7) A violation of subsection (1) of this section shall be a Class B misdemeanor if
5 committed by a person over the age of eighteen (18).

6 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
7 READ AS FOLLOWS:

8 (1) A person who is under twenty-one (21) years of age, except as provided in Section
9 7 of this Act, is guilty of underage possession of cannabis when he or she
10 knowingly and unlawfully possesses no more than one (1) ounce of cannabis in
11 plant form, no more than eight (8) grams of concentrated cannabis, or cannabis
12 products containing no more than eight hundred (800) milligrams of delta-9
13 tetrahydrocannabinol.

14 (2) Underage possession of cannabis is a violation subject to a maximum fine of one
15 hundred dollars (\$100).

16 ➔SECTION 9. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
17 READ AS FOLLOWS:

18 (1) A person who is under twenty-one (21) years of age is guilty of underage
19 cultivation of cannabis when he or she knowingly and unlawfully cultivates no
20 more than five (5) cannabis plants.

21 (2) Underage cultivation of cannabis is a Class B misdemeanor.

22 ➔SECTION 10. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
23 READ AS FOLLOWS:

24 (1) Any person who chooses to cultivate cannabis for personal consumption shall
25 take reasonable precautions to ensure that any cannabis or cannabis plants are
26 secure from unauthorized access and access by persons under twenty-one (21)
27 years of age.

1 (2) Cannabis cultivation for personal consumption shall only occur on property
2 lawfully in possession of the person cultivating cannabis or with the consent of
3 the person in lawful possession of the property.

4 (3) Cannabis plants may not be cultivated in a location where the plants are subject
5 to public view, including to view from another private property, without the use of
6 binoculars, aircraft, or other optical aids.

7 (4) Any person who violates subsection (1), (2), or (3) of this section shall be subject
8 to a maximum fine of five hundred dollars (\$500).

9 ➔SECTION 11. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
10 READ AS FOLLOWS:

11 (1) (a) The Department of Cannabis Control shall operate and implement the
12 cannabis regulation program established in this chapter.

13 (b) The department is established and placed within the Public Protection
14 Cabinet.

15 (c) The department shall employ a commissioner and necessary staff. The
16 commissioner shall have professional experience in the regulation and
17 oversight of cannabis businesses.

18 (2) The department shall employ staff as necessary; however, it shall first attempt to
19 enter into memoranda of understanding or contracts with local police
20 departments or sheriff departments to conduct inspections, investigations, and
21 local administrative duties as required under this chapter for its local inspection
22 and oversight obligations.

23 (3) The department shall promulgate administrative regulations necessary for
24 implementation of this chapter. The administrative regulations shall not prohibit
25 the operation of cannabis establishments, either expressly or through
26 administrative regulations that make their operation unreasonably impracticable.
27 The administrative regulations shall include:

- 1 (a) Procedures for the issuance, renewal, suspension, and revocation of
2 licenses issued pursuant to this chapter, which shall be subject to all
3 requirements of KRS Chapters 13A and 13B;
- 4 (b) Qualifications for registration that are directly and demonstrably related to
5 the operation of the type of cannabis establishment to which the
6 qualifications apply;
- 7 (c) Security requirements, including lighting, physical security, video
8 surveillance, and alarm requirements;
- 9 (d) Requirements for the secure transportation and storage of cannabis and
10 cannabis products by licensees and their employees or agents;
- 11 (e) Employment and training requirements for cannabis establishments, their
12 agents, or their employees, including requiring each licensee to create an
13 identification badge for each of the licensee's agents or employees;
- 14 (f) Requirements for the packaging and labeling of cannabis and cannabis
15 products sold or distributed by licensees, including:
- 16 1. Warnings for the length of time it typically takes for the product to
17 take effect and how long the effects will typically last;
- 18 2. The amount of cannabis to which the product is considered the
19 equivalent;
- 20 3. Disclosing ingredients and possible allergens;
- 21 4. A nutritional fact panel;
- 22 5. Opaque, child-resistant packaging;
- 23 6. A requirement that edible cannabis products be clearly marked with
24 an identifiable and standardized symbol indicating that the product
25 contains cannabis; and
- 26 7. A requirement that edible cannabis products not be visually
27 reminiscent of major brands of edible noncannabis products or

- 1 otherwise present an attractive nuisance to minors;
- 2 (g) Health and safety requirements for the processing of cannabis and
- 3 cannabis products and both the indoor and outdoor cultivation of cannabis
- 4 by licensees;
- 5 (h) Restrictions on advertising, marketing, and signage in regards to operations
- 6 or establishments owned by licensees necessary to prevent the targeting of
- 7 minors;
- 8 (i) Restrictions on additives to cannabis and cannabis products that are toxic
- 9 or increase the likelihood of addiction;
- 10 (j) Restrictions on pesticides used during cannabis cultivation which pose a
- 11 threat to human health and safety;
- 12 (k) Restrictions on visits to cannabis cultivation and processing facilities,
- 13 including requiring the use of visitor logs;
- 14 (l) A definition of the amount of delta-9 tetrahydrocannabinol that constitutes
- 15 a single serving in a cannabis product;
- 16 (m) Standards for the safe processing of cannabis products created by
- 17 extracting or concentrating compounds from plant materials;
- 18 (n) Requirements that evidence-based educational materials regarding dosage
- 19 and impairment be disseminated to consumers who purchase cannabis
- 20 products;
- 21 (o) Requirements for random sample testing of cannabis and cannabis
- 22 products to ensure quality control, including testing for residual solvents,
- 23 pesticides, poisons, toxins, mold, mildew, insects, bacteria, and any other
- 24 dangerous adulterant; and
- 25 (p) Standards for the operation of cannabis testing facilities, including
- 26 requirements for equipment and personnel qualifications.
- 27 (4) The department shall promulgate the required administrative regulations within

1 one hundred eighty (180) days after the effective date of this Act.

2 (5) The department shall establish a computer database that shall share data with all
3 licensed cannabis retail stores in real time to ensure compliance with purchase
4 limits established in Section 3 of this Act.

5 (6) The department shall identify and maintain a list of disproportionately impacted
6 areas.

7 ➔SECTION 12. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
8 READ AS FOLLOWS:

9 (1) Except as provided in Section 2 of this Act, no person shall cultivate, possess, test,
10 transfer, or sell cannabis in this state without first obtaining a license to do so.

11 (2) The department shall create separate licenses allowing persons to operate:

12 (a) A cannabis cultivation facility;

13 (b) A cannabis product manufacturing facility;

14 (c) A cannabis testing facility;

15 (d) An on-site cannabis consumption facility; or

16 (e) A retail cannabis store.

17 (3) The department shall establish three (3) licensure tiers for each of the licensure
18 categories established in subsection (2) of this section. The three (3) licensure
19 tiers shall be issued as follows:

20 (a) 1. A first tier cannabis business license shall be issued:

21 a. To persons or entities applying for an initial cannabis business
22 license for the first time; or

23 b. To a cannabis business who, upon applying for renewal of a
24 cannabis business license, had no more than two million dollars
25 (\$2,000,000) of gross receipts during the previous calendar year.

26 2. The initial license fee for a first tier cannabis business license shall be
27 five thousand dollars (\$5,000), except that the initial licensing fee

1 shall be waived for social equity applicants.

2 3. The license renewal fee for a first tier cannabis business license shall
3 be five hundred dollars (\$500) plus one percent (1%) of all gross
4 receipts during the previous calendar year;

5 (b) 1. A second tier cannabis business license shall be issued to a cannabis
6 business who, upon applying for renewal of a cannabis business
7 license, had more than two million dollars (\$2,000,000) but not more
8 than eight million dollars (\$8,000,000) of gross receipts during the
9 previous calendar year.

10 2. The license renewal fee for a second tier cannabis business license
11 shall be two thousand dollars (\$2,000) plus one and one-half percent
12 (1.5%) of all gross receipts during the previous calendar year; and

13 (c) 1. A third tier cannabis business license shall be issued to cannabis
14 businesses who, upon applying for renewal of a cannabis business
15 license, had over eight million dollars (\$8,000,000) of gross receipts
16 during the previous calendar year.

17 2. The license renewal fee for a third tier cannabis business license shall
18 be four thousand dollars (\$4,000) plus two percent (2%) of all gross
19 receipts during the previous calendar year.

20 (4) Persons operating a cannabis establishment, except for a cannabis testing
21 facility, shall be required to apply for and obtain from the department a separate
22 license for each location that they intend to operate.

23 (5) A person may not simultaneously hold a cannabis testing facility license and any
24 other class of license established in this section.

25 (6) A license issued pursuant to this chapter shall be valid for one (1) year from the
26 date of issuance. The department shall notify each licensee ninety (90) days prior
27 to the date the license expires to allow the licensee to begin the renewal procedure

1 promulgated by the department pursuant to Section 11 of this Act.

2 (7) Notwithstanding any provision of Kentucky law to the contrary, the provisions of
3 KRS 138.870 to 138.889 shall not apply to:

4 (a) A licensee or a license issued pursuant to this chapter for any amount of
5 cannabis necessary or reasonably necessary for use of that license; or

6 (b) Any person whose use of cannabis or cannabis products complies with this
7 chapter and who possess not more than the amount of cannabis and
8 cannabis products permitted under the possession limits established in
9 Section 3 of this Act.

10 ➔SECTION 13. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
11 READ AS FOLLOWS:

12 (1) The department shall create a uniform application form for licenses issued
13 pursuant to this chapter.

14 (2) A person applying for a license to operate a cannabis establishment shall
15 complete the application form prescribed by the department in subsection (1) of
16 this section and return the application form to the department with the required
17 application fee of two thousand dollars (\$2,000), except that the application fee
18 for a social equity applicant shall be five hundred dollars (\$500).

19 (3) The department shall issue a license to a person who applies for one unless:

20 (a) The person has been convicted of a disqualifying felony offense;

21 (b) The person knowingly provides false information on the application for a
22 license;

23 (c) The person has had a previous license issued pursuant to this section
24 revoked by the department within the previous twelve (12) months prior to
25 his or her reapplication;

26 (d) The department finds the applicant is not in compliance with regulations
27 promulgated or enacted pursuant to provisions of this chapter; or

1 (e) The department is notified by the relevant locality that the applicant is not
2 in compliance with ordinances and regulations made pursuant to this
3 chapter and in effect at the time of application.

4 (4) Licenses issued pursuant to this section shall not be transferrable.

5 (5) The department shall issue a license no more than forty-five (45) days after
6 receipt of an application unless:

7 (a) One (1) or more of the prospective principal officers, board members, or
8 owners is younger than twenty-one (21) years of age;

9 (b) The department finds that the applicant is not in compliance with
10 regulations promulgated or enacted pursuant to this chapter; or

11 (c) The department is notified by the locality with jurisdiction that the applicant
12 is not in compliance with ordinances established by that locality and in
13 effect at the time of application. However, when a locality has established a
14 numerical limit on the number of cannabis establishments and a greater
15 number of applicants seek licenses, the department shall solicit and
16 consider input from the locality as to the locality's preferences for licensure.

17 (6) Notwithstanding subsections (3) and (5) of this section, the department shall not
18 be required to issue more cannabis business licenses than market pressures
19 dictate.

20 (7) Except as provided in subsection (8) of this section, any person licensed under
21 this chapter who violates any provision of this chapter or any administrative
22 regulation promulgated under this chapter shall become indebted to the
23 Commonwealth in the sum of five hundred dollars (\$500) for each violation. The
24 civil penalty may be collected by action in the Franklin Circuit Court.

25 (8) Any licensee who fails to keep written records, and submit reports to the
26 Department of Cannabis Control as required by the administrative regulations
27 promulgated pursuant to Section 11 of this Act or to the Department of Revenue

1 as required by Section 21 of this Act shall become indebted to the Commonwealth
2 in the sum of one thousand dollars (\$1,000) for each violation.

3 (9) Upon denial of an application, the department shall notify the applicant in
4 writing of the specific reason for its denial and within thirty (30) days refund one-
5 half (1/2) of the application fee required by subsection (2) of this section unless
6 the application was denied because the applicant knowingly provided false
7 information on the application for a license. If an application is denied because
8 the applicant knowingly provided false information on the application then the
9 applicant shall forfeit the entire application fee.

10 ➔SECTION 14. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
11 READ AS FOLLOWS:

12 The department shall prioritize in any competitive application process an applicant that
13 has been a Kentucky resident for the immediately preceding three (3) years as of the
14 date of submission of the application.

15 ➔SECTION 15. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
16 READ AS FOLLOWS:

17 (1) It is declared to be the legislative intent of this chapter that any cannabis or
18 cannabis products held, owned, possessed, or in control of any person other than
19 as provided in this chapter is contraband and subject to seizure and forfeiture as
20 set out in this section.

21 (2) Whenever any peace officer of this state, or any representative of the department,
22 finds any cannabis or cannabis products within the borders of this state in the
23 possession of any person under the age of twenty-one (21), except as provided in
24 Section 7 of this Act, the peace officer or representative of the department shall
25 follow the same procedures established in KRS 244.190, 244.195, and 244.200 in
26 terms of seizing and disposing of contraband.

27 (3) No law enforcement officer may expend any state or local resources, including

1 the officer's time, on the sole basis of activity the officer believes to constitute a
2 violation of the federal Controlled Substances Act, if the officer has reason to
3 believe the activity is in compliance with this chapter. An officer shall not expend
4 any state or local resources, including the officer's time, to provide information
5 or logistical support related to any federal law enforcement authority or
6 prosecuting entity.

7 ➔SECTION 16. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
8 READ AS FOLLOWS:

9 (1) A locality may prohibit the operation of cannabis cultivation facilities, cannabis
10 product manufacturing facilities, cannabis testing facilities, on-site consumption
11 facilities, or retail cannabis stores by referring a public question to the voters of
12 that locality which shall appear on a regular election ballot.

13 (2) A locality may enact ordinances not in conflict with this chapter or with
14 administrative regulations promulgated by the department pursuant to this
15 chapter governing the time, place, manner, and number of cannabis
16 establishment operations. A locality may establish civil penalties for violation of
17 an ordinance or regulations governing the time, place, and manner of a cannabis
18 establishment that may operate in such locality. Nothing in this section shall
19 authorize a locality to make the operation of cannabis cultivation facilities,
20 cannabis product manufacturing facilities, cannabis testing facilities, or retail
21 cannabis stores unreasonably impracticable except as established in subsection
22 (1) of this section.

23 ➔SECTION 17. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
24 READ AS FOLLOWS:

25 (1) All of the fees paid into the State Treasury for licenses issued under Section 12 of
26 this Act and all fees and penalties collected pursuant to Sections 1 to 16 of this
27 Act and the department's administrative regulations promulgated pursuant to

1 Section 11 of this Act shall be credited to a revolving trust and agency account, as
2 provided in KRS 45.253, for the department.

3 (2) The moneys in the account necessary to support the regulation of cannabis shall
4 be used solely for the administration and enforcement of this chapter and,
5 notwithstanding KRS 45.229, shall not lapse at the close of the fiscal year.

6 ➔SECTION 18. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
7 READ AS FOLLOWS:

8 (1) The Kentucky cannabis regulation fund is created and established as a restricted
9 fund.

10 (2) The fund shall be administered by the Finance and Administration Cabinet.

11 (3) For all tax periods beginning on or after January 1, 2021, all receipts collected
12 under KRS 139.200 from the sales tax collected from the retail sale of cannabis
13 and cannabis products in this state pursuant to this chapter and a portion of the
14 excise taxes collected pursuant to Section 21 of this Act shall be deposited in the
15 fund together with any other money contributed, appropriated, or allocated to the
16 fund from all other sources. The money deposited in the fund is hereby
17 recommended to be used for the uses set forth in this section. Notwithstanding
18 KRS 45.229, any money remaining in the fund at the close of any calendar year
19 shall not lapse but shall be carried forward to the next calendar year. The fund
20 may also receive additional state appropriations, gifts, grants, and federal funds.
21 All interest earned on money in the fund shall be credited to the fund.

22 (4) The money contained in the fund shall be distributed on an annual basis
23 according to the following formula:

24 (a) One percent (1%) of the money shall be transferred to the Office of Drug
25 Control Policy, which shall dispense the money in the form of grants to
26 substance abuse treatment programs that employ evidence-based behavioral
27 health treatment or medically assisted treatment;

1 **(b) One percent (1%) shall be distributed to the Department for Public Health**
2 **for a scientifically and medically accurate public education campaign**
3 **educating youth and adults about the health and safety risks of alcohol and**
4 **cannabis;**

5 **(c) Three percent (3%) of the money shall be transferred to the Kentucky Law**
6 **Enforcement Council, for Advanced Roadside Impaired Driving**
7 **Enforcement (ARIDE) and Drug Recognition Expert (DRE) training;**

8 **(d) Five percent (5%) shall be deposited into the social equity loan program**
9 **trust fund established pursuant to Section 20 of this Act; and**

10 **(e) Ninety percent (90%) shall be deposited into the general fund.**

11 ➔SECTION 19. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
12 READ AS FOLLOWS:

13 **(1) The local cannabis regulation fund is created and established as a restricted**
14 **fund. The fund shall consist of funds collected from a portion of the excise tax**
15 **collected pursuant to Section 21 of this Act.**

16 **(2) The fund shall be administered by the Finance and Administration Cabinet.**

17 **(3) (a) The Finance and Administration Cabinet shall, on a quarterly basis,**
18 **distribute the funds deposited into the local cannabis regulation fund**
19 **during the fiscal quarter immediately preceding the most recent fiscal**
20 **quarter. Funds shall be distributed among those localities in which at least**
21 **one (1) cannabis establishment licensed pursuant to Section 12 of this Act**
22 **as a cannabis cultivation facility, cannabis product manufacturing facility,**
23 **or retail cannabis store was permitted to operate during the fiscal quarter**
24 **immediately preceding the most recent fiscal quarter.**

25 **(b) A city in which at least one (1) cannabis business licensed as a cannabis**
26 **cultivation facility, cannabis product manufacturing facility, or retail**
27 **cannabis store operated during the fiscal quarter immediately preceding the**

1 most recent fiscal quarter shall receive an amount equal to seventy-five
2 percent (75%) of the total excise tax revenue collected from all cannabis
3 establishments licensed to operate inside the territory of the city and
4 deposited into the fund during the fiscal quarter immediately preceding the
5 most recent fiscal quarter.

6 (c) A county in which at least one (1) cannabis business licensed as a cannabis
7 cultivation facility, cannabis product manufacturing facility, or retail
8 cannabis store operated during the fiscal quarter immediately preceding the
9 most recent fiscal quarter shall receive:

10 1. An amount equal to one hundred percent (100%) of the total excise
11 tax revenue collected from all cannabis establishments licensed to
12 operated inside the territory of the county but outside the territory of
13 any city and deposited into the fund during the fiscal quarter
14 immediately preceding the most recent fiscal quarter; and

15 2. An amount equal to twenty-five percent (25%) of the total excise tax
16 revenue collected from all cannabis businesses licensed to operate
17 inside the territory of the county and inside the territory of an
18 incorporated municipality and deposited into the fund during the
19 fiscal quarter immediately preceding the most recent fiscal quarter.

20 ➔SECTION 20. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO
21 READ AS FOLLOWS:

22 (1) A social equity loan program trust fund is established to oversee and administer
23 funds under the Social Equity Loan Program.

24 (2) (a) To be eligible for a loan under the Social Equity Loan Program, a loan
25 applicant shall be a social equity applicant whose application for a cannabis
26 business license has been approved by the department prior to the date of
27 the loan application.

- 1 **(b) 1. As used in this paragraph, "qualified" means having met the loan**
2 **conditions established by administrative regulations promulgated by**
3 **the department. However, the term of a loan shall not exceed six (6)**
4 **years and the interest rate shall not exceed two and one half percent**
5 **(2.5%) per year.**
- 6 **2. Beginning January 1, 2022, the department shall cause the social**
7 **equity loan program trust fund to lend to a qualified applicant not**
8 **more than twenty thousand dollars (\$20,000) for expenses related to**
9 **the establishment, maintenance, or operation of a licensed cannabis**
10 **business as permitted by administrative regulations promulgated by**
11 **the department.**
- 12 **(c) No person or entity shall receive a loan under this section in an amount**
13 **that, when added to the balance of the person's or entity's existing loan or**
14 **loans under this section, would result in a total indebtedness to the social**
15 **equity loan program trust fund of more than twenty thousand dollars**
16 **(\$20,000).**
- 17 **(3) (a) The social equity loan program trust fund shall:**
18 **1. Execute necessary instruments; and**
19 **2. Collect principal and interest.**
- 20 **(b) The social equity loan program trust fund may:**
21 **1. Compromise indebtedness;**
22 **2. Sue and be sued;**
23 **3. Post bonds;**
24 **4. Write off indebtedness that it considers uncollectible;**
25 **5. Exercise the rights of an owner and mortgagee if a loan provided**
26 **under this section is secured by a real estate mortgage;**
27 **6. Charge to a loan applicant loan expenses incurred under this section;**

1 and

2 7. a. Receive state appropriations, including appropriations from the
3 Kentucky cannabis regulation fund pursuant to Section 18 of
4 this Act, gifts, grants, federal funds, and any other funds both
5 public and private.

6 b. Funds received, which are not necessary for the operation of the
7 social equity loan program trust fund, shall remain with the
8 department to finance other department operations.

9 (4) The department shall promulgate administrative regulations necessary to carry
10 out the provisions of this section.

11 ➔SECTION 21. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO
12 READ AS FOLLOWS:

13 (1) For the purposes of this section:

14 (a) "Cannabis cultivation facility" has the same meaning as in Section 1 of this
15 Act;

16 (b) "Cannabis" has the same meaning as in Section 1 of this Act;

17 (c) "Cannabis processing facility" has the same meaning as in Section 1 of this
18 Act;

19 (d) "Department" means the Department of Revenue;

20 (e) "Gross receipts" means all amounts received in money, credits, property, or
21 other money's worth in any form, by a cannabis establishment;

22 (f) "Immature cannabis plant" has the same meaning as in Section 1 of this
23 Act; and

24 (g) "Tax" includes interest accrued at the rate provided by KRS 131.183, all
25 applicable penalties imposed under this chapter, and all applicable penalties
26 imposed under KRS 131.180, 131.410, 131.445, and 131.990.

27 (2) Effective January 1, 2021, an excise tax is hereby imposed on every entity

- 1 licensed as a cannabis cultivation facility on the gross receipts derived from the
2 sale or transfer of cannabis flowers, all parts of the cannabis plant other than the
3 flowers, and immature cannabis plants to a cannabis processing facility or a
4 retail cannabis store in this state at the rate of:
- 5 (a) Ten percent (10%) of the actual price of the sale on all cannabis flowers;
6 (b) Five percent (5%) of the actual price of the sale on all parts of the cannabis
7 plant other than the flowers; and
8 (c) Eight percent (8%) of the actual price of the sale per immature cannabis
9 plant.
- 10 (3) (a) Eighty percent (80%) of the revenue from the excise tax established in
11 subsection (2) of this section shall be deposited into the Kentucky cannabis
12 regulation fund established in Section 18 of this Act; and
13 (b) Twenty percent (20%) of the revenue from the excise tax establish in
14 subsection (2) of this section shall be deposited into the local cannabis
15 regulation fund established in Section 19 of this Act.
- 16 (4) Each entity licensed as a cannabis cultivation facility shall report and pay to the
17 department the tax levied by subsection (2) of this section on or before the
18 twentieth day of the calendar month next succeeding the month. A tax return
19 shall be filed for each reporting period whether or not tax is due.
- 20 (5) The department may prescribe forms and promulgate administrative regulations
21 in conformance with KRS Chapter 13A to execute and administer the provisions
22 of this section.
- 23 (6) Any entity that violates any provision of this section shall be subject to the
24 uniform civil penalties imposed pursuant to KRS 131.180 and interest at the tax
25 interest rate as defined in KRS 131.010(6) from the date due until the date of
26 payment.
- 27 (7) The department may adjust the excise tax rates annually to account for inflation

1 or deflation based on the Consumer Price Index. All rate changes shall take
2 effect six (6) months after the rate adjustment or on January 1 of the following
3 year, whichever is later.

4 (8) Nothing in this chapter shall prevent the application of the sales tax imposed
5 under KRS 139.200 at the point of retail sale in a retail cannabis facility.

6 (9) Notwithstanding any other provision of this chapter to the contrary, the president,
7 vice president, secretary, treasurer, or any other person holding any equivalent
8 corporate office of any corporation subject to this chapter shall be personally and
9 individually liable, both jointly and severally, for the taxes imposed under
10 subsection (2) of this section.

11 (10) Corporate dissolution, withdrawal of the corporation from the state, or the
12 cessation of holding any corporate office shall not discharge the liability of any
13 person. The personal and individual liability shall apply to every person holding a
14 corporate office at the time the tax becomes or became due.

15 (11) Notwithstanding any other provision of this chapter, KRS 275.150, 362.1-306(3)
16 or predecessor law, or 362.2-404(3) to the contrary, the managers of a limited
17 liability company, the partners of a limited liability partnership, and the general
18 partners of a limited liability limited partnership or any other person holding any
19 equivalent office of a limited liability company, limited liability partnership, or
20 limited liability limited partnership subject to this chapter shall be personally and
21 individually liable, both jointly and severally, for the taxes imposed under
22 subsection (2) of this section.

23 (12) Dissolution, withdrawal of the limited liability company, limited liability
24 partnership, or limited liability limited partnership from the state, or the cessation
25 of holding any office, shall not discharge the liability of any person. The personal
26 and individual liability shall apply to every manager of a limited liability
27 company, partner of a limited liability partnership, or general partner of a limited

1 liability limited partnership at the time the tax becomes or became due.

2 (13) No person shall be personally and individually liable under this section who had
3 no authority to collect, truthfully account for, or pay over any tax imposed by
4 subsection (2) of this section at the time the tax imposed becomes or became due.

5 ➔SECTION 22. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO
6 READ AS FOLLOWS:

7 All tax receipts, interest, and penalties resulting from the sale of cannabis, cannabis
8 products, and immature cannabis plants shall be deposited in the fund created in
9 Section 18 of this Act.

10 ➔SECTION 23. A NEW SECTION OF KRS CHAPTER 431 IS CREATED TO
11 READ AS FOLLOWS:

12 Notwithstanding any provisions of law to the contrary:

13 (1) (a) The Department of Kentucky State Police and all law enforcement agencies
14 within the state shall automatically expunge all criminal history records of
15 an arrest or charge not initiated by arrest for a minor cannabis offense
16 committed prior to the effective date of this Act if:

17 1. One (1) year or more has elapsed since the date of the arrest or law
18 enforcement interaction documented in the records; or

19 2. No criminal charges were filed relating to the arrest or law
20 enforcement interaction, or criminal charges were filed and
21 subsequently dismissed or vacated or the arrestee was acquitted.

22 (b) "Minor cannabis offense" means a violation of subsection (2)(a) or (b) or
23 (3)(a) of Section 29 of this Act, Section 30 of this Act, or subsection (2)(a)
24 of Section 31 of this Act.

25 (2) (a) Any person who has been convicted of a Class A misdemeanor, a Class B
26 misdemeanor, or a Class D felony for violations of Section 29, 30, or 31 of
27 this Act may petition the court in which he or she was convicted for

1 expungement of his or her record.

2 (b) For a petition brought under this subsection, the court shall order
3 expunged all records of the offense eligible for expungement under
4 paragraph (a) of this subsection in the custody of the court and any records
5 in the custody of any other state agency or official, including law
6 enforcement records.

7 (c) Upon entry of an order to expunge the records:

8 1. The proceedings in the case shall be deemed never to have occurred;

9 2. The court and other agencies shall cause records to be deleted or
10 removed from their computer system so that the matter shall not
11 appear on official state-preformed background checks;

12 3. The person and the court may properly reply that no record exists with
13 respect to the persons upon any inquiry in the matter; and

14 4. The person whose record is expunged shall not have to disclose the
15 fact of the record or any matter relating thereto on an application for
16 employment, credit, or any other type of application.

17 (d) There shall be no filing fee or court costs for a petition under this section.

18 (e) Copies of the order shall be sent to the Department of the Kentucky State
19 Police Criminal Identification and Records Branch, and to each agency or
20 official named in the order.

21 (f) Inspection of the records included in the order may thereafter be permitted
22 by the court only upon petition by the person who is the subject of the
23 records and only to those persons named in the petition.

24 (3) This section shall be retroactive.

25 ➔Section 24. KRS 431.079 is amended to read as follows:

26 (1) Every petition or application filed seeking expungement of a conviction, except for
27 a petition filed under Section 23 of this Act, shall include a certification of

1 eligibility for expungement. The Department of Kentucky State Police and the
2 Administrative Office of the Courts shall certify that the agencies have conducted a
3 criminal background check on the petitioner and whether or not the petitioner is
4 eligible to have the requested record expunged. The Department of Kentucky State
5 Police shall promulgate administrative regulations to implement this section, in
6 consultation with the Administrative Office of the Courts.

7 (2) Nothing in this section shall be construed to prohibit the expungement of a case
8 ordered by a court of competent jurisdiction.

9 (3) For the purposes of this section, KRS 431.073, 431.076, ~~and 431.078~~, **and Section**
10 **23 of this Act**, "expungement" means the removal or deletion of records by the
11 court and other agencies which prevents the matter from appearing on official state-
12 performed background checks.

13 ➔Section 25. KRS 2.015 is amended to read as follows:

14 Persons of the age of eighteen (18) years are of the age of majority for all purposes in this
15 Commonwealth except for the purchase of alcoholic beverages, **the cultivation,**
16 **purchase, use, and possession of cannabis,** and for purposes of care and treatment of
17 children with disabilities, for which twenty-one (21) years is the age of majority, all other
18 statutes to the contrary notwithstanding.

19 ➔Section 26. KRS 610.010 is amended to read as follows:

20 (1) Unless otherwise exempted by KRS Chapters 600 to 645, the juvenile session of the
21 District Court of each county shall have exclusive jurisdiction in proceedings
22 concerning any child living or found within the county who has not reached his or
23 her eighteenth birthday or of any person who at the time of committing a public
24 offense was under the age of eighteen (18) years, who allegedly has committed a
25 public offense prior to his or her eighteenth birthday, except a motor vehicle offense
26 involving a child sixteen (16) years of age or older. A child sixteen (16) years of age
27 or older taken into custody upon the allegation that the child has committed a motor

1 vehicle offense shall be treated as an adult and shall have the same conditions of
2 release applied to him or her as an adult. A child taken into custody upon the
3 allegation that he or she has committed a motor vehicle offense who is not released
4 under conditions of release applicable to adults shall be held, pending his or her
5 appearance before the District Court, in a facility as defined in KRS 15A.067.
6 Children sixteen (16) years of age or older who are convicted of, or plead guilty to,
7 a motor vehicle offense shall, if sentenced to a term of confinement, be placed in a
8 facility for that period of confinement preceding their eighteenth birthday and an
9 adult detention facility for that period of confinement subsequent to their eighteenth
10 birthday. The term "motor vehicle offense" shall not be deemed to include the
11 offense of stealing or converting a motor vehicle nor operating the same without the
12 owner's consent nor any offense which constitutes a felony;

13 (2) Unless otherwise exempted by KRS Chapters 600 to 645, the juvenile session of the
14 District Court of each county or the family division of the Circuit Court shall have
15 exclusive jurisdiction in proceedings concerning any child living or found within
16 the county who has not reached his or her eighteenth birthday and who allegedly:

17 (a) Is beyond the control of the school or beyond the control of parents as defined
18 in KRS 600.020;

19 (b) Is an habitual truant from school;

20 (c) Is an habitual runaway from his or her parent or other person exercising
21 custodial control or supervision of the child;

22 (d) Is dependent, neglected, or abused;

23 (e) Has committed an alcohol offense in violation of KRS 244.085;

24 (f) Has committed a tobacco offense as provided in KRS 438.305 to 438.340; ~~or~~
25 ~~or~~

26 (g) *Has committed a cannabis offense as provided in Section 8 or 9 of this Act;*

27 *or*

- 1 (h) Is mentally ill.
- 2 (3) Actions brought under subsection (1) of this section shall be considered to be public
3 offense actions.
- 4 (4) Actions brought under subsection (2)(a), (b), (c), (e), and (f) of this section shall be
5 considered to be status offense actions.
- 6 (5) Actions brought under subsection (2)(d) of this section shall be considered to be
7 nonoffender actions.
- 8 (6) Actions brought under subsection (2)(g) of this section shall be considered to be
9 mental health actions.
- 10 (7) Nothing in this chapter shall deprive other courts of the jurisdiction to determine the
11 custody or guardianship of children upon writs of habeas corpus or to determine the
12 custody or guardianship of children when such custody or guardianship is incidental
13 to the determination of other causes pending in such other courts; nor shall anything
14 in this chapter affect the jurisdiction of Circuit Courts over adoptions and
15 proceedings for termination of parental rights.
- 16 (8) The court shall have no jurisdiction to make permanent awards of custody of a child
17 except as provided by KRS 620.027.
- 18 (9) If the court finds an emergency to exist affecting the welfare of a child, or if the
19 child is eligible for the relative or fictive kin caregiver assistance as established in
20 KRS 620.142, it may make temporary orders for the child's custody; however, if the
21 case involves allegations of dependency, neglect, or abuse, no emergency removal
22 or temporary custody orders shall be effective unless the provisions of KRS Chapter
23 620 are followed. Such orders shall be entirely without prejudice to the proceedings
24 for permanent custody of the child and shall remain in effect until modified or set
25 aside by the court. Upon the entry of a temporary or final judgment in the Circuit
26 Court awarding custody of such child, all prior orders of the juvenile session of the
27 District Court in conflict therewith shall be deemed canceled. This section shall not

- 1 work to deprive the Circuit Court of jurisdiction over cases filed in Circuit Court.
- 2 (10) The court of each county wherein a public offense, as defined in subsection (1) of
3 this section, is committed by a child who is a resident of another county of this state
4 shall have concurrent jurisdiction over such child with the court of the county
5 wherein the child resides or the court of the county where the child is found.
6 Whichever court first acquires jurisdiction of such child may proceed to final
7 disposition of the case, or in its discretion may make an order transferring the case
8 to the court of the county of the child's residence or the county wherein the offense
9 was committed, as the case may be.
- 10 (11) Nothing in this chapter shall prevent the court from holding a child in contempt of
11 court to enforce valid court orders previously issued by the court, subject to the
12 requirements contained in KRS 610.265 and 630.080.
- 13 (12) Except as provided in KRS 635.060(4), 630.120(5), or 635.090, nothing in this
14 chapter shall confer upon the District Court or the family division of the Circuit
15 Court, as appropriate, jurisdiction over the actions of the Department of Juvenile
16 Justice or the cabinet in the placement, care, or treatment of a child committed to
17 the Department of Juvenile Justice or committed to or in the custody of the cabinet;
18 or to require the department or the cabinet to perform, or to refrain from
19 performing, any specific act in the placement, care, or treatment of any child
20 committed to the department or committed to or in the custody of the cabinet.
- 21 (13) Unless precluded by KRS Chapter 635 or 640, in addition to informal adjustment,
22 the court shall have the discretion to amend the petition to reflect jurisdiction
23 pursuant to the proper chapter of the Kentucky Unified Juvenile Code.
- 24 (14) The court shall have continuing jurisdiction over a child pursuant to subsection (1)
25 of this section, to review dispositional orders, and to conduct permanency hearings
26 under 42 U.S.C. sec. 675(5)(c) until the child is placed for adoption, returned home
27 to his or her parents with all the court imposed conditions terminated, completes a

1 disposition pursuant to KRS 635.060, or reaches the age of eighteen (18) years.

2 ➔Section 27. KRS 630.020 is amended to read as follows:

3 The court shall have exclusive jurisdiction in proceedings concerning any child living, or
4 found within the district, who allegedly:

5 (1) Has been an habitual runaway from his parent or person exercising custodial control
6 or supervision of the child;

7 (2) Is beyond the control of the school or beyond the control of parents as defined in
8 KRS 600.020;

9 (3) Has been an habitual truant from school;

10 (4) Has committed a tobacco offense under KRS 438.305 to 438.340;~~[-or]~~

11 (5) Has committed an alcohol offense under KRS 244.085; or

12 (6) *Has committed a cannabis offense under Section 8 or 9 of this Act.*

13 ➔Section 28. KRS 630.120 is amended to read as follows:

14 (1) All dispositional hearings conducted under this chapter shall be conducted in
15 accordance with the provisions of KRS 610.060 and 610.070. In addition, the court
16 shall, at the time the dispositional order is issued:

17 (a) Give the child adequate and fair written warning of the consequences of the
18 violation of the order; and

19 (b) Provide the child and the child's attorney, and parent, or legal guardian a
20 written statement setting forth the conditions of the order and the
21 consequences for violating the order.

22 An order issued pursuant to this section is a valid court order and any child
23 violating that order may be subject to the provisions of KRS 630.080(4).

24 (2) The court shall consider all appropriate local remedies to aid the child and the
25 child's family subject to the following conditions:

26 (a) Residential and nonresidential treatment programs for status offenders shall be
27 community-based and nonsecure; and

1 (b) With the approval of the education agency, the court may place the child in a
2 nonsecure public or private education agency accredited by the Department of
3 Education.

4 (3) At the disposition of a child adjudicated on a petition brought pursuant to this
5 chapter, all information helpful in making a proper disposition, including oral and
6 written reports, shall be received by the court provided that the child, the child's
7 parents, their counsel, the prosecuting attorney, the child's counsel, or other
8 interested parties as determined by the judge shall be afforded an opportunity to
9 examine and controvert the reports. For good cause, the court may allow the
10 admission of hearsay evidence.

11 (4) The court shall affirmatively determine that all appropriate remedies have been
12 considered and exhausted to assure that the least restrictive alternative method of
13 treatment is utilized.

14 (5) The court may order the child and the child's family to participate in any programs
15 which are necessary to effectuate a change in the child and the family.

16 (6) When all appropriate resources have been reviewed and considered insufficient to
17 adequately address the needs of the child and the child's family, the court may,
18 except as provided in subsection (7) of this section, commit the child to the cabinet
19 for such services as may be necessary. The cabinet shall consider all appropriate
20 local remedies to aid the child and the child's family subject to the following
21 conditions:

22 (a) Treatment programs for status offenders shall be, unless excepted by federal
23 law, community-based and nonsecure;

24 (b) The cabinet may place the child in a nonsecure public or private education
25 agency accredited by the department of education;

26 (c) The cabinet may initiate proceedings pursuant to KRS 610.160 when the
27 parents fail to participate in the cabinet's treatment programs; and

1 (d) The cabinet may discharge the child from commitment after providing ten
2 (10) days' prior written notice to the committing court which may object to
3 such discharge by holding court review of the commitment under KRS
4 610.120.

5 (7) No child adjudicated guilty of an alcohol offense under KRS 244.085, ~~for~~ a
6 tobacco offense under KRS 438.305 to 438.340, or a cannabis offense under
7 Section 8 or 9 of this Act shall be committed as a result of that adjudication.

8 ➔Section 29. KRS 218A.1421 is amended to read as follows:

9 (1) A person is guilty of trafficking in marijuana when he or she knowingly and
10 unlawfully traffics in marijuana, and the amount of marijuana is greater than the
11 cannabis possession limit established in Section 3 of this Act.

12 (2) Trafficking in less than eight (8) ounces of marijuana is:

13 (a) For a first offense a Class A misdemeanor.

14 (b) For a second or subsequent offense a Class D felony.

15 (3) Trafficking in eight (8) or more ounces but less than five (5) pounds of marijuana
16 is:

17 (a) For a first offense a Class D felony.

18 (b) For a second or subsequent offense a Class C felony.

19 (4) Trafficking in five (5) or more pounds of marijuana is:

20 (a) For a first offense a Class C felony.

21 (b) For a second or subsequent offense a Class B felony.

22 (5) The unlawful possession by any person of eight (8) or more ounces of marijuana
23 shall be prima facie evidence that the person possessed the marijuana with the intent
24 to sell or transfer it.

25 (6) This section does not apply to a cannabis establishment that is licensed pursuant
26 to Section 12 of this Act or to a person who is acting in his or her capacity as an
27 owner, employee, or agent of a cannabis establishment licensed pursuant to

1 **Section 12 of this Act.**

2 ➔ Section 30. KRS 218A.1422 is amended to read as follows:

3 (1) A person is guilty of possession of marijuana when he or she knowingly and
4 unlawfully possesses **an amount of** marijuana **that is greater than the cannabis**
5 **possession limit established in Section 3 of this Act.**

6 (2) Possession of marijuana is a Class B misdemeanor, except that, KRS Chapter 532
7 to the contrary notwithstanding, the maximum term of incarceration shall be no
8 greater than forty-five (45) days.

9 **(3) This section does not apply to a cannabis establishment that is licensed pursuant**
10 **to Section 12 of this Act or to a person who is acting in his or her capacity as an**
11 **owner, employee, or agent of a cannabis establishment licensed pursuant to**
12 **Section 12 of this Act.**

13 ➔ Section 31. KRS 218A.1423 is amended to read as follows:

14 (1) A person is guilty of marijuana cultivation when he **or she** knowingly and
15 unlawfully plants, cultivates, or harvests **an amount of** marijuana **that is greater**
16 **than the cannabis possession limit established in Section 3 of this Act** with the
17 intent to sell or transfer it.

18 (2) Marijuana cultivation of **more than** five (5)~~or more~~ plants of marijuana is:

19 (a) For a first offense a Class **A misdemeanor**~~D felony~~.

20 (b) For a second or subsequent offense a Class **D**~~C~~ felony.

21 ~~(3) Marijuana cultivation of fewer than five (5) plants is:~~

22 ~~(a) For a first offense a Class A misdemeanor.~~

23 ~~(b) For a second or subsequent offense a Class D felony.~~

24 ~~(4)~~ The planting, cultivating, or harvesting of **more than** five (5)~~or more~~ marijuana
25 plants shall be prima facie evidence that the marijuana plants were planted,
26 cultivated, or harvested for the purpose of sale or transfer.

27 **(4) This section does not apply to a cannabis establishment that is licensed pursuant**

1 to Section 12 of this Act or to a person who is acting in his or her capacity as an
2 owner, employee, or agent of a cannabis establishment licensed pursuant to
3 Section 12 of this Act.

4 ➔Section 32. KRS 218A.500 is amended to read as follows:

5 As used in this section and KRS 218A.510:

6 (1) "Drug paraphernalia" means all equipment, products and materials of any kind
7 which are used, intended for use, or designed for use in planting, propagating,
8 cultivating, growing, harvesting, manufacturing, compounding, converting,
9 producing, processing, preparing, testing, analyzing, packaging, repackaging,
10 storing, containing, concealing, injecting, ingesting, inhaling, or otherwise
11 introducing into the human body a controlled substance in violation of this chapter.

12 "Drug paraphernalia" does not include cannabis accessories as defined in
13 Section 1 of this Act. It includes but is not limited to:

- 14 (a) Kits used, intended for use, or designed for use in planting, propagating,
15 cultivating, growing, or harvesting of any species of plant which is a
16 controlled substance or from which a controlled substance can be derived;
- 17 (b) Kits used, intended for use, or designed for use in manufacturing,
18 compounding, converting, producing, processing, or preparing controlled
19 substances;
- 20 (c) Isomerization devices used, intended for use, or designed for use in increasing
21 the potency of any species of plant which is a controlled substance;
- 22 (d) Testing equipment used, intended for use, or designed for use in identifying,
23 or in analyzing the strength, effectiveness or purity of controlled substances;
- 24 (e) Scales and balances used, intended for use, or designed for use in weighing or
25 measuring controlled substances;
- 26 (f) Diluents and adulterants, such as quinine hydrochloride, mannitol, mannite,
27 dextrose and lactose, used, intended for use, or designed for use in cutting

- 1 controlled substances;
- 2 (g) Separation gins and sifters used, intended for use, or designed for use in
- 3 removing twigs and seeds from, or in otherwise cleaning or refining
- 4 marijuana;
- 5 (h) Blenders, bowls, containers, spoons, and mixing devices used, intended for
- 6 use, or designed for use in compounding controlled substances;
- 7 (i) Capsules, balloons, envelopes, and other containers used, intended for use, or
- 8 designed for use in packaging small quantities of controlled substances;
- 9 (j) Containers and other objects used, intended for use, or designed for use in
- 10 storing or concealing controlled substances;
- 11 (k) Hypodermic syringes, needles, and other objects used, intended for use, or
- 12 designed for use in parenterally injecting controlled substances into the human
- 13 body; and
- 14 (l) Objects used, intended for use, or designed for use in ingesting, inhaling, or
- 15 otherwise introducing marijuana, cocaine, hashish, or hashish oil into the
- 16 human body, such as: metal, wooden, acrylic, glass, stone, plastic, or ceramic
- 17 pipes with or without screens, permanent screens, hashish heads, or punctured
- 18 metal bowls; water pipes; carburetion tubes and devices; smoking and
- 19 carburetion masks; roach clips which mean objects used to hold burning
- 20 material, such as marijuana cigarettes, that have become too small or too short
- 21 to be held in the hand; miniature cocaine spoons, and cocaine vials; chamber
- 22 pipes; carburetor pipes; electric pipes; air-driven pipes; chillums; bongs; ice
- 23 pipes or chillers.
- 24 (2) It is unlawful for any person to use, or to possess with intent to use, drug
- 25 paraphernalia for the purpose of planting, propagating, cultivating, growing,
- 26 harvesting, manufacturing, compounding, converting, producing, processing,
- 27 preparing, testing, analyzing, packing, repacking, storing, containing, concealing,

1 injecting, ingesting, inhaling, or otherwise introducing into the human body a
2 controlled substance in violation of this chapter.

3 (3) It is unlawful for any person to deliver, possess with intent to deliver, or
4 manufacture with intent to deliver, drug paraphernalia, knowing, or under
5 circumstances where one reasonably should know, that it will be used to plant,
6 propagate, cultivate, grow, harvest, manufacture, compound, convert, produce,
7 process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest,
8 inhale, or otherwise introduce into the human body a controlled substance in
9 violation of this chapter.

10 (4) It is unlawful for any person to place in any newspaper, magazine, handbill, or other
11 publication any advertisement, knowing, or under circumstances where one
12 reasonably should know, that the purpose of the advertisement, in whole or in part,
13 is to promote the sale of objects designed or intended for use as drug paraphernalia.

14 (5) (a) This section shall not prohibit a local health department from operating a
15 substance abuse treatment outreach program which allows participants to
16 exchange hypodermic needles and syringes.

17 (b) To operate a substance abuse treatment outreach program under this
18 subsection, the local health department shall have the consent, which may be
19 revoked at any time, of the local board of health and:

20 1. The legislative body of the first or home rule class city in which the
21 program would operate if located in such a city; and

22 2. The legislative body of the county, urban-county government, or
23 consolidated local government in which the program would operate.

24 (c) Items exchanged at the program shall not be deemed drug paraphernalia under
25 this section while located at the program.

26 (6) (a) Prior to searching a person, a person's premises, or a person's vehicle, a peace
27 officer may inquire as to the presence of needles or other sharp objects in the

1 areas to be searched that may cut or puncture the officer and offer to not
2 charge a person with possession of drug paraphernalia if the person declares to
3 the officer the presence of the needle or other sharp object. If, in response to
4 the offer, the person admits to the presence of the needle or other sharp object
5 prior to the search, the person shall not be charged with or prosecuted for
6 possession of drug paraphernalia for the needle or sharp object or for
7 possession of a controlled substance for residual or trace drug amounts present
8 on the needle or sharp object.

9 (b) The exemption under this subsection shall not apply to any other drug
10 paraphernalia that may be present and found during the search or to controlled
11 substances present in other than residual or trace amounts.

12 (7) Any person who violates any provision of this section shall be guilty of a Class A
13 misdemeanor.

14 ➔Section 33. KRS 12.020 is amended to read as follows:

15 Departments, program cabinets and their departments, and the respective major
16 administrative bodies that they include are enumerated in this section. It is not intended
17 that this enumeration of administrative bodies be all-inclusive. Every authority, board,
18 bureau, interstate compact, commission, committee, conference, council, office, or any
19 other form of organization shall be included in or attached to the department or program
20 cabinet in which they are included or to which they are attached by statute or statutorily
21 authorized executive order; except in the case of the Personnel Board and where the
22 attached department or administrative body is headed by a constitutionally elected officer,
23 the attachment shall be solely for the purpose of dissemination of information and
24 coordination of activities and shall not include any authority over the functions,
25 personnel, funds, equipment, facilities, or records of the department or administrative
26 body.

27 I. Cabinet for General Government - Departments headed by elected officers:

- 1 (1) The Governor.
- 2 (2) Lieutenant Governor.
- 3 (3) Department of State.
 - 4 (a) Secretary of State.
 - 5 (b) Board of Elections.
 - 6 (c) Registry of Election Finance.
- 7 (4) Department of Law.
 - 8 (a) Attorney General.
- 9 (5) Department of the Treasury.
 - 10 (a) Treasurer.
- 11 (6) Department of Agriculture.
 - 12 (a) Commissioner of Agriculture.
 - 13 (b) Kentucky Council on Agriculture.
- 14 (7) Auditor of Public Accounts.
- 15 II. Program cabinets headed by appointed officers:
 - 16 (1) Justice and Public Safety Cabinet:
 - 17 (a) Department of Kentucky State Police.
 - 18 (b) Department of Criminal Justice Training.
 - 19 (c) Department of Corrections.
 - 20 (d) Department of Juvenile Justice.
 - 21 (e) Office of the Secretary.
 - 22 (f) Office of Drug Control Policy.
 - 23 (g) Office of Legal Services.
 - 24 (h) Office of the Kentucky State Medical Examiner.
 - 25 (i) Parole Board.
 - 26 (j) Kentucky State Corrections Commission.
 - 27 (k) Office of Legislative and Intergovernmental Services.

- 1 (l) Office of Management and Administrative Services.
- 2 (m) Department of Public Advocacy.
- 3 (2) Education and Workforce Development Cabinet:
- 4 (a) Office of the Secretary.
- 5 1. Governor's Scholars Program.
- 6 2. Governor's School for Entrepreneurs Program.
- 7 3. Office of the Kentucky Workforce Innovation Board.
- 8 4. Foundation for Adult Education.
- 9 5. Early Childhood Advisory Council.
- 10 (b) Office of Legal and Legislative Services.
- 11 1. Client Assistance Program.
- 12 (c) Office of Communication.
- 13 (d) Office of Administrative Services.
- 14 1. Division of Human Resources.
- 15 2. Division of Operations and Support Services.
- 16 3. Division of Fiscal Management.
- 17 (e) Office of Technology Services.
- 18 (f) Office of Educational Programs.
- 19 (g) Office of the Kentucky Center for Statistics.
- 20 (h) Board of the Kentucky Center for Statistics.
- 21 (i) Board of Directors for the Center for School Safety.
- 22 (j) Department of Education.
- 23 1. Kentucky Board of Education.
- 24 2. Kentucky Technical Education Personnel Board.
- 25 (k) Department for Libraries and Archives.
- 26 (l) Department of Workforce Investment.
- 27 1. Office of Vocational Rehabilitation.

- 1 a. Division of Kentucky Business Enterprise.
- 2 b. Division of the Carl D. Perkins Vocational Training Center.
- 3 c. Division of Blind Services.
- 4 d. Division of Field Services.
- 5 e. Statewide Council for Vocational Rehabilitation.
- 6 2. Office of Unemployment Insurance.
- 7 3. Office of Employer and Apprenticeship Services.
- 8 a. Division of Apprenticeship.
- 9 4. Office of Career Development.
- 10 5. Office of Adult Education.
- 11 6. Unemployment Insurance Commission.
- 12 7. Kentucky Apprenticeship Council.
- 13 (m) Foundation for Workforce Development.
- 14 (n) Kentucky Workforce Investment Board.
- 15 (o) Education Professional Standards Board.
- 16 1. Division of Educator Preparation.
- 17 2. Division of Certification.
- 18 3. Division of Professional Learning and Assessment.
- 19 4. Division of Legal Services.
- 20 (p) Kentucky Commission on the Deaf and Hard of Hearing.
- 21 (q) Kentucky Educational Television.
- 22 (r) Kentucky Environmental Education Council.
- 23 (3) Energy and Environment Cabinet:
- 24 (a) Office of the Secretary.
- 25 1. Office of Legislative and Intergovernmental Affairs.
- 26 2. Office of Legal Services.
- 27 a. Legal Division I.

- 1 b. Legal Division II.
- 2 3. Office of Administrative Hearings.
- 3 4. Office of Communication.
- 4 5. Mine Safety Review Commission.
- 5 6. Office of Kentucky Nature Preserves.
- 6 7. Kentucky Public Service Commission.
- 7 (b) Department for Environmental Protection.
- 8 1. Office of the Commissioner.
- 9 2. Division for Air Quality.
- 10 3. Division of Water.
- 11 4. Division of Environmental Program Support.
- 12 5. Division of Waste Management.
- 13 6. Division of Enforcement.
- 14 7. Division of Compliance Assistance.
- 15 (c) Department for Natural Resources.
- 16 1. Office of the Commissioner.
- 17 2. Division of Mine Permits.
- 18 3. Division of Mine Reclamation and Enforcement.
- 19 4. Division of Abandoned Mine Lands.
- 20 5. Division of Oil and Gas.
- 21 6. Division of Mine Safety.
- 22 7. Division of Forestry.
- 23 8. Division of Conservation.
- 24 9. Office of the Reclamation Guaranty Fund.
- 25 (d) Office of Energy Policy.
- 26 1. Division of Energy Assistance.
- 27 (e) Office of Administrative Services.

1. Division of Human Resources Management.
2. Division of Financial Management.
3. Division of Information Services.
- (4) Public Protection Cabinet.
 - (a) Office of the Secretary.
 1. Office of Communications and Public Outreach.
 2. Office of Legal Services.
 - a. Insurance Legal Division.
 - b. Charitable Gaming Legal Division.
 - c. Alcoholic Beverage Control Legal Division.
 - d. Housing, Buildings and Construction Legal Division.
 - e. Financial Institutions Legal Division.
 - f. Professional Licensing Legal Division.
 - g. Cannabis Control Legal Division.**
 3. Office of Administrative Hearings.
 4. Office of Administrative Services.
 - a. Division of Human Resources.
 - b. Division of Fiscal Responsibility.
 - (b) Kentucky Claims Commission.
 - (c) Kentucky Boxing and Wrestling Commission.
 - (d) Kentucky Horse Racing Commission.
 1. Office of Executive Director.
 - a. Division of Pari-mutuel Wagering and Compliance.
 - b. Division of Stewards.
 - c. Division of Licensing.
 - d. Division of Enforcement.
 - e. Division of Incentives and Development.

- 1 f. Division of Veterinary Services.
- 2 (e) Department of Alcoholic Beverage Control.
- 3 1. Division of Distilled Spirits.
- 4 2. Division of Malt Beverages.
- 5 3. Division of Enforcement.
- 6 (f) **Department of Cannabis Control.**
- 7 **(g)** Department of Charitable Gaming.
- 8 1. Division of Licensing and Compliance.
- 9 2. Division of Enforcement.
- 10 **(h)**~~[(g)]~~ Department of Financial Institutions.
- 11 1. Division of Depository Institutions.
- 12 2. Division of Non-Depository Institutions.
- 13 3. Division of Securities.
- 14 **(i)**~~[(h)]~~ Department of Housing, Buildings and Construction.
- 15 1. Division of Fire Prevention.
- 16 2. Division of Plumbing.
- 17 3. Division of Heating, Ventilation, and Air Conditioning.
- 18 4. Division of Building Code Enforcement.
- 19 **(j)**~~[(i)]~~ Department of Insurance.
- 20 1. Division of Insurance Product Regulation.
- 21 2. Division of Administrative Services.
- 22 3. Division of Financial Standards and Examination.
- 23 4. Division of Agent Licensing.
- 24 5. Division of Insurance Fraud Investigation.
- 25 6. Division of Consumer Protection.
- 26 **(k)**~~[(j)]~~ Department of Professional Licensing.
- 27 1. Real Estate Authority.

- 1 (5) Labor Cabinet.
- 2 (a) Office of the Secretary.
- 3 1. Office of General Counsel.
- 4 a. Workplace Standards Legal Division.
- 5 b. Workers' Claims Legal Division.
- 6 2. Office of Administrative Services.
- 7 a. Division of Human Resources Management.
- 8 b. Division of Fiscal Management.
- 9 c. Division of Professional Development and Organizational
- 10 Management.
- 11 d. Division of Information Technology and Support Services.
- 12 3. Office of Inspector General.
- 13 (b) Department of Workplace Standards.
- 14 1. Division of Occupational Safety and Health Compliance.
- 15 2. Division of Occupational Safety and Health Education and
- 16 Training.
- 17 3. Division of Wages and Hours.
- 18 (c) Department of Workers' Claims.
- 19 1. Division of Workers' Compensation Funds.
- 20 2. Office of Administrative Law Judges.
- 21 3. Division of Claims Processing.
- 22 4. Division of Security and Compliance.
- 23 5. Division of Information Services.
- 24 6. Division of Specialist and Medical Services.
- 25 7. Workers' Compensation Board.
- 26 (d) Workers' Compensation Funding Commission.
- 27 (e) Occupational Safety and Health Standards Board.

- 1 (f) State Labor Relations Board.
- 2 (g) Employers' Mutual Insurance Authority.
- 3 (h) Kentucky Occupational Safety and Health Review Commission.
- 4 (i) Workers' Compensation Nominating Committee.
- 5 (6) Transportation Cabinet:
- 6 (a) Department of Highways.
 - 7 1. Office of Project Development.
 - 8 2. Office of Project Delivery and Preservation.
 - 9 3. Office of Highway Safety.
 - 10 4. Highway District Offices One through Twelve.
- 11 (b) Department of Vehicle Regulation.
- 12 (c) Department of Aviation.
- 13 (d) Department of Rural and Municipal Aid.
 - 14 1. Office of Local Programs.
 - 15 2. Office of Rural and Secondary Roads.
- 16 (e) Office of the Secretary.
 - 17 1. Office of Public Affairs.
 - 18 2. Office for Civil Rights and Small Business Development.
 - 19 3. Office of Budget and Fiscal Management.
 - 20 4. Office of Inspector General.
- 21 (f) Office of Support Services.
- 22 (g) Office of Transportation Delivery.
- 23 (h) Office of Audits.
- 24 (i) Office of Human Resource Management.
- 25 (j) Office of Information Technology.
- 26 (k) Office of Legal Services.
- 27 (7) Cabinet for Economic Development:

- 1 (a) Office of the Secretary.
- 2 1. Office of Legal Services.
- 3 2. Department for Business Development.
- 4 3. Department for Financial Services.
- 5 a. Kentucky Economic Development Finance Authority.
- 6 b. Finance and Personnel Division.
- 7 c. IT and Resource Management Division.
- 8 d. Compliance Division.
- 9 e. Incentive Administration Division.
- 10 f. Bluegrass State Skills Corporation.
- 11 4. Office of Marketing and Public Affairs.
- 12 a. Communications Division.
- 13 b. Graphics Design Division.
- 14 5. Office of Workforce, Community Development, and Research.
- 15 6. Office of Entrepreneurship.
- 16 a. Commission on Small Business Advocacy.
- 17 (8) Cabinet for Health and Family Services:
- 18 (a) Office of the Secretary.
- 19 1. Office of Health Data and Analytics.
- 20 2. Office of the Ombudsman and Administrative Review.
- 21 3. Office of Public Affairs.
- 22 4. Office of Legal Services.
- 23 5. Office of Inspector General.
- 24 (b) Office of Finance and Budget.
- 25 (c) Office of Human Resource Management.
- 26 (d) Office of Administrative Services.
- 27 (e) Office of Application Technology Services.

- 1 (f) Department for Public Health.
- 2 (g) Department for Medicaid Services.
- 3 (h) Department for Behavioral Health, Developmental and Intellectual
- 4 Disabilities.
- 5 (i) Department for Aging and Independent Living.
- 6 (j) Department for Community Based Services.
- 7 (k) Department for Income Support.
- 8 (l) Department for Family Resource Centers and Volunteer Services.
- 9 (m) Office for Children with Special Health Care Needs.
- 10 (n) Office of Legislative and Regulatory Affairs.
- 11 (9) Finance and Administration Cabinet:
- 12 (a) Office of the Secretary.
- 13 (b) Office of the Inspector General.
- 14 (c) Office of Legislative and Intergovernmental Affairs.
- 15 (d) Office of General Counsel.
- 16 (e) Office of the Controller.
- 17 (f) Office of Administrative Services.
- 18 (g) Office of Policy and Audit.
- 19 (h) Department for Facilities and Support Services.
- 20 (i) Department of Revenue.
- 21 (j) Commonwealth Office of Technology.
- 22 (k) State Property and Buildings Commission.
- 23 (l) Office of Equal Employment Opportunity and Contract Compliance.
- 24 (m) Kentucky Employees Retirement Systems.
- 25 (n) Commonwealth Credit Union.
- 26 (o) State Investment Commission.
- 27 (p) Kentucky Housing Corporation.

- 1 (q) Kentucky Local Correctional Facilities Construction Authority.
- 2 (r) Kentucky Turnpike Authority.
- 3 (s) Historic Properties Advisory Commission.
- 4 (t) Kentucky Tobacco Settlement Trust Corporation.
- 5 (u) Kentucky Higher Education Assistance Authority.
- 6 (v) Kentucky River Authority.
- 7 (w) Kentucky Teachers' Retirement System Board of Trustees.
- 8 (x) Executive Branch Ethics Commission.
- 9 (10) Tourism, Arts and Heritage Cabinet:
- 10 (a) Kentucky Department of Tourism.
- 11 1. Division of Tourism Services.
- 12 2. Division of Marketing and Administration.
- 13 3. Division of Communications and Promotions.
- 14 (b) Kentucky Department of Parks.
- 15 1. Division of Information Technology.
- 16 2. Division of Human Resources.
- 17 3. Division of Financial Operations.
- 18 4. Division of Facilities Management.
- 19 5. Division of Facilities Maintenance.
- 20 6. Division of Customer Services.
- 21 7. Division of Recreation.
- 22 8. Division of Golf Courses.
- 23 9. Division of Food Services.
- 24 10. Division of Rangers.
- 25 11. Division of Resort Parks.
- 26 12. Division of Recreational Parks and Historic Sites.
- 27 (c) Department of Fish and Wildlife Resources.

- 1 1. Division of Law Enforcement.
- 2 2. Division of Administrative Services.
- 3 3. Division of Engineering, Infrastructure, and Technology.
- 4 4. Division of Fisheries.
- 5 5. Division of Information and Education.
- 6 6. Division of Wildlife.
- 7 7. Division of Marketing.
- 8 (d) Kentucky Horse Park.
 - 9 1. Division of Support Services.
 - 10 2. Division of Buildings and Grounds.
 - 11 3. Division of Operational Services.
- 12 (e) Kentucky State Fair Board.
 - 13 1. Office of Administrative and Information Technology Services.
 - 14 2. Office of Human Resources and Access Control.
 - 15 3. Division of Expositions.
 - 16 4. Division of Kentucky Exposition Center Operations.
 - 17 5. Division of Kentucky International Convention Center.
 - 18 6. Division of Public Relations and Media.
 - 19 7. Division of Venue Services.
 - 20 8. Division of Personnel Management and Staff Development.
 - 21 9. Division of Sales.
 - 22 10. Division of Security and Traffic Control.
 - 23 11. Division of Information Technology.
 - 24 12. Division of the Louisville Arena.
 - 25 13. Division of Fiscal and Contract Management.
 - 26 14. Division of Access Control.
- 27 (f) Office of the Secretary.

- 1 1. Office of Finance.
- 2 2. Office of Government Relations and Administration.
- 3 3. Office of Film and Tourism Development.
- 4 (g) Office of Legal Affairs.
- 5 (h) Office of Human Resources.
- 6 (i) Office of Public Affairs and Constituent Services.
- 7 (j) Office of Arts and Cultural Heritage.
- 8 (k) Kentucky African-American Heritage Commission.
- 9 (l) Kentucky Foundation for the Arts.
- 10 (m) Kentucky Humanities Council.
- 11 (n) Kentucky Heritage Council.
- 12 (o) Kentucky Arts Council.
- 13 (p) Kentucky Historical Society.
- 14 1. Division of Museums.
- 15 2. Division of Oral History and Educational Outreach.
- 16 3. Division of Research and Publications.
- 17 4. Division of Administration.
- 18 (q) Kentucky Center for the Arts.
- 19 1. Division of Governor's School for the Arts.
- 20 (r) Kentucky Artisans Center at Berea.
- 21 (s) Northern Kentucky Convention Center.
- 22 (t) Eastern Kentucky Exposition Center.
- 23 (11) Personnel Cabinet:
- 24 (a) Office of the Secretary.
- 25 (b) Department of Human Resources Administration.
- 26 (c) Office of Employee Relations.
- 27 (d) Kentucky Public Employees Deferred Compensation Authority.

- 1 (e) Office of Administrative Services.
- 2 (f) Office of Legal Services.
- 3 (g) Governmental Services Center.
- 4 (h) Department of Employee Insurance.
- 5 (i) Office of Diversity, Equality, and Training.
- 6 (j) Office of Public Affairs.

7 III. Other departments headed by appointed officers:

- 8 (1) Council on Postsecondary Education.
- 9 (2) Department of Military Affairs.
- 10 (3) Department for Local Government.
- 11 (4) Kentucky Commission on Human Rights.
- 12 (5) Kentucky Commission on Women.
- 13 (6) Department of Veterans' Affairs.
- 14 (7) Kentucky Commission on Military Affairs.
- 15 (8) Office of Minority Empowerment.
- 16 (9) Governor's Council on Wellness and Physical Activity.
- 17 (10) Kentucky Communications Network Authority.

18 ➔Section 34. KRS 12.252 is amended to read as follows:

- 19 (1) There is established within the Public Protection Cabinet a Department of Financial
20 Institutions, a Department of Insurance, a Department of Housing, Buildings and
21 Construction, a Department of Charitable Gaming, a Department of Professional
22 Licensing, *a Department of Cannabis Control*, and a Department of Alcoholic
23 Beverage Control. Each department shall be headed by a commissioner appointed
24 by the Governor as required by KRS 12.040 and, where appropriate, by KRS
25 238.510, 241.015, and 304.2-020. Commissioners shall be directly responsible to
26 the secretary and shall perform the functions, powers, and duties provided by law
27 and prescribed by the secretary.

- 1 (2) The secretary of the Public Protection Cabinet shall be appointed by the Governor
2 in accordance with KRS 12.255. The Office of the Secretary shall contain the
3 following entities:
- 4 (a) The Office of Communications and Public Outreach, which shall be headed
5 by an executive director appointed by the secretary with the approval of the
6 Governor in accordance with KRS 12.050;
- 7 (b) The Office of Legal Services, which shall be headed by an executive director
8 appointed by the secretary with the approval of the Governor in accordance
9 with KRS 12.050 and 12.210;
- 10 (c) The Office of Administrative Hearings, which shall be headed by an executive
11 director appointed by the secretary with the approval of the Governor in
12 accordance with KRS 12.050 and 12.210; and
- 13 (d) The Office of Administrative Services, which shall be headed by an executive
14 director appointed by the secretary with the approval of the Governor in
15 accordance with KRS 12.050.
- 16 (3) There is established within the Public Protection Cabinet the Kentucky Claims
17 Commission pursuant to KRS 49.010.
- 18 (4) The Kentucky Horse Racing Commission is attached to the Public Protection
19 Cabinet for administrative purposes only, except as provided in KRS 131.330.
- 20 (5) There is established within the Public Protection Cabinet the Kentucky Boxing and
21 Wrestling Commission, which shall be headed by an executive director appointed
22 by the secretary with the approval of the Governor as required by KRS 12.050. The
23 executive director shall be directly responsible to the secretary and shall perform the
24 functions, powers, and duties provided by law and prescribed by the secretary.
- 25 ➔Section 35. This Act shall be known and may be cited as the Adult Responsible
26 Use Act.
- 27 ➔Section 36. This Act takes effect January 1, 2021.