

1 AN ACT relating to the regulation of cannabis.

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

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

5 *For the purposes of this chapter:*

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

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

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

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

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

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

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

27 *(2) "Cannabis accessories" means any equipment, products, or materials of any kind*

1 which are used, intended for use, or designed for use in planting, propagating,  
2 cultivating, growing, harvesting, composting, manufacturing, compounding,  
3 converting, producing, processing, preparing, testing, analyzing, packaging,  
4 repackaging, storing, vaporizing, or containing cannabis, or for ingesting,  
5 inhaling, or otherwise introducing cannabis into the human body;

6 (3) "Cannabis cultivation facility" means an entity located in Kentucky and  
7 registered to cultivate, prepare, and package cannabis and sell cannabis to retail  
8 cannabis stores, to cannabis product manufacturing facilities, and to other  
9 cannabis cultivation facilities, but not to consumers. A cannabis cultivation  
10 facility may not produce cannabis concentrates, tinctures, extracts, or other  
11 cannabis products;

12 (4) "Cannabis establishment" means an entity located in Kentucky that is a cannabis  
13 cultivation facility, a cannabis testing facility, a cannabis product manufacturing  
14 facility, or a retail cannabis store;

15 (5) "Cannabis product manufacturing facility" means an entity located in Kentucky  
16 that is licensed to purchase cannabis; manufacture, prepare, and package  
17 cannabis products; and sell cannabis and cannabis products to other cannabis  
18 product manufacturing facilities and retail cannabis stores, but not to individual  
19 purchasers or consumers;

20 (6) "Cannabis products" means concentrated cannabis products and cannabis  
21 products that are composed of cannabis and other ingredients and are intended  
22 for use or consumption, including but not limited to edible products, ointments,  
23 and tinctures;

24 (7) "Cannabis testing facility" means an entity located in Kentucky that is registered  
25 to test cannabis for potency and contaminants;

26 (8) "Consumer" means a person twenty-one (21) years of age or older who  
27 purchases cannabis or cannabis products for personal use by persons twenty-one

- 1       (21) years of age or older, but not for resale;
- 2       (9) "Department" means the Department for Cannabis Enforcement;
- 3       (10) "Immature cannabis plant" means a cannabis plant that has not flowered and  
4       that does not have buds that may be observed by visual examination;
- 5       (11) "Locality" means a municipality, or, in reference to a location outside the  
6       boundaries of a municipality, a county;
- 7       (12) "Local regulatory authority" means the office or entity designated to process  
8       cannabis establishment applications by a municipality or, in reference to a  
9       location outside the boundaries of a municipality, a county;
- 10      (13) "Possession limit" means:
- 11           (a) One (1) ounce of cannabis in plant form;
- 12           (b) Five (5) grams of concentrated cannabis;
- 13           (c) Cannabis products containing no more than three hundred (300)  
14           milligrams of delta-9 tetrahydrocannabinol;
- 15           (d) Five (5) cannabis plants; and
- 16           (e) Any cannabis produced by the person's cannabis plants, provided that any  
17           amount of cannabis in excess of the amounts listed in paragraphs (a) to (d)  
18           of this subsection shall be possessed in the same secure facility where the  
19           plants were cultivated;
- 20      (14) "Public place" means any place to which the general public has access;
- 21      (15) "Retail cannabis store" means an entity located in Kentucky that is registered to:
- 22           (a) Purchase cannabis from cannabis cultivation facilities;
- 23           (b) Purchase cannabis and cannabis products from cannabis product  
24           manufacturing facilities; and
- 25           (c) Sell cannabis and cannabis products to consumers; and
- 26      (16) "Unreasonably impracticable" means that the measures necessary to comply  
27      with the regulations require such a high investment of risk, money, time, or any

1 other resource or asset that the operation of a cannabis establishment is not  
2 worthy of being carried out in practice by a reasonably prudent businessperson.

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

5 (1) Notwithstanding any other provision of Kentucky law to the contrary, except as  
6 provided in this chapter, the following acts are not unlawful and shall not be a  
7 criminal or civil offense under Kentucky law or the law of any political  
8 subdivision of Kentucky or be a basis for seizure or forfeiture of assets under  
9 Kentucky law for persons twenty-one (21) years of age or older:

10 (a) Possessing, consuming, growing, cultivating, using, processing, purchasing,  
11 or transporting an amount of cannabis that does not exceed the possession  
12 limit defined in Section 1 of this Act;

13 (b) Consuming cannabis on private property with the permission of the  
14 property owner or, in the case of non-smoked consumption, in a rented  
15 residential dwelling with the permission of the lessee;

16 (c) Transferring no more than:

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

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

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

21 4. Three (3) immature cannabis plants;

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

24 (d) Assisting any person who is twenty-one (21) years of age or older in any of  
25 the acts described in this section.

26 (2) Notwithstanding any other provision of Kentucky law to the contrary, it is not  
27 unlawful, and shall not be an offense or violation under Kentucky law, or the law

1 of any political subdivision of Kentucky, or be a basis for seizure or forfeiture of  
2 assets under Kentucky law for persons twenty-one (21) years of age or older to  
3 manufacture, possess, or purchase cannabis accessories, or to distribute or sell  
4 cannabis accessories to a person who is twenty-one (21) years of age or older.

5 (3) Notwithstanding any other provision of Kentucky law to the contrary, the  
6 following acts, when performed by a retail cannabis store with a current, valid  
7 license, or a person twenty (21) years of age or older who is acting in his or her  
8 capacity as an owner, employee, or agent of a retail cannabis store, are not  
9 unlawful and shall not be an offense under Kentucky law or be a basis for seizure  
10 or forfeiture of assets under Kentucky law:

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

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

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

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

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

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

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

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

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

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

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

8 (5) Notwithstanding any other provision of Kentucky law to the contrary, the  
9 following acts, when performed by a cannabis cultivation facility with a current,  
10 valid license, or a person twenty-one (21) years of age or older who is acting in  
11 his or her capacity as an owner, employee, or agent of a cannabis cultivation  
12 facility, are not unlawful and shall not be an offense under Kentucky law or be a  
13 basis for seizure or forfeiture of assets under Kentucky law:

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

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

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

18 1. A cannabis cultivation facility;

19 2. A cannabis product manufacturing facility;

20 3. An on-site consumption establishment; or

21 4. A retail cannabis store;

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

23 (e) Receiving cannabis seeds or immature cannabis plants from a person  
24 twenty-one (21) years of age or older.

25 (6) Notwithstanding any other provision of Kentucky law to the contrary, the  
26 following acts, when performed by a product manufacturing facility with a  
27 current, valid license, or a person twenty-one (21) years of age or older who is

- 1 acting in his or her capacity as an owner, employee, or agent of a product
- 2 manufacturing facility, are not unlawful and shall not be an offense under
- 3 Kentucky law or be a basis for seizure or forfeiture of assets under Kentucky law:
- 4 (a) Packaging, processing, transporting, manufacturing, displaying, or
- 5 possessing cannabis or cannabis products;
- 6 (b) Delivering or transferring cannabis or cannabis products to a cannabis
- 7 testing facility;
- 8 (c) Delivering, distributing, or selling cannabis to:
  - 9 1. A cannabis cultivation facility;
  - 10 2. A cannabis product manufacturing facility;
  - 11 3. An on-site consumption establishment; or
  - 12 4. A retail cannabis store;
- 13 (d) Purchasing cannabis from a cannabis cultivation facility; or
- 14 (e) Purchasing cannabis or cannabis products from a cannabis product
- 15 manufacturing facility.
- 16 (7) Notwithstanding any other provision of Kentucky law to the contrary, the
- 17 following acts, when performed by a cannabis testing facility with a current, valid
- 18 license, or a person twenty-one (21) years of age or older who is acting in his or
- 19 her capacity as an owner, employee, or agent of a cannabis testing facility, are
- 20 not unlawful and shall not be an offense under Kentucky law or be a basis for
- 21 seizure or forfeiture of assets under Kentucky law:
- 22 (a) Possessing, cultivating, processing, repackaging, storing, transporting, or
- 23 displaying cannabis or cannabis products;
- 24 (b) Receiving cannabis or cannabis products from a cannabis establishment or
- 25 a person twenty-one (21) years of age or older; or
- 26 (c) Returning cannabis or cannabis products to a cannabis establishment, or a
- 27 person twenty-one (21) years of age or older.

1 (8) Nothing in this section prevents the imposition of penalties for violating this  
2 chapter or administrative regulations promulgated by the department or  
3 regulations adopted by localities pursuant to this chapter.

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

6 (1) A person is guilty of smoking cannabis in public when he or she uses a flame or  
7 any other source of heat to combust cannabis for the purpose of consuming  
8 cannabis in a public place.

9 (2) Smoking cannabis in a public place is a violation subject to a maximum fine of  
10 one hundred dollars (\$100) per occurrence.

11 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO  
12 READ AS FOLLOWS:

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

14 (a) A motor vehicle;

15 (b) A boat;

16 (c) A vessel;

17 (d) An aircraft; or

18 (e) Any other motorized device used for transportation.

19 (2) Any person found to be in violation of this section may be fined not more than  
20 two hundred dollars (\$200) or have his or her driver's license suspended for up to  
21 six (6) months, or both, for the first violation.

22 (3) Any person found to be in violation of this section may be fined not more than  
23 five hundred dollars (\$500) or have his or her driver's license suspended for up to  
24 one (1) year, or both, for each second or subsequent violation.

25 (4) Nothing in this section supersedes statutory laws relating to driving while  
26 intoxicated. This section shall not prevent the enforcement of current laws  
27 pertaining to driving while intoxicated, including KRS 189.520 and 189A.010.



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

3 (1) No law enforcement officer may expend any state or local resources, including  
4 the officer's time, on the sole basis of activity the officer believes to constitute a  
5 violation of the federal Controlled Substances Act, if the officer has reason to  
6 believe the activity is in compliance with this chapter. An officer shall not expend  
7 any state or local resources, including the officer's time, to provide information  
8 or logistical support related to any federal law enforcement authority or  
9 prosecuting entity.

10 (2) Nothing in this chapter requires an employer to permit or accommodate the use,  
11 consumption, possession, transfer, display, transportation, sale, or growing of  
12 cannabis in the workplace or impacts the ability of employers to have policies  
13 restricting workplace impairment of cannabis, during work hours.

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

16 (1) Except as provided in this section, a person under twenty-one (21) years of age  
17 shall not enter any cannabis establishment.

18 (2) A person under twenty-one (21) years of age shall not possess for his or her own  
19 use or purchase or attempt to purchase or have another purchase for him or her  
20 any cannabis or cannabis products. No person shall aid or assist any person  
21 under twenty-one (21) years of age in purchasing or having delivered or served to  
22 him or her any cannabis or cannabis products.

23 (3) A person under twenty-one (21) years of age shall not misrepresent his or her age  
24 for the purpose of inducing any retail cannabis store, or the retail cannabis  
25 store's agent or employee, to sell any cannabis or cannabis products to the person  
26 under twenty-one (21) years of age.

27 (4) A person under twenty-one (21) years of age shall not use, or attempt to use any

1 false, fraudulent, or altered identification card, paper, or any other document to  
2 purchase or attempt to purchase or otherwise obtain any cannabis or cannabis  
3 products.

4 (5) Except as provided in this section, a licensee, or his or her agents or employees,  
5 shall not permit any person under twenty-one (21) years of age to remain on any  
6 premises where cannabis and cannabis products are sold. For the purposes of  
7 this section, "premises" means the building where a person licensed by the  
8 department sells cannabis, cannabis products, and immature cannabis plants to  
9 retail consumers.

10 (6) A violation of subsections (1) to (5) of this section shall be deemed a status  
11 offense if committed by a person under the age of eighteen (18) and shall be  
12 under the jurisdiction of the juvenile session of the District Court or the family  
13 division of the Circuit Court, as appropriate.

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

16 (8) A person who is at least eighteen (18) years of age but under twenty-one (21)  
17 years of age may enter the premises of a cannabis establishment, and may be  
18 allowed to enter and remain on the premises if:

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

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

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

26 (1) A person who is under twenty-one (21) years of age is guilty of underage  
27 possession of cannabis when he or she knowingly and unlawfully possesses no

1 more than one (1) ounce of cannabis in plant form, no more than five (5) grams  
2 of concentrated cannabis, or cannabis products containing no more than three  
3 hundred (300) milligrams of delta-9 tetrahydrocannabinol.

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

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 is guilty of underage  
9 cultivation of cannabis when he or she knowingly and unlawfully cultivates no  
10 more than five (5) cannabis plants.

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

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

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

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

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

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

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

- 1 (1) (a) The Department for Cannabis Enforcement shall operate and implement  
2 the cannabis regulation program established in this chapter.
- 3 (b) The Department for Cannabis Enforcement is hereby instituted and placed  
4 within the Public Protection Cabinet.
- 5 (c) The Department for Cannabis Enforcement shall employ a commissioner  
6 and necessary staff.
- 7 (2) The Department for Cannabis Enforcement shall employ staff as necessary;  
8 however, it shall first attempt to enter into memoranda of understanding or  
9 contracts with local police departments or sheriff departments to conduct  
10 inspections, investigations, and local administrative duties as required under this  
11 chapter for its local inspection and oversight obligations.
- 12 (3) The department shall promulgate administrative regulations necessary for  
13 implementation of this chapter. The administrative regulations shall not prohibit  
14 the operation of cannabis establishments, either expressly or through  
15 administrative regulations that make their operation unreasonably impracticable.  
16 The administrative regulations shall include:
- 17 (a) Procedures for the issuance, renewal, suspension, and revocation of  
18 licenses issued pursuant to this chapter, which shall be subject to all  
19 requirements of KRS Chapters 13A and 13B;
- 20 (b) Qualifications for registration that are directly and demonstrably related to  
21 the operation of the type of cannabis establishment the qualifications apply  
22 to;
- 23 (c) Security requirements, including lighting, physical security, video  
24 surveillance, and alarm requirements;
- 25 (d) Requirements for the secure transportation and storage of cannabis and  
26 cannabis products by licensees and their employees or agents;
- 27 (e) Employment and training requirements for cannabis establishments, their

- 1           agents, or their employees, including requiring each licensee to create an  
2           identification badge for each of the licensee's agents or employees;
- 3           (f) Requirements for the packaging and labeling of cannabis and cannabis  
4           products sold or distributed by licensees, including:
- 5                 1. Warnings for the length of time it typically takes for the product to  
6                 take effect and how long the effects will typically last;
- 7                 2. The amount of cannabis the product is considered the equivalent to;
- 8                 3. Disclosing ingredients and possible allergens;
- 9                 4. A nutritional fact panel;
- 10                5. Opaque, child-resistant packaging; and
- 11                6. A requirement that edible cannabis products be clearly marked with  
12                an identifiable and standardized symbol indicating that the product  
13                contains cannabis;
- 14           (g) Health and safety requirements for the processing of cannabis and  
15           cannabis products and both the indoor and outdoor cultivation of cannabis  
16           by licensees;
- 17           (h) Restrictions on advertising, marketing, and signage in regards to operations  
18           or establishments owned by licensees necessary to prevent the targeting of  
19           minors;
- 20           (i) Restrictions on additives to cannabis and cannabis products that are toxic  
21           or increase the likelihood of addiction;
- 22           (j) Restrictions on pesticides used during cannabis cultivation which pose a  
23           threat to human health and safety;
- 24           (k) Restrictions on visits to cannabis cultivation and processing facilities,  
25           including requiring the use of visitor logs;
- 26           (l) A definition of the amount of delta-9 tetrahydrocannabinol that constitutes  
27           a single serving in a cannabis product;

- 1        (m) Standards for the safe processing of cannabis products created by
- 2                extracting or concentrating compounds from plant materials;
- 3        (n) Requirements that evidence-based educational materials regarding dosage
- 4                and impairment be disseminated to consumers who purchase cannabis
- 5                products;
- 6        (o) Requirements for random sample testing of cannabis and cannabis
- 7                products to ensure quality control, including testing for residual solvents,
- 8                pesticides, poisons, toxins, mold, mildew, insects, bacteria, and any other
- 9                dangerous adulterant; and
- 10       (p) Standards for the operation of cannabis testing facilities, including
- 11               requirements for equipment and personnel qualifications.
- 12       (4) The department shall promulgate the required administrative regulations within
- 13               one hundred eighty (180) days after the effective date of this Act.

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

- 16       (1) No person shall cultivate, possess, test, transfer, or sell cannabis in this state
- 17               without first obtaining a license under this section, except as provided in Section
- 18               2 of this Act.
- 19       (2) The department shall create separate licenses allowing persons to operate either:
- 20               (a) A cannabis cultivation facility;
- 21               (b) A cannabis product manufacturing facility;
- 22               (c) A cannabis testing facility; or
- 23               (d) A retail cannabis store.
- 24       (3) A person may not hold at the same time more than one (1) type of license issued
- 25               pursuant to this chapter.
- 26       (4) Licenses issued pursuant to this chapter shall permit the licensee to operate one
- 27               (1) or more cannabis-related entities.

1 (5) A license issued pursuant to this chapter shall be valid for one (1) year from the  
2 date of issuance. The department shall notify each licensee ninety (90) days prior  
3 to the date the license expires to allow the licensee to begin the renewal procedure  
4 promulgated by the department pursuant to Section 10 of this Act.

5 (6) The initial licensing and renewal fees for each license created under subsection  
6 (2) of this section shall be five thousand dollars (\$5,000).

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

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

11 (b) Any person whose use complies with this chapter or who does not exceed  
12 the possession limit.

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

15 (1) The department shall create a uniform application form for licenses issued  
16 pursuant to this section.

17 (2) A person applying for a license to operate a cannabis establishment shall  
18 complete the application form prescribed by the department in subsection (1) of  
19 this section and return the application form to the department with the required  
20 nonrefundable application fee of two thousand dollars (\$2,000).

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

22 (a) The person has been convicted of a criminal offense which would qualify  
23 him or her as a violent offender as defined in KRS 439.3401;

24 (b) The person falsifies information on the application for a license;

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

- 1        (d) The department finds the applicant is not in compliance with regulations  
2                    promulgated or enacted pursuant to provisions of this chapter; or
- 3        (e) The department is notified by the relevant locality that the applicant is not  
4                    in compliance with ordinances and regulations made pursuant to this  
5                    chapter and in effect at the time of application.
- 6        (4) Licenses issued pursuant to this section shall not be transferrable.
- 7        (5) The department shall issue a license no more than forty-five (45) days after  
8                    receipt of an application unless:
- 9                    (a) The department finds that the applicant is not in compliance with  
10                    regulations promulgated or enacted pursuant to this chapter; or
- 11                    (b) 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) Any person licensed under Section 11 of this Act who violates any provision of  
18                    this chapter, or any administrative regulation promulgated under this chapter,  
19                    shall become indebted to the Commonwealth in the sum of five hundred dollars  
20                    (\$500) for each violation. The civil penalty may be collected by action in the  
21                    Franklin Circuit Court.
- 22        (7) Any licensee who fails to keep written records, and submit reports to the  
23                    Department of Revenue or Department for Cannabis Enforcement, as required  
24                    by the administrative regulations promulgated pursuant to Section 10 of this Act  
25                    shall become indebted to the Commonwealth in the sum of one thousand dollars  
26                    (\$1,000) for each violation.
- 27        (8) Upon denial of an application, the department shall notify the applicant in



1 writing of the specific reason for its denial.

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

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

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

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

13 (2) Whenever any peace officer of this state, or any representative of the department,  
14 finds any cannabis or cannabis products within the borders of this state in the  
15 possession of any person under the age of twenty-one (21), the peace officer or  
16 representative of the department shall following the same procedures established  
17 in KRS 244.190, 244.195, and 244.200 in terms of seizing and disposing of  
18 contraband.

19 ➔SECTION 15. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO  
20 READ AS FOLLOWS:

21 (1) A locality may prohibit the operation of cannabis cultivation facilities, cannabis  
22 product manufacturing facilities, cannabis testing facilities, or retail cannabis  
23 stores by referring a public question to the voters of that locality which shall  
24 appear on a regular election ballot.

25 (2) A locality may enact ordinances not in conflict with this chapter, or with  
26 regulations promulgated or enacted pursuant to this chapter, governing the time,  
27 place, manner, and number of cannabis establishment operations. A locality may

1 establish civil penalties for violation of an ordinance or regulations governing the  
 2 time, place, and manner of a cannabis establishment that may operate in such  
 3 locality. Nothing in this section shall authorize a locality to make the operation of  
 4 cannabis cultivation facilities, cannabis product manufacturing facilities,  
 5 cannabis testing facilities, or retail cannabis stores unreasonably impracticable  
 6 except as established in subsection (1) of this section

7 (3) A locality may designate a local regulatory authority that is responsible for  
 8 processing applications submitted for a registration to operate a cannabis  
 9 establishment within the boundaries of the locality.

10 (4) A locality may establish procedures for the issuance, suspension, and revocation  
 11 of a registration issued by the locality in accordance with this section.

12 (5) A locality may establish a schedule of reasonable annual operating and  
 13 registration fees for cannabis establishments, so long as the effect of the annual  
 14 operating and registration fees does not cause operation of cannabis  
 15 establishments to be unreasonably impracticable as defined in Section 1 of this  
 16 Act.

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

19 (1) All of the fees paid into the State Treasury for licenses issued under Section 11 of  
 20 this Act and all fees collected pursuant to the department's administrative  
 21 regulations promulgated pursuant to Section 10 of this Act shall be credited to a  
 22 revolving trust and agency account, as provided in KRS 45.253, for the  
 23 department.

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

27 ➔SECTION 17. A NEW SECTION OF KRS CHAPTER 245 IS CREATED TO

1 READ AS FOLLOWS:

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

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

5 (3) For all tax periods beginning on or after January 1, 2019, all receipts collected  
6 under KRS 139.200 from the sales tax collected from the retail sale of cannabis  
7 and cannabis products in this state pursuant to this chapter and the excise taxes  
8 collected pursuant to Section 18 of this Act shall be deposited in the fund together  
9 with any other money contributed, appropriated, or allocated to the fund from all  
10 other sources. The money deposited in the fund is hereby recommended to be  
11 used for the uses set forth in this section. Notwithstanding KRS 45.229, any  
12 money remaining in the fund at the close of any calendar year shall not lapse but  
13 shall be carried forward to the next calendar year. The fund may also receive  
14 additional state appropriations, gifts, grants, and federal funds. All interest  
15 earned on money in the fund shall be credited to the fund.

16 (4) The money contained in the fund is recommended to be distributed according to  
17 the following formula:

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

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

26 (c) Three percent (3%) of the money shall be transferred to the Kentucky Law  
27 Enforcement Council, for Advanced Roadside Impaired Driving

1           Enforcement (ARIDE) and Drug Recognition Expert (DRE) training; and  
2           (d) Ninety-five percent (95%) shall be deposited into the general fund.

3           ➔SECTION 18. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO  
4 READ AS FOLLOWS:

5           (1) For the purposes of this section:

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

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

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

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

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

14           (f) "Immature cannabis plants" has the same meaning as in Section 1 of this  
15           Act;

16           (2) Effective January 1, 2019, an excise tax is hereby imposed on every person  
17           licensed as a cannabis cultivation facility on the gross receipts derived from the  
18           sale or transfer of cannabis flowers, all parts of the cannabis plant other than the  
19           flowers, and immature cannabis plants to a cannabis processing facility or a  
20           retail cannabis facility in this state at the rate of:

21           (a) Ten percent (10%) of the actual price of the sale on all cannabis flowers;

22           (b) Five percent (5%) of the actual price of the sale on all parts of the cannabis  
23           plant other than the flowers; and

24           (c) Eight percent (8%) of the actual price of the sale per immature cannabis  
25           plant.

26           (3) Each person licensed as a cannabis cultivation facility shall report and pay to the  
27           department the tax levied by subsection (1) of this section on or before the

- 1 twentieth day of the calendar month next succeeding the month. A tax return  
2 shall be filed for each reporting period whether or not tax is due.
- 3 (4) The department may prescribe forms and promulgate administrative regulations  
4 in conformance with KRS Chapter 13A to execute and administer the provisions  
5 of this section.
- 6 (5) Any person who violates any provision of this section shall be subject to the  
7 uniform civil penalties imposed pursuant to KRS 131.180 and interest at the tax  
8 interest rate as defined in KRS 131.010(6) from the date due until the date of  
9 payment.
- 10 (6) The excise tax established in this section shall be deposited in the fund  
11 established in Section 17 of this Act;
- 12 (7) The department may adjust the excise tax rates annually to account for inflation  
13 or deflation based on the Consumer Price Index. All rate changes shall take  
14 effect on January 1 of each year.
- 15 (8) Nothing in this chapter shall prevent the application of the sales tax imposed  
16 under KRS 139.200 at the point of retail sale in a retail cannabis facility.
- 17 (9) Notwithstanding any other provision of this chapter to the contrary, the president,  
18 vice president, secretary, treasurer, or any other person holding any equivalent  
19 corporate office of any corporation subject to this chapter shall be personally and  
20 individually liable, both jointly and severally, for the taxes imposed under  
21 subsection (2) of this section.
- 22 (10) Corporate dissolution, withdrawal of the corporation from the state, or the  
23 cessation of holding any corporate office shall not discharge the liability of any  
24 person. The personal and individual liability shall apply to every person holding a  
25 corporate office at the time the tax becomes or became due.
- 26 (11) Notwithstanding any other provision of this chapter, KRS 275.150, 362.1-306(3)  
27 or predecessor law, or 362.2-404(3) to the contrary, the managers of a limited

1 liability company, the partners of a limited liability partnership, and the general  
2 partners of a limited liability limited partnership or any other person holding any  
3 equivalent office of a limited liability company, limited liability partnership, or  
4 limited liability limited partnership subject to this chapter shall be personally and  
5 individually liable, both jointly and severally, for the taxes imposed under  
6 subsection (2) of this section.

7 (12) Dissolution, withdrawal of the limited liability company, limited liability  
8 partnership, or limited liability limited partnership from the state, or the cessation  
9 of holding any office, shall not discharge the liability of any person. The personal  
10 and individual liability shall apply to every manager of a limited liability  
11 company, partner of a limited liability partnership, or general partner of a limited  
12 liability limited partnership at the time the tax becomes or became due.

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

16 (14) "Tax" as used in this section includes interest accrued at the rate provided by  
17 KRS 131.183, all applicable penalties imposed under this chapter, and all  
18 applicable penalties imposed under KRS 131.180, 131.410 to 131.445, and  
19 131.990.

20 ➔SECTION 19. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO  
21 READ AS FOLLOWS:

22 All tax receipts, interest, and penalties resulting from the sale of cannabis, cannabis  
23 products, and immature cannabis plants, including the tax established in Section 18 of  
24 this Act, shall be deposited in the fund created in Section 17 of this Act.

25 ➔Section 20. KRS 2.015 is amended to read as follows:

26 Persons of the age of eighteen (18) years are of the age of majority for all purposes in this  
27 Commonwealth except for the purchase of alcoholic beverages, the cultivation,

1 *purchase, use, and possession of cannabis*, and for purposes of care and treatment of  
2 children with disabilities, for which twenty-one (21) years is the age of majority, all other  
3 statutes to the contrary notwithstanding.

4 ➔Section 21. KRS 610.010 is amended to read as follows:

5 (1) Unless otherwise exempted by KRS Chapters 600 to 645, the juvenile session of the  
6 District Court of each county shall have exclusive jurisdiction in proceedings  
7 concerning any child living or found within the county who has not reached his or  
8 her eighteenth birthday or of any person who at the time of committing a public  
9 offense was under the age of eighteen (18) years, who allegedly has committed a  
10 public offense prior to his or her eighteenth birthday, except a motor vehicle  
11 offense involving a child sixteen (16) years of age or older. A child sixteen (16)  
12 years of age or older taken into custody upon the allegation that the child has  
13 committed a motor vehicle offense shall be treated as an adult and shall have the  
14 same conditions of release applied to him or her as an adult. A child taken into  
15 custody upon the allegation that he or she has committed a motor vehicle offense  
16 who is not released under conditions of release applicable to adults shall be held,  
17 pending his or her appearance before the District Court, in a facility as defined in  
18 KRS 15A.067. Children sixteen (16) years of age or older who are convicted of, or  
19 plead guilty to, a motor vehicle offense shall, if sentenced to a term of confinement,  
20 be placed in a facility for that period of confinement preceding their eighteenth  
21 birthday and an adult detention facility for that period of confinement subsequent to  
22 their eighteenth birthday. The term "motor vehicle offense" shall not be deemed to  
23 include the offense of stealing or converting a motor vehicle nor operating the same  
24 without the owner's consent nor any offense which constitutes a felony;

25 (2) Unless otherwise exempted by KRS Chapters 600 to 645, the juvenile session of the  
26 District Court of each county or the family division of the Circuit Court shall have  
27 exclusive jurisdiction in proceedings concerning any child living or found within

- 1 the county who has not reached his or her eighteenth birthday and who allegedly:
- 2 (a) Is beyond the control of the school or beyond the control of parents as defined
- 3 in KRS 600.020;
- 4 (b) Is an habitual truant from school;
- 5 (c) Is an habitual runaway from his or her parent or other person exercising
- 6 custodial control or supervision of the child;
- 7 (d) Is dependent, neglected, or abused;
- 8 (e) Has committed an alcohol offense in violation of KRS 244.085;
- 9 (f) Has committed a tobacco offense as provided in KRS 438.305 to 438.340;†
- 10 †
- 11 (g) **Has committed a cannabis offense as provided in Section 6 or 7 of this Act;**
- 12 **or**
- 13 **(h)** Is mentally ill.
- 14 (3) Actions brought under subsection (1) of this section shall be considered to be public
- 15 offense actions.
- 16 (4) Actions brought under subsection (2)(a), (b), (c), (e), and (f) of this section shall be
- 17 considered to be status offense actions.
- 18 (5) Actions brought under subsection (2)(d) of this section shall be considered to be
- 19 nonoffender actions.
- 20 (6) Actions brought under subsection (2)(g) of this section shall be considered to be
- 21 mental health actions.
- 22 (7) Nothing in this chapter shall deprive other courts of the jurisdiction to determine
- 23 the custody or guardianship of children upon writs of habeas corpus or to determine
- 24 the custody or guardianship of children when such custody or guardianship is
- 25 incidental to the determination of other causes pending in such other courts; nor
- 26 shall anything in this chapter affect the jurisdiction of Circuit Courts over adoptions
- 27 and proceedings for termination of parental rights.



- 1 (8) The court shall have no jurisdiction to make permanent awards of custody of a child  
2 except as provided by KRS 620.027.
- 3 (9) If the court finds an emergency to exist affecting the welfare of a child, or if the  
4 child is eligible for kinship care as established in KRS 605.120, it may make  
5 temporary orders for the child's custody; however, if the case involves allegations  
6 of dependency, neglect, or abuse, no emergency removal or temporary custody  
7 orders shall be effective unless the provisions of KRS Chapter 620 are followed.  
8 Such orders shall be entirely without prejudice to the proceedings for permanent  
9 custody of the child and shall remain in effect until modified or set aside by the  
10 court. Upon the entry of a temporary or final judgment in the Circuit Court  
11 awarding custody of such child, all prior orders of the juvenile session of the  
12 District Court in conflict therewith shall be deemed canceled. This section shall not  
13 work to deprive the Circuit Court of jurisdiction over cases filed in Circuit Court.
- 14 (10) The court of each county wherein a public offense, as defined in subsection (1) of  
15 this section, is committed by a child who is a resident of another county of this state  
16 shall have concurrent jurisdiction over such child with the court of the county  
17 wherein the child resides or the court of the county where the child is found.  
18 Whichever court first acquires jurisdiction of such child may proceed to final  
19 disposition of the case, or in its discretion may make an order transferring the case  
20 to the court of the county of the child's residence or the county wherein the offense  
21 was committed, as the case may be.
- 22 (11) Nothing in this chapter shall prevent the court from holding a child in contempt of  
23 court to enforce valid court orders previously issued by the court, subject to the  
24 requirements contained in KRS 610.265 and 630.080.
- 25 (12) Except as provided in KRS 635.060(4), 630.120(5), or 635.090, nothing in this  
26 chapter shall confer upon the District Court or the family division of the Circuit  
27 Court, as appropriate, jurisdiction over the actions of the Department of Juvenile

1 Justice or the cabinet in the placement, care, or treatment of a child committed to  
 2 the Department of Juvenile Justice or committed to or in the custody of the cabinet;  
 3 or to require the department or the cabinet to perform, or to refrain from  
 4 performing, any specific act in the placement, care, or treatment of any child  
 5 committed to the department or committed to or in the custody of the cabinet.

6 (13) Unless precluded by KRS Chapter 635 or 640, in addition to informal adjustment,  
 7 the court shall have the discretion to amend the petition to reflect jurisdiction  
 8 pursuant to the proper chapter of the Kentucky Unified Juvenile Code.

9 (14) The court shall have continuing jurisdiction over a child pursuant to subsection (1)  
 10 of this section, to review dispositional orders, and to conduct permanency hearings  
 11 under 42 U.S.C. sec. 675(5)(c) until the child is placed for adoption, returned home  
 12 to his or her parents with all the court imposed conditions terminated, completes a  
 13 disposition pursuant to KRS 635.060, or reaches the age of eighteen (18) years.

14 ➔Section 22. KRS 630.020 is amended to read as follows:

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

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

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

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

22 (4) Has committed a tobacco offense under KRS 438.305 to 438.340; ~~{or}~~

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

24 **(6) *Has committed a cannabis offense under Section 6 or 7 of this Act.***

25 ➔Section 23. KRS 630.120 is amended to read as follows:

26 (1) All dispositional hearings conducted under this chapter shall be conducted in  
 27 accordance with the provisions of KRS 610.060 and 610.070. In addition, the court

1 shall, at the time the dispositional order is issued:

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

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

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

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

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

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

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

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

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

- 1 (6) When all appropriate resources have been reviewed and considered insufficient to  
2 adequately address the needs of the child and the child's family, the court may,  
3 except as provided in subsection (7) of this section, commit the child to the cabinet  
4 for such services as may be necessary. The cabinet shall consider all appropriate  
5 local remedies to aid the child and the child's family subject to the following  
6 conditions:
- 7 (a) Treatment programs for status offenders shall be, unless excepted by federal  
8 law, community-based and nonsecure;
- 9 (b) The cabinet may place the child in a nonsecure public or private education  
10 agency accredited by the department of education;
- 11 (c) The cabinet may initiate proceedings pursuant to KRS 610.160 when the  
12 parents fail to participate in the cabinet's treatment programs; and
- 13 (d) The cabinet may discharge the child from commitment after providing ten  
14 (10) days' prior written notice to the committing court which may object to  
15 such discharge by holding court review of the commitment under KRS  
16 610.120.
- 17 (7) No child adjudicated guilty of an alcohol offense under KRS 244.085 or a tobacco  
18 offense under KRS 438.305 to 438.340, **or a cannabis offense under Section 6 or 7**  
19 **of this Act** shall be committed as a result of that adjudication.
- 20 ➔Section 24. KRS 218A.1421 is amended to read as follows:
- 21 (1) A person is guilty of trafficking in marijuana when he knowingly and unlawfully  
22 traffics in marijuana, **and the amount is more than the possession limit established**  
23 **in Section 1 of this Act.**
- 24 (2) Trafficking in less than eight (8) ounces of marijuana is:
- 25 (a) For a first offense a Class A misdemeanor.
- 26 (b) For a second or subsequent offense a Class D felony.
- 27 (3) Trafficking in eight (8) or more ounces but less than five (5) pounds of marijuana

1 is:

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

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

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

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

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

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

10 **(6) This section does not apply to a cannabis establishment that is licensed pursuant**  
11 **to KRS Chapter 245 or a person twenty-one (21) years of age or older who is**  
12 **acting in his or her capacity as an owner, employee, or agent of a cannabis**  
13 **establishment licensed pursuant to KRS Chapter 245.**

14 ➔Section 25. KRS 218A.1422 is amended to read as follows:

15 (1) A person is guilty of possession of marijuana when he or she knowingly and  
16 unlawfully possesses **more than the possession limit of cannabis, as defined by**  
17 **Section 1 of this Act**~~[marijuana]~~.

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

21 **(3) This section does not apply to a cannabis establishment that is licensed pursuant**  
22 **to KRS Chapter 245 or a person twenty-one (21) years of age or older who is**  
23 **acting in his or her capacity as an owner, employee, or agent of a cannabis**  
24 **establishment licensed pursuant to KRS Chapter 245.**

25 ➔Section 26. KRS 218A.1423 is amended to read as follows:

26 (1) A person is guilty of marijuana cultivation when he knowingly and unlawfully  
27 plants, cultivates, or harvests **more** marijuana **than the possession limit of**

1 cannabis, as defined by Section 1 of this Act with the intent to sell or transfer it.

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

3 (a) For a first offense a Class A misdemeanor~~[D felony]~~.

4 (b) For a second or subsequent offense a Class D~~[C]~~ felony.

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

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

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

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

11 (4) This section does not apply to a cannabis establishment that is licensed pursuant  
12 to KRS Chapter 245 or a person twenty-one (21) years of age or older who is  
13 acting in his or her capacity as an owner, employee, or agent of a cannabis  
14 establishment licensed pursuant to KRS Chapter 245.

15 ➔Section 27. KRS 12.020 is amended to read as follows:

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

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

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



- 1                   b.    Division of Workforce and Employment Services.
- 2                   c.    Division of Unemployment Insurance.
- 3           (m)  Foundation for Workforce Development.
- 4           (n)  Kentucky Office for the Blind State Rehabilitation Council.
- 5           (o)  Kentucky Workforce Investment Board.
- 6           (p)  Statewide Council for Vocational Rehabilitation.
- 7           (q)  Unemployment Insurance Commission.
- 8           (r)  Education Professional Standards Board.
- 9                1.    Division of Educator Preparation.
- 10               2.    Division of Certification.
- 11               3.    Division of Professional Learning and Assessment.
- 12               4.    Division of Legal Services.
- 13           (s)  Kentucky Commission on the Deaf and Hard of Hearing.
- 14           (t)  Kentucky Educational Television.
- 15           (u)  Kentucky Environmental Education Council.
- 16    (3)  Energy and Environment Cabinet:
- 17           (a)  Office of the Secretary.
- 18                1.    Office of Legislative and Intergovernmental Affairs.
- 19                2.    Office of General Counsel.
- 20                3.    Office of Administrative Hearings.
- 21                4.    Mine Safety Review Commission.
- 22                5.    Kentucky State Nature Preserves Commission.
- 23                6.    Kentucky Public Service Commission.
- 24           (b)  Department for Environmental Protection.
- 25                1.    Office of the Commissioner.
- 26                2.    Division for Air Quality.
- 27                3.    Division of Water.

- 1                   4.    Division of Environmental Program Support.
- 2                   5.    Division of Waste Management.
- 3                   6.    Division of Enforcement.
- 4                   7.    Division of Compliance Assistance.
- 5           (c)    Department for Natural Resources.
- 6                   1.    Office of the Commissioner.
- 7                   2.    Division of Technical and Administrative Support.
- 8                   3.    Division of Mine Permits.
- 9                   4.    Division of Mine Reclamation and Enforcement.
- 10                  5.    Division of Abandoned Mine Lands.
- 11                  6.    Division of Oil and Gas.
- 12                  7.    Division of Mine Safety.
- 13                  8.    Division of Forestry.
- 14                  9.    Division of Conservation.
- 15                  10.   Office of the Reclamation Guaranty Fund.
- 16           (d)    Department for Energy Development and Independence.
- 17                   1.    Division of Efficiency and Conservation.
- 18                   2.    Division of Renewable Energy.
- 19                   3.    Division of Biofuels.
- 20                   4.    Division of Energy Generation Transmission and Distribution.
- 21                   5.    Division of Carbon Management.
- 22                   6.    Division of Fossil Energy Development.
- 23           (4)    Public Protection Cabinet.
- 24                   (a)    Office of the Secretary.
- 25                    1.    Office of Communications and Public Outreach.
- 26                    2.    Office of Legal Services.
- 27                      a.    Insurance Legal Division.

- 1                   b. Charitable Gaming Legal Division.
- 2                   c. Alcoholic Beverage Control Legal Division.
- 3                   d. Housing, Buildings and Construction Legal Division.
- 4                   e. Financial Institutions Legal Division.
- 5           (b) Kentucky Claims Commission.
- 6           (c) Kentucky Boxing and Wrestling Commission.
- 7           (d) Kentucky Horse Racing Commission.
  - 8               1. Office of Executive Director.
    - 9                   a. Division of Pari-mutuel Wagering and Compliance.
    - 10                   b. Division of Stewards.
    - 11                   c. Division of Licensing.
    - 12                   d. Division of Enforcement.
    - 13                   e. Division of Incentives and Development.
    - 14                   f. Division of Veterinary Services.
  - 15               (e) Department of Alcoholic Beverage Control.
    - 16                   1. Division of Distilled Spirits.
    - 17                   2. Division of Malt Beverages.
    - 18                   3. Division of Enforcement.
  - 19               (f) Department of Charitable Gaming.
    - 20                   1. Division of Licensing and Compliance.
    - 21                   2. Division of Enforcement.
  - 22               (g) Department of Financial Institutions.
    - 23                   1. Division of Depository Institutions.
    - 24                   2. Division of Non-Depository Institutions.
    - 25                   3. Division of Securities.
  - 26               (h) Department of Housing, Buildings and Construction.
    - 27                   1. Division of Fire Prevention.

- 1                   2.    Division of Plumbing.
- 2                   3.    Division of Heating, Ventilation, and Air Conditioning.
- 3                   4.    Division of Building Code Enforcement.
- 4                   (i)   Department of Insurance.
- 5                   1.    Division of Insurance Product Regulation.
- 6                   2.    Division of Administrative Services.
- 7                   3.    Division of Financial Standards and Examination.
- 8                   4.    Division of Agent Licensing.
- 9                   5.    Division of Insurance Fraud Investigation.
- 10                  6.    Division of Consumer Protection.
- 11                  7.    Division of Kentucky Access.
- 12                  (j)   Department of Professional Licensing.
- 13                  1.    Real Estate Authority.
- 14                  **(k)   Department for Cannabis Enforcement.**
- 15                  (5)   Labor Cabinet.
- 16                  (a)   Office of the Secretary.
- 17                  1.    Division of Management Services.
- 18                  2.    Office of General Counsel.
- 19                  a.    Workplace Standards Legal Division.
- 20                  b.    Workers' Claims Legal Division.
- 21                  (b)   Office of General Administration and Program Support for Shared
- 22                  Services.
- 23                  1.    Division of Human Resource Management.
- 24                  2.    Division of Fiscal Management.
- 25                  3.    Division of Budgets.
- 26                  4.    Division of Information Services.
- 27                  (c)   Office of Inspector General for Shared Services.

- 1           (d) Department of Workplace Standards.
  - 2               1. Division of Apprenticeship.
  - 3               2. Division of Occupational Safety and Health Compliance.
  - 4               3. Division of Occupational Safety and Health Education and
  - 5               Training.
  - 6               4. Division of Wages and Hours.
- 7           (e) Department of Workers' Claims.
  - 8               1. Division of Workers' Compensation Funds.
  - 9               2. Office of Administrative Law Judges.
  - 10              3. Division of Claims Processing.
  - 11              4. Division of Security and Compliance.
  - 12              5. Division of Information Services.
  - 13              6. Division of Ombudsman and Workers' Compensation Specialist
  - 14              Services.
  - 15              7. Workers' Compensation Board.
- 16           (f) Workers' Compensation Funding Commission.
- 17           (g) Occupational Safety and Health Standards Board.
- 18           (h) Apprenticeship and Training Council.
- 19           (i) State Labor Relations Board.
- 20           (j) Employers' Mutual Insurance Authority.
- 21           (k) Kentucky Occupational Safety and Health Review Commission.
- 22           (l) Workers' Compensation Nominating Committee.
- 23           (6) Transportation Cabinet:
  - 24               (a) Department of Highways.
    - 25                   1. Office of Project Development.
    - 26                   2. Office of Project Delivery and Preservation.
    - 27                   3. Office of Highway Safety.

- 1                   4.    Highway District Offices One through Twelve.
- 2                   (b)  Department of Vehicle Regulation.
- 3                   (c)  Department of Aviation.
- 4                   (d)  Department of Rural and Municipal Aid.
  - 5                    1.    Office of Local Programs.
  - 6                    2.    Office of Rural and Secondary Roads.
- 7                   (e)  Office of the Secretary.
  - 8                    1.    Office of Public Affairs.
  - 9                    2.    Office for Civil Rights and Small Business Development.
  - 10                  3.    Office of Budget and Fiscal Management.
  - 11                  4.    Office of Inspector General.
- 12                  (f)  Office of Support Services.
- 13                  (g)  Office of Transportation Delivery.
- 14                  (h)  Office of Audits.
- 15                  (i)  Office of Human Resource Management.
- 16                  (j)  Office of Information Technology.
- 17                  (k)  Office of Legal Services.
- 18           (7)  Cabinet for Economic Development:
  - 19                  (a)  Office of the Secretary.
    - 20                    1.    Office of Legal Services.
    - 21                    2.    Department for Business Development.
      - 22                      a.    Office of Entrepreneurship.
        - 23                        i.    Commission on Small Business Advocacy.
      - 24                      b.    Office of Research and Public Affairs.
      - 25                      c.    Bluegrass State Skills Corporation.
    - 26                    3.    Office of Financial Services.
      - 27                      a.    Kentucky Economic Development Finance Authority.

- 1                           b.    Division of Finance and Personnel.
- 2                           c.    Division of Network Administration.
- 3                           d.    Compliance Division.
- 4                           e.    Incentive Assistance Division.
- 5       (8)   Cabinet for Health and Family Services:
- 6                   (a)   Office of the Secretary.
- 7                   (b)   Office of Health Policy.
- 8                   (c)   Office of Legal Services.
- 9                   (d)   Office of Inspector General.
- 10                  (e)   Office of Communications and Administrative Review.
- 11                  (f)   Office of the Ombudsman.
- 12                  (g)   Office of Finance and Budget.
- 13                  (h)   Office of Human Resource Management.
- 14                  (i)   Office of Administrative and Technology Services.
- 15                  (j)   Department for Public Health.
- 16                  (k)   Department for Medicaid Services.
- 17                  (l)   Department for Behavioral Health, Developmental and Intellectual
- 18                      Disabilities.
- 19                  (m)   Department for Aging and Independent Living.
- 20                  (n)   Department for Community Based Services.
- 21                  (o)   Department for Income Support.
- 22                  (p)   Department for Family Resource Centers and Volunteer Services.
- 23                  (q)   Kentucky Commission on Community Volunteerism and Service.
- 24                  (r)   Kentucky Commission for Children with Special Health Care Needs.
- 25                  (s)   Governor's Office of Electronic Health Information.
- 26                  (t)   Office of Legislative and Regulatory Affairs.
- 27       (9)   Finance and Administration Cabinet:

- 1 (a) Office of the Secretary.
- 2 (b) Office of the Inspector General.
- 3 (c) Office of Legislative and Intergovernmental Affairs.
- 4 (d) Office of General Counsel.
- 5 (e) Office of the Controller.
- 6 (f) Office of Administrative Services.
- 7 (g) Office of Policy and Audit.
- 8 (h) Department for Facilities and Support Services.
- 9 (i) Department of Revenue.
- 10 (j) Commonwealth Office of Technology.
- 11 (k) State Property and Buildings Commission.
- 12 (l) Office of Equal Employment Opportunity and Contract Compliance.
- 13 (m) Kentucky Employees Retirement Systems.
- 14 (n) Commonwealth Credit Union.
- 15 (o) State Investment Commission.
- 16 (p) Kentucky Housing Corporation.
- 17 (q) Kentucky Local Correctional Facilities Construction Authority.
- 18 (r) Kentucky Turnpike Authority.
- 19 (s) Historic Properties Advisory Commission.
- 20 (t) Kentucky Tobacco Settlement Trust Corporation.
- 21 (u) Kentucky Higher Education Assistance Authority.
- 22 (v) Kentucky River Authority.
- 23 (w) Kentucky Teachers' Retirement System Board of Trustees.
- 24 (x) Executive Branch Ethics Commission.
- 25 (10) Tourism, Arts and Heritage Cabinet:
  - 26 (a) Kentucky Department of Tourism.
    - 27 1. Division of Tourism Services.



- 1                   2.    Division of Marketing and Administration.
- 2                   3.    Division of Communications and Promotions.
- 3           (b)    Kentucky Department of Parks.
- 4                   1.    Division of Information Technology.
- 5                   2.    Division of Human Resources.
- 6                   3.    Division of Financial Operations.
- 7                   4.    Division of Facilities Management.
- 8                   5.    Division of Facilities Maintenance.
- 9                   6.    Division of Customer Services.
- 10                  7.    Division of Recreation.
- 11                  8.    Division of Golf Courses.
- 12                  9.    Division of Food Services.
- 13                  10.   Division of Rangers.
- 14                  11.   Division of Resort Parks.
- 15                  12.   Division of Recreational Parks and Historic Sites.
- 16           (c)    Department of Fish and Wildlife Resources.
- 17                   1.    Division of Law Enforcement.
- 18                   2.    Division of Administrative Services.
- 19                   3.    Division of Engineering, Infrastructure, and Technology.
- 20                   4.    Division of Fisheries.
- 21                   5.    Division of Information and Education.
- 22                   6.    Division of Wildlife.
- 23                   7.    Division of Marketing.
- 24           (d)    Kentucky Horse Park.
- 25                   1.    Division of Support Services.
- 26                   2.    Division of Buildings and Grounds.
- 27                   3.    Division of Operational Services.

- 1 (e) Kentucky State Fair Board.
  - 2 1. Office of Administrative and Information Technology Services.
  - 3 2. Office of Human Resources and Access Control.
  - 4 3. Division of Expositions.
  - 5 4. Division of Kentucky Exposition Center Operations.
  - 6 5. Division of Kentucky International Convention Center.
  - 7 6. Division of Public Relations and Media.
  - 8 7. Division of Venue Services.
  - 9 8. Division of Personnel Management and Staff Development.
  - 10 9. Division of Sales.
  - 11 10. Division of Security and Traffic Control.
  - 12 11. Division of Information Technology.
  - 13 12. Division of the Louisville Arena.
  - 14 13. Division of Fiscal and Contract Management.
  - 15 14. Division of Access Control.
- 16 (f) Office of the Secretary.
  - 17 1. Office of Finance.
  - 18 2. Office of Government Relations and Administration.
  - 19 3. Office of Film and Tourism Development.
  - 20 4. Kentucky Sports Authority.
- 21 (g) Office of Legal Affairs.
- 22 (h) Office of Human Resources.
- 23 (i) Office of Public Affairs and Constituent Services.
- 24 (j) Office of Creative Services.
- 25 (k) Office of Capital Plaza Operations.
- 26 (l) Office of Arts and Cultural Heritage.
- 27 (m) Kentucky African-American Heritage Commission.

- 1 (n) Kentucky Foundation for the Arts.
- 2 (o) Kentucky Humanities Council.
- 3 (p) Kentucky Heritage Council.
- 4 (q) Kentucky Arts Council.
- 5 (r) Kentucky Historical Society.
- 6 1. Division of Museums.
- 7 2. Division of Oral History and Educational Outreach.
- 8 3. Division of Research and Publications.
- 9 4. Division of Administration.
- 10 (s) Kentucky Center for the Arts.
- 11 1. Division of Governor's School for the Arts.
- 12 (t) Kentucky Artisans Center at Berea.
- 13 (u) Northern Kentucky Convention Center.
- 14 (v) Eastern Kentucky Exposition Center.
- 15 (11) Personnel Cabinet:
- 16 (a) Office of the Secretary.
- 17 (b) Department of Human Resources Administration.
- 18 (c) Office of Employee Relations.
- 19 (d) Kentucky Public Employees Deferred Compensation Authority.
- 20 (e) Office of Administrative Services.
- 21 (f) Office of Legal Services.
- 22 (g) Governmental Services Center.
- 23 (h) Department of Employee Insurance.
- 24 (i) Office of Diversity, Equality, and Training.
- 25 (j) Office of Public Affairs.
- 26 III. Other departments headed by appointed officers:
- 27 (1) Council on Postsecondary Education.

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

10 ➔Section 28. KRS 12.252 is amended to read as follows:

11 (1) There is established within the Public Protection Cabinet a Department of Financial  
 12 Institutions, a Department of Insurance, a Department of Housing, Buildings and  
 13 Construction, a Department of Charitable Gaming, a Department of Professional  
 14 Licensing, *a Department for Cannabis Enforcement*, and a Department of  
 15 Alcoholic Beverage Control. Each department shall be headed by a commissioner  
 16 appointed by the Governor as required by KRS 12.040 and, where appropriate, by  
 17 KRS 238.510, 241.015, and 304.2-020. Commissioners shall be directly responsible  
 18 to the secretary and shall perform the functions, powers, and duties provided by law  
 19 and prescribed by the secretary.

20 (2) The secretary of the Public Protection Cabinet shall be appointed by the Governor  
 21 in accordance with KRS 12.255. The Office of the Secretary shall contain the  
 22 following entities:

23 (a) The Office of Communications and Public Outreach, which shall be headed  
 24 by an executive director appointed by the secretary with the approval of the  
 25 Governor in accordance with KRS 12.050; and

26 (b) The Office of Legal Services, which shall be headed by an executive director  
 27 appointed by the secretary with the approval of the Governor in accordance

1                   with KRS 12.050 and 12.210.

2       (3) There is established within the Public Protection Cabinet the Kentucky Claims  
3       Commission pursuant to KRS 49.010.

4       (4) The Kentucky Horse Racing Commission is attached to the Public Protection  
5       Cabinet for administrative purposes only, except as provided in KRS 131.330.

6       (5) There is established within the Public Protection Cabinet the Kentucky Boxing and  
7       Wrestling Commission, which shall be headed by an executive director appointed  
8       by the secretary with the approval of the Governor as required by KRS 12.050. The  
9       executive director shall be directly responsible to the secretary and shall perform  
10      the functions, powers, and duties provided by law and prescribed by the secretary.

11      ➔Section 29. This Act shall be known and may be cited as the Cannabis Control  
12      Act.