

HOUSE BILL 172

By Chism

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 39, Chapter 17, Part 4; Title 67 and Title 68,
Chapter 7, relative to medical cannabis.

WHEREAS, cannabis' recorded use as a medicine goes back nearly 5,000 years, and while the federal government has hindered research into cannabis' therapeutic benefits by imposing unique obstacles to such research, modern medical research has confirmed the beneficial uses of cannabis, which is also called marijuana; and

WHEREAS, in its 2017 review of recent research, the National Academy of Sciences, Engineering, and Medicine concluded there is conclusive or substantial clinical evidence of cannabis' efficacy at alleviating chronic pain; and

WHEREAS, studies have also shown cannabis and cannabinoids can alleviate several other debilitating medical conditions, including seizures, nausea, appetite loss, muscle spasms, post-traumatic stress disorder, and Crohn's disease; and

WHEREAS, cannabis has many accepted medical uses in the United States, having been recommended by thousands of licensed physicians to more than one million patients in states with medical cannabis laws, and a wide range of medical and public health organizations, including the American Academy of HIV Medicine, the American College of Physicians, the American Nurses Association, the American Public Health Association, the Leukemia & Lymphoma Society, the Epilepsy Foundation, the National Multiple Sclerosis Society, the U.S. Pain Foundation, and many others, have recognized the medical utility of cannabis; and

WHEREAS, in recent years, Congress has signaled its support for allowing states to set their own medical cannabis policies by approving budgets that restricted the Department of Justice from interfering in such programs; and

WHEREAS, thirty-seven states and the District of Columbia have removed state-level criminal penalties from the medical use and cultivation of cannabis, and Tennessee joins in this effort for the health and welfare of its citizens; and

WHEREAS, states are not required to enforce federal law or prosecute people for engaging in activities prohibited by federal law, and therefore, compliance with this act does not put the State of Tennessee in violation of federal law; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 68, Chapter 7, is amended by adding the following as a new part:

68-7-201. Short title.

This part is known and may be cited as the "Tennessee Medical Cannabis Act."

68-7-202. Part definitions.

Notwithstanding § 68-7-101, for purposes of this part, unless the context otherwise requires:

(1) "Allowable amount of cannabis" means:

(A)

(i) Two and one-half ounces (2.5 oz.) of cannabis, not including cannabis products;

(ii) Cannabis products containing a total of no more than two thousand milligrams (2,000 mg.) of THC;

(iii) Six (6) cannabis plants if the cardholder has a registry identification card allowing cultivation; and

(iv) The amount of cannabis and cannabis products that were produced from the cardholder's allowable plants if the cardholder has a registry identification card allowing cultivation;

provided, that the cannabis and cannabis products are possessed at the same property where the plants were cultivated; or

(B) The amount specified in the written certification if the qualifying patient's practitioner specifies a greater quantity is reasonably necessary to meet the qualifying patient's medical needs every fourteen (14) days;

(2) "Bona fide practitioner-patient relationship" means:

(A) A practitioner and patient have a treatment or consulting relationship, during the course of which the practitioner has completed an assessment of the patient's medical history and current medical condition, including an appropriate examination;

(B) The practitioner has consulted with the patient with respect to the patient's debilitating medical condition; and

(C) The practitioner is available to or offers to provide follow-up care and treatment to the patient;

(3) "Cannabis":

(A) Means all parts of the plant of the genus cannabis, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin; and

(B) Does not include hemp as defined in § 43-27-101, fiber produced from the stalks, oil or cake made from the seeds of the plant, or sterilized seed of the plant that is incapable of germination;

(4) "Cannabis product manufacturing facility" means an entity registered with the department pursuant to this part that acquires, possesses,

manufactures, delivers, transfers, transports, supplies, or sells cannabis products to medical cannabis dispensaries;

(5) "Cannabis products":

(A) Means concentrated cannabis, cannabis extracts, and products that are infused with cannabis or an extract thereof and are intended for use or consumption by humans; and

(B) Includes, without limitation, edible cannabis products, beverages, topical products, ointments, oils, tinctures, and suppositories;

(6) "Cannabis testing facility" or "testing facility" means an independent entity registered with the department pursuant to this part to analyze the safety and potency of cannabis;

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

(8) "Cultivation facility" means an entity registered with the department pursuant to this part that acquires, possesses, cultivates, delivers, transfers, transports, supplies, or sells cannabis and related supplies to medical cannabis establishments;

(9) "Debilitating medical condition" means:

(A) Any of the following conditions:

(i) Cancer;

(ii) Glaucoma;

(iii) Positive status for human immunodeficiency virus

(HIV);

(iv) Acquired immune deficiency syndrome (AIDS);

(v) Amyotrophic lateral sclerosis (ALS);

- (vi) Crohn's disease;
- (vii) Ulcerative colitis;
- (viii) Alzheimer's disease;
- (ix) Post-traumatic stress disorder (PTSD);
- (x) Chronic pain;
- (xi) Severe acute pain; or
- (xii) Autism;

(B) A chronic or debilitating disease or medical condition or its treatment that produces one (1) or more of the following:

- (i) Cachexia or wasting syndrome;
- (ii) Severe nausea;
- (iii) Seizures; or
- (iv) Severe and persistent muscle spasms, including, but not limited to, those characteristic of multiple sclerosis;

(C) A condition that the individual's practitioner considers debilitating to the individual for which the practitioner is qualified to treat through their medical education and training; or

(D) Another serious medical condition or side effect of treatment added by the department, as provided for in § 68-7-208;

(10) "Department" means the Tennessee department of health or its successor agency;

(11) "Designated caregiver":

(A) Means:

- (i) A natural person who agrees to assist no more than five (5) qualifying patients with the medical use of cannabis; or

(ii) An entity registered in this state to provide healthcare services that agrees to assist with qualifying patients' medical use of cannabis; and

(B) Includes an employee or agent acting on behalf of the institution registered in accordance with department rules;

(12) "Edible cannabis products" means products that:

(A) Contain or are infused with cannabis or an extract thereof;

(B) Are intended for human consumption by oral ingestion; and

(C) Are presented in the form of foodstuffs, beverages, extracts, oils, tinctures, and other similar products;

(13) "Enclosed, locked facility" means a closet, room, greenhouse, building, or other enclosed area that is equipped with locks or other security devices that permit access only by the cardholder or cardholders allowed to cultivate the plants; provided, that two (2) or more cardholders who reside in the same dwelling may share one (1) enclosed, locked facility for cultivation;

(14) "Medical cannabis dispensary" or "dispensary" means an entity registered with the department pursuant to this part that acquires, possesses, stores, delivers, transfers, transports, sells, supplies, or dispenses cannabis, cannabis products, paraphernalia, or related supplies and educational materials to cardholders;

(15) "Medical cannabis establishment" means a cultivation facility, a cannabis testing facility, a cannabis product manufacturing facility, dispensary, or other medical cannabis entity registered by the department;

(16) "Medical cannabis establishment agent" means an owner, officer, board member, employee, volunteer, or agent of a medical cannabis establishment;

(17) "Medical use":

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

(B) Does not include:

(i) The cultivation of cannabis by a nonresident cardholder;

(ii) The cultivation of cannabis by a cardholder who is not designated as being allowed to cultivate on the cardholder's registry identification card; or

(iii) The extraction of resin from cannabis by solvent extraction unless the extraction is done by a cannabis product manufacturing facility;

(18) "Nonresident cardholder" means a person who:

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

(B) Is not a resident of this state or who has been a resident of this state for less than ninety (90) days;

(C) Was issued a currently valid registry identification card or its equivalent under the laws of another state, district, territory, commonwealth, or insular possession of the United States, or country recognized by the United States, that allows the person to use cannabis for medical purposes in the jurisdiction of issuance; and

(D) Has completed any documentation required by the department;

(19) "Practitioner" means a person who is licensed with authority to prescribe drugs to humans under title 63, chapter 6, 7, 9, or 19. In relation to a nonresident cardholder, "practitioner" means a person who is licensed with authority to prescribe drugs to humans in the state of the patient's residence;

(20) "Qualifying patient" means a person who has been diagnosed by a practitioner as having a debilitating medical condition;

(21) "Registry identification card" means a document issued by the department that identifies a person as a registered qualifying patient or registered designated caregiver, or documentation that is deemed a registry identification card pursuant to § 68-7-209 or § 68-7-211;

(22) "THC" means delta-9 tetrahydrocannabinol; and

(23) "Written certification" means a document dated and signed by a practitioner, stating that, in the practitioner's professional opinion, the patient is likely to receive therapeutic or palliative benefit from the medical use of cannabis to treat or alleviate the patient's debilitating medical condition or symptoms

associated with the debilitating medical condition. A written certification must affirm that it is made in the course of a bona fide practitioner-patient relationship.

68-7-203. Protections for the medical use of cannabis.

(a) A cardholder who possesses a valid registry identification card is not subject to arrest, prosecution, or penalty in any manner, or denial of a right or privilege, including a civil penalty or disciplinary action by a court or occupational or professional licensing board or bureau for:

(1) The medical use of cannabis pursuant to this part, if the cardholder does not possess more than the allowable amount of cannabis, and if any cannabis plants are either cultivated in an enclosed, locked facility or are being transported;

(2) Reimbursement by a registered qualifying patient to the patient's registered designated caregiver for direct costs incurred by the registered designated caregiver for assisting with the registered qualifying patient's medical use of cannabis;

(3) Transferring cannabis to a testing facility for testing;

(4) Compensating a dispensary or a testing facility for goods or services provided;

(5) Selling, transferring, or delivering cannabis seeds produced by the cardholder to a cultivation facility or dispensary; or

(6) Offering or providing cannabis to a cardholder for a registered qualifying patient's medical use, to a nonresident cardholder, or to a dispensary if nothing of value is transferred in return and the person giving the cannabis does not knowingly cause the recipient to possess more than the allowable amount of cannabis.

(b) A nonresident cardholder is not subject to arrest, prosecution, or penalty in any manner, or denial of a right or privilege, including, but not limited to, civil penalty or disciplinary action by a business or occupational or professional licensing board or entity, for transporting, purchasing, possessing, or using medical cannabis pursuant to this part if the nonresident cardholder does not possess more than two and one-half ounces (2.5 oz.) of cannabis and the quantity of cannabis products established by department rule.

(c) There is a presumption that a qualifying patient or designated caregiver is engaged in the medical use of cannabis pursuant to this part if the person is in possession of a registry identification card and an amount of cannabis that does not exceed the allowable amount. The presumption may be rebutted by evidence that conduct related to cannabis was not for the purpose of treating or alleviating a qualifying patient's debilitating medical condition or symptoms associated with the qualifying patient's debilitating medical condition pursuant to this part.

(d) A practitioner is not subject to arrest, prosecution, or penalty in any manner, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by the appropriate health-related licensing board or by any other occupational or professional licensing board, solely for providing written certifications or for otherwise stating that, in the practitioner's professional opinion, a patient is likely to receive therapeutic or palliative benefit from the medical use of cannabis to treat or alleviate the patient's debilitating medical condition or symptoms associated with the debilitating medical condition; provided, that this part does not prevent a practitioner from being sanctioned for:

- (1) Issuing a written certification to a patient with whom the practitioner does not have a bona fide practitioner-patient relationship; or

(2) Failing to properly evaluate a patient's medical condition.

(e) A holder of a professional or occupational license is not subject to professional discipline solely for providing advice or services related to medical cannabis activities that are allowed under this part.

(f) An applicant for a professional or occupational license is not subject to denial of a license based on previous employment related to medical cannabis activities that are allowed under this part.

(g) A person is not subject to arrest, prosecution, or penalty in any manner, or denial of a right or privilege, including a civil penalty or disciplinary action by a court or occupational or professional licensing board or bureau, for:

(1) Providing or selling cannabis paraphernalia to a cardholder, nonresident cardholder, or to a medical cannabis establishment;

(2) Being in the presence or vicinity of the medical use of cannabis that is exempt from criminal penalties by this part;

(3) Allowing the person's property to be used for activities that are exempt from criminal penalties by this part; or

(4) Assisting a registered qualifying patient with the act of using or administering cannabis.

(h) A medical cannabis establishment or a medical cannabis establishment agent is not subject to prosecution, search, or inspection, except by the department pursuant to § 68-7-217; seizure; or penalty in any manner, and shall not be denied a right or privilege, including civil penalty or disciplinary action by a court or business licensing board or entity, for acting pursuant to this part and rules authorized by this part to engage in activities related to medical cannabis that are allowed by its registration.

(i) A dispensary or a dispensary agent is not subject to prosecution, search, or inspection, except by the department pursuant to § 68-7-217; seizure; or penalty in any manner, and shall not be denied a right or privilege, including civil penalty or disciplinary action by a court or business licensing board or entity, for acting pursuant to this part and rules authorized by this part to:

(1) Possess, transport, and store cannabis and cannabis products;

(2) Deliver, transfer, and transport cannabis to testing facilities and compensate testing facilities for services provided;

(3) Accept cannabis offered by a cardholder or nonresident cardholder if nothing of value is exchanged in return;

(4) Purchase or otherwise acquire cannabis from cultivation facilities or dispensaries, and cannabis products from cannabis product manufacturing facilities or dispensaries; and

(5) Deliver, sell, supply, transfer, or transport cannabis, cannabis products, and cannabis paraphernalia, and related supplies and educational materials to cardholders, nonresident cardholders, and dispensaries.

(j) A cultivation facility or a cultivation facility agent is not subject to prosecution, search, or inspection, except by the department pursuant to § 68-7-217; seizure; or penalty in any manner, and shall not be denied a right or privilege, including civil penalty or disciplinary action by a court or business licensing board or entity, for acting pursuant to this part and rules authorized by this part to:

(1) Possess, plant, propagate, cultivate, grow, harvest, produce, process, manufacture, compound, convert, prepare, pack, repack, or store cannabis;

(2) Deliver, transfer, or transport cannabis to testing facilities and compensate testing facilities for services provided;

(3) Accept cannabis offered by a cardholder or nonresident cardholder if nothing of value is exchanged in return;

(4) Purchase or otherwise acquire cannabis from cultivation facilities;

(5) Purchase cannabis seeds from cardholders, nonresident cardholders, and the equivalent of a medical cannabis establishment that is registered in another jurisdiction; and

(6) Deliver, sell, supply, transfer, or transport cannabis, cannabis paraphernalia, and related supplies and educational materials to cultivation facilities and dispensaries.

(k) A cannabis product manufacturing facility or a cannabis product manufacturing facility agent is not subject to prosecution, search, or inspection, except by the department pursuant to § 68-7-217; seizure; or penalty in any manner, and shall not be denied a right or privilege, including civil penalty or disciplinary action by a court or business licensing board or entity, for acting pursuant to this part and rules authorized by this part to:

(1) Purchase or otherwise acquire cannabis from cultivation facilities, and cannabis or cannabis products from cannabis product manufacturing facilities;

(2) Possess, produce, process, manufacture, compound, convert, prepare, pack, repack, and store cannabis and cannabis products;

(3) Deliver, transfer, or transport cannabis, cannabis products, cannabis paraphernalia, and related supplies and educational materials to dispensaries and cannabis product manufacturing facilities;

(4) Deliver, transfer, or transport cannabis to testing facilities and compensate testing facilities for services provided; and

(5) Deliver, sell, supply, transfer, or transport cannabis, cannabis products, cannabis paraphernalia, and related supplies and educational materials to cannabis product manufacturing facilities or dispensaries.

(l) A testing facility or testing facility agent is not subject to prosecution, search, or inspection, except by the department pursuant to § 68-7-217; seizure; or penalty in any manner, and shall not be denied a right or privilege, including civil penalty or disciplinary action by a court or business licensing board or entity, for acting pursuant to this part and rules authorized by this part to:

(1) Acquire, possess, transport, and store cannabis and cannabis products obtained from cardholders, nonresident cardholders, and medical cannabis establishments;

(2) Return the cannabis and cannabis products to the cardholders, nonresident cardholders, and medical cannabis establishments from whom it was obtained;

(3) Test cannabis, including for potency, pesticides, mold, or contaminants; and

(4) Receive compensation for those services.

(m) A medical cannabis establishment or an agent of a medical cannabis establishment is not subject to prosecution, search, or inspection, except by the department pursuant to § 68-7-217; seizure; or penalty in any manner, and shall not be denied a right or privilege, including civil penalty or disciplinary action by a court or business licensing board or entity, for acting pursuant to this part and rules authorized by this part to engage in the activities related to cannabis that are allowed for that type of medical cannabis establishment.

(n) A cardholder, nonresident cardholder, or a cannabis business that is licensed or registered in another jurisdiction may sell or donate cannabis seeds to cultivation facilities.

(o) Any cannabis, cannabis product, cannabis paraphernalia, or other interest in or right to property that is possessed, owned, or used in connection with the medical use of cannabis as allowed under this part, or acts incidental to such use, shall not be seized or forfeited. This part does not prevent the seizure or forfeiture of cannabis exceeding the amounts allowed under this part, nor does it prevent seizure or forfeiture if the basis for the action is unrelated to the cannabis that is possessed, manufactured, transferred, or used pursuant to this part.

(p) Possession of, or application for, a registry identification card does not constitute probable cause or reasonable suspicion, nor shall it be used to support a search of the person or property of the person possessing or applying for the registry identification card, or otherwise subject the person or property of the person to inspection by any governmental agency.

(q) For the purposes of state law, activities related to medical cannabis are considered lawful as long as they are in accordance with this part.

(r) A law enforcement officer employed by an agency that receives state or local government funds shall not expend any state or local resources, including the officer's time, to effect an arrest or a seizure of cannabis, or conduct an investigation, on the sole basis of activity the officer believes to constitute a violation of federal law if the officer has reason to believe that the activity is in compliance with state medical cannabis laws, and an officer shall not expend any state or local resources, including the officer's time, to provide information or logistical support related to the activity to a federal law enforcement authority or prosecuting entity.

(s) It is the public policy of this state that contracts related to medical cannabis that are entered into by cardholders, medical cannabis establishments, or medical cannabis establishment agents, and those who allow property to be used by those persons, are enforceable. It is the public policy of this state that a contract entered into by a cardholder, a medical cannabis establishment, or a medical cannabis establishment agent, or by a person who allows property to be used for activities that are exempt from state criminal penalties by this part, is not unenforceable on the basis that activities related to cannabis are prohibited by federal law.

(t) A person who is twenty-one (21) years of age or older is authorized to distribute cannabis paraphernalia to a cardholder, nonresident cardholder, or to a medical cannabis establishment, and to manufacture cannabis paraphernalia for use by a cardholder, nonresident cardholder, or to a medical cannabis establishment.

68-7-204. Limitations.

This part does not authorize a person to engage in, and does not prevent the imposition of any civil, criminal, or other penalties for engaging in, the following conduct:

(1) Undertaking any task under the influence of cannabis, when doing so would constitute negligence or professional malpractice;

(2) Possessing cannabis or otherwise engaging in the medical use of cannabis in any correctional facility, unless the correctional facility has elected to allow the cardholder to engage in the medical use of cannabis;

(3) Smoking cannabis:

(A) On any form of public transportation;

(B) On any school grounds; or

(C) In a public place or a place that is open to the public;

(4) Operating, navigating, or being in actual physical control of a motor vehicle, aircraft, train, or motorboat while under the influence of cannabis, except that a registered qualifying patient or nonresident cardholder shall not be considered to be under the influence of cannabis solely because of the presence of metabolites or components of cannabis that appear in insufficient concentration to cause impairment; or

(5) Cultivating cannabis if not a registered cultivation facility or a cardholder who is a resident of this state and has a registry identification card allowing cultivation.

68-7-205. Acts not required; acts not prohibited.

(a) This part does not require:

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

(2) A person or establishment in lawful possession of property to allow a guest, client, customer, or other visitor to smoke cannabis on or in that property;

or

(3) A landlord to allow the cultivation of cannabis on the rental property.

(b) This part does not prohibit an employer from disciplining an employee for ingesting cannabis in the workplace or for working while under the influence of cannabis.

68-7-206. Discrimination prohibited.

(a) Except as provided in §§ 68-7-204 and 68-7-205, a school or landlord shall not refuse to enroll or lease to, and shall not otherwise penalize, a person solely for the person's status as a cardholder or for engaging in conduct allowed under this part, unless failing to do so would violate federal law or regulations or cause the school or landlord to lose a monetary or licensing-related benefit under federal law or regulations.

(b) For the purposes of medical care, including organ and tissue transplants, a registered qualifying patient's use of cannabis according to this part is considered the equivalent of the authorized use of any other medication used at the discretion of a practitioner and does not constitute the use of an illicit substance or otherwise disqualify a qualifying patient from needed medical care.

(c) A person shall not be denied custody of or visitation rights or parenting time with a minor solely for the person's status as a cardholder, or for engaging in conduct allowed under this part, and there is no presumption of neglect or child endangerment unless the person's behavior is such that it creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

(d) Unless a failure to do so would cause the employer to lose a monetary or licensing-related benefit under federal law or federal regulations, an employer shall not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based upon either of the following:

(1) The person's status as a cardholder; or

(2) A registered qualifying patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, or was impaired by cannabis on the premises of the place of employment or during the hours of employment.

(e) Except as provided in this section, the state and its political subdivisions shall not impose a penalty or deny a benefit or entitlement for conduct permitted under this part or for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of a registered qualifying patient.

(f) Except as provided in this section, the state and its political subdivisions shall not deny a driver license, a professional license, housing assistance, social services, or other benefits based on cannabis use or for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of a registered qualifying patient.

(g) The rights provided by this section do not apply to the extent that they conflict with a person or entity's obligations under federal law or regulations or to the extent that they would disqualify that person or entity from a monetary or licensing-related benefit under federal law or regulations.

(h) An employer is not required to allow the ingestion of cannabis in the workplace or to allow an employee to work while under the influence of cannabis. A registered qualifying patient is not considered to be under the influence of cannabis solely because of the presence of metabolites or components of cannabis that appear in insufficient concentration to cause impairment.

(i) A state or local agency shall not restrict, revoke, suspend, or otherwise infringe upon a person's right to own or possess a firearm or any related firearms certification based solely on the person's status as a cardholder, or for conduct allowed under this part.

(j) A school, landlord, or employer shall not be penalized or denied a benefit under state law for enrolling, leasing to, or employing a cardholder.

68-7-207. Facility restrictions.

(a) A school, nursing care institution, hospice, hospital, assisted living center, assisted living facility, assisted living home, residential care institution, adult day healthcare facility, or adult foster care home may adopt reasonable restrictions on the

use of cannabis by their students, residents, or persons receiving services, including that:

(1) The facility and its agents are not responsible for providing the cannabis to qualifying patients;

(2) Cannabis be consumed by a method other than smoking; and

(3) Cannabis be consumed only in a place specified by the facility.

(b) This section does not require a facility described in subsection (a) to adopt restrictions on the medical use of cannabis, except that cannabis smoking is not allowed on school grounds.

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

68-7-208. Addition of serious medical conditions.

Any resident of this state may petition the department to add serious medical conditions or their treatments to the list of approved debilitating medical conditions. The department shall consider petitions in the manner required by department rule, including public notice and hearing. The department shall approve or deny a petition within one hundred eighty (180) days of its submission. The approval or denial of a petition is a final decision of the department, subject to judicial review. Jurisdiction and venue of the department's decision to approve or deny a petition is vested in the chancery court of Davidson County.

68-7-209. Issuance and denial of registry identification cards.

(a) No later than May 1, 2024, the department shall begin issuing registry identification cards to qualifying patients who submit the following, in accordance with the department's rules:

- (1) A written certification issued by a practitioner within ninety (90) days immediately preceding the date of the application;
- (2) The application or renewal fee;
- (3) The name, address, and date of birth of the qualifying patient, except that if the applicant is homeless, no address is required;
- (4) The name, address, and telephone number of the qualifying patient's practitioner;
- (5) The name, address, and, in the case of a natural person, date of birth of the designated caregiver, or designated caregivers, chosen by the qualifying patient;
- (6) A signed statement from each designated caregiver who is a natural person, agreeing to assist with a qualifying patient's medical use of cannabis;
- (7) The name of no more than two (2) dispensaries that the qualifying patient designates, if any;
- (8) Documentation demonstrating that a greater number of designated caregivers is needed due to the patient's age or medical condition if the patient requests more than one (1) designated caregiver at any given time; and
- (9) A signed statement that the qualifying patient or a designated caregiver intends to cultivate cannabis plants for the patient's medical use and understands the requirements and restrictions associated with cannabis cultivation and documentation that supports the ability of the patient or caregiver to cultivate cannabis in a suitable enclosed, locked facility.

(b) The department shall include a designation on the card as to whether the qualifying patient, or a designated caregiver if one is designated, will be allowed under state law to cultivate cannabis plants for the qualifying patient's medical use.

(c) If the qualifying patient is unable to submit the information required by subsection (a) due to the person's age or medical condition, then the person responsible for making medical decisions for the qualifying patient may do so on behalf of the qualifying patient.

(d) Except as provided in subsections (e)-(h), the department shall:

(1) Verify the information contained in an application or renewal submitted pursuant to this part and approve or deny an application or renewal within fifteen (15) days of receiving a completed application or renewal;

(2) Issue registry identification cards to a qualifying patient and any designated caregiver within five (5) days of approving the application or renewal. A designated caregiver must have a registry identification card for each of the caregiver's qualifying patients; and

(3) Enter the registry identification number of each designated dispensary into the verification system.

(e) The department shall not issue a registry identification card to a qualifying patient who is younger than eighteen (18) years of age unless:

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

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

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

(B) Serve as one of the qualifying patient's designated caregivers;

and

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

(f) In the case of a designated caregiver that is an entity licensed to provide healthcare services:

(1) The department may provide a single registry identification card to the entity, regardless of the number of qualifying patients the entity assists;

(2) The department may issue individual registry identification cards for employees of the entity that may transport cannabis; and

(3) The department shall provide an electronic or physical list of qualifying patients who have designated the entity as the patient's caregiver, which must be updated with each additional designation.

(g) The department may deny an application or renewal of a qualifying patient's registry identification card only if the applicant:

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

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

(3) Provided false information.

(h) The department may deny an application or renewal for a designated caregiver chosen by a qualifying patient whose registry identification card was granted only if:

(1) The person or entity designated as a caregiver by the patient does not meet the requirements of a designated caregiver;

(2) The applicant did not provide the information required;

(3) The designated caregiver previously had a registry identification card revoked;

(4) The applicant or the designated caregiver provided false information;
or

(5) Except in the case of an entity licensed to provide healthcare services, the designated caregiver is younger than twenty-one (21) years of age and is not the parent or legal guardian of each qualifying patient the person would assist.

(i) The department shall give written notice to the qualifying patient of the reason for denying the application or renewal to the qualifying patient or to the qualifying patient's designated caregiver.

(j) Denial of an application or renewal is considered a final department action, subject to judicial review. Jurisdiction and venue for judicial review of the department's denial of an application or renewal is vested in the chancery court of Davidson County.

(k) Until a qualifying patient, who has submitted an application and the required fee to the department, receives a registry identification card or a rejection, a copy of the individual's application, written certification, and proof that the application was submitted to the department is deemed a temporary registry identification card.

(l) Until a designated caregiver, whose qualifying patient has submitted an application and the required fee, receives a registry identification card or a rejection, a copy of the qualifying patient's application, written certification, and proof that the application was submitted to the department is deemed a temporary registry identification card.

68-7-210. Contents of registry identification cards.

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

(1) The name of the cardholder;

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

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

(4) A random identification number, containing at least ten (10) digits, that is unique to the cardholder;

(5) The random identification number of the qualifying patient the designated caregiver will assist if the cardholder is a designated caregiver;

(6) A clear indication of whether the cardholder has been designated to cultivate cannabis plants for the qualifying patient's medical use;

(7) A photograph of the cardholder if required by department rule; and

(8) The phone number or website where the card can be verified.

(b) Except as provided in subsection (c), a registry identification card expires one (1) year from the date of issuance.

(c) If the practitioner stated in the written certification that the qualifying patient would benefit from cannabis until a specified date that is sooner than one (1) year from the date of issuance, then the registry identification card must expire on that specified date.

68-7-211. Temporary registry identification cards.

(a) Until sixty (60) days after the date the department makes applications available, a valid, written certification issued within the previous year is deemed a temporary registry identification card for a qualifying patient.

(b) Until sixty (60) days after the date the department makes applications available, the following is deemed a temporary registry identification card for a designated caregiver:

(1) A copy of a qualifying patient's valid written certification issued within the previous year; and

(2) A signed affidavit attesting that the person has significant responsibility for managing the well-being of the patient and that the person has been chosen to assist the qualifying patient.

68-7-212. Verification system.

(a) The department shall maintain a confidential list of the persons to whom the department has issued registry identification cards and their addresses, phone numbers, and registry identification numbers. This confidential list shall not be combined or linked in any manner with any other list or database, nor shall it be used for any purpose not provided for in this part.

(b) No later than May 1, 2024, the department shall establish a secure phone or web-based verification system. The verification system must allow law enforcement personnel and medical cannabis establishments to enter a registry identification number to determine whether the number corresponds with a current, valid registry identification card. The system may disclose only:

(1) Whether the identification card is valid;

(2) The name of the cardholder;

(3) Whether the cardholder is a qualifying patient or a designated caregiver;

(4) Whether the cardholder is permitted to cultivate cannabis plants;

(5) The registry identification number of any affiliated registered qualifying patient; and

(6) The registry identification of any dispensary designated by the qualifying patient.

68-7-213. Notifications to department and responses.

(a) The following notifications and department responses are required:

(1) A registered qualifying patient shall notify the department of any change in the patient's name or address, or if the registered qualifying patient ceases to have a debilitating medical condition, within twenty (20) days of the change;

(2) A registered designated caregiver shall notify the department of any change in the caregiver's name or address, or if the designated caregiver becomes aware the qualifying patient has died, within twenty (20) days of the change;

(3) A registered qualifying patient must notify the department before the patient changes the patient's designated caregiver;

(4) A registered qualifying patient must notify the department when the patient changes the patient's preference as to who may cultivate cannabis for the qualifying patient;

(5) A cardholder shall notify the department within ten (10) days of becoming aware the cardholder's registry identification card has been lost or stolen; and

(6) A registered qualifying patient shall notify the department before the registered qualifying patient changes a designated dispensary.

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

(c) When a cardholder makes a notification pursuant to subsection (a), and remains eligible under this part, the department shall issue the cardholder a new registry identification card with a new identification number within ten (10) days of receiving the updated information and a twenty-dollar fee. If the person notifying the department is a registered qualifying patient, then the department shall also issue the patient's registered designated caregiver, if any, a new registry identification card within ten (10) days of receiving the updated information.

(d) If the registered qualifying patient's certifying practitioner notifies the department in writing that the registered qualifying patient has died, is no longer diagnosed as having a debilitating medical condition, or will no longer receive therapeutic or palliative benefit from the medical use of cannabis in the opinion of the practitioner, the card becomes null and void. Upon such notification, the registered qualifying patient, or the patient's designated caregiver, has fifteen (15) days to dispose of the patient's remaining cannabis, which may include giving the cannabis to another registered qualifying patient, and provide notice to the department of the disposal.

(e) A medical cannabis establishment shall notify the department within one (1) business day of any theft or significant loss of cannabis.

68-7-214. Defenses.

(a) Except for limitations described in § 68-7-204 and this section, a person may assert the medical purpose for using cannabis as a defense to any prosecution involving cannabis, and the defense is presumed valid where the evidence shows that:

(1) A practitioner has stated that, in the practitioner's professional opinion, after having completed a full assessment of a patient's medical history and current medical condition made in the course of a bona fide practitioner-patient relationship, the patient has a debilitating medical condition and the potential benefits of using cannabis for medical purposes would likely outweigh the health risks for the patient;

(2) The person is the patient described in subdivision (a)(1), or the patient's caregiver, and the patient has registered or applied for registration with the department under this part;

(3) The person was in possession of:

(A) No more than two and one-half ounces (2.5 oz.) of cannabis other than cannabis contained in cannabis products;

(B) Cannabis products containing a total of no more than two thousand milligrams (2,000 mg.) of THC; and

(C) If authorized pursuant to this part, six (6) cannabis plants and the cannabis produced by those plants;

(4) The person was engaged in the acquisition, possession, use, manufacture, cultivation, or transportation of cannabis, paraphernalia, or both, relating to the administration of cannabis to treat or alleviate a patient's debilitating medical condition or symptoms associated with a patient's debilitating medical condition; and

(5) Any cultivation of cannabis and storage of amounts exceeding two and one-half ounces (2.5 oz.) of cannabis occurred in a secure location with access restricted to authorized persons, including the person asserting the defense.

(b) The defense, and any motion to dismiss, shall not prevail if the prosecution proves that:

(1) The person had a registry identification card revoked for misconduct;

or

(2) The purposes for the possession or cultivation of cannabis were not solely for palliative or therapeutic use by a patient with a debilitating medical condition.

(c) A person is not required to possess a registry identification card to raise the defense set forth in this section.

(d) If a person demonstrates a valid defense pursuant to this section, the person is not subject to the following:

(1) Disciplinary action by an occupational or professional licensing board based on the conduct involving cannabis for which the person was prosecuted;

or

(2) Forfeiture of any interest in, or right to, any property other than cannabis.

68-7-215. Registration of medical cannabis establishments.

(a) Not later than ninety (90) days after receiving an application for a medical cannabis establishment, the department shall register the prospective medical cannabis establishment and issue a registration certificate and a random identification number of at least ten (10) digits if all of the following conditions are satisfied:

(1) The prospective medical cannabis establishment has submitted all of the following:

(A) The application fee, as set by the department;

(B) An application, including:

(i) The legal name of the prospective medical cannabis establishment;

(ii) The physical address of the prospective medical cannabis establishment, which must not be located within five hundred feet (500') of the real property that comprises a public or private elementary school, middle school, secondary school, preschool, child care agency, public library, recreational center, or park that exists prior to the submission date of the medical cannabis establishment application;

(iii) The name and date of birth of each principal officer and board member of the proposed medical cannabis establishment; and

(iv) Any additional information requested by the department;

(C) Operating procedures consistent with rules for oversight of the proposed medical cannabis establishment, including procedures to ensure accurate recordkeeping and adequate security measures;

(D) If the county or municipality where the proposed medical cannabis establishment would be located has enacted zoning restrictions, a sworn statement certifying that the proposed medical cannabis establishment is in compliance with the restrictions; and

(E) If the county or municipality where the proposed medical cannabis establishment requires a local registration, license, or permit, a copy of the registration, license, or permit;

(2) A principal officer or board member has not served as a principal officer or board member for a medical cannabis establishment that has had its registration certificate revoked;

(3) A principal officer or board member is not under twenty-one (21) years of age;

(4) At least one (1) principal officer is a resident of this state; and

(5) The applicant meets requirements and qualifications established by the department.

(b) If a local government has enacted a limit on the number of medical cannabis establishments that may be located in the locality and the number of applicants seeking registration in that community exceeds the limit, the department shall solicit and consider input from the local government as to its preference or preferences for registration using objective criteria.

(c) The department shall issue a renewal registration certificate within ten (10) days of receipt of the prescribed renewal application and renewal fee from a medical cannabis establishment if its registration certificate is not under suspension and has not been revoked.

68-7-216. Local regulation.

(a) A local government may enact ordinances or regulations not in conflict with this part, or with rules enacted pursuant to this part, governing the time, place, manner, and number of medical cannabis establishment operations in the applicable jurisdiction. A local government may establish penalties for violations of an ordinance or regulations governing the time, place, and manner of a medical cannabis establishment that may operate in the jurisdiction.

(b) A local government shall not prohibit dispensaries or delivery, either expressly or through the enactment of ordinances or regulations that make medical cannabis establishment operations impracticable in the jurisdiction.

(c) A local government may require a medical cannabis establishment to obtain a local license, permit, or registration to operate, and may charge a reasonable fee for the local license, permit, or registration.

68-7-217. Requirements; prohibitions; penalties.

(a) Medical cannabis establishments shall conduct a background check into the criminal history of each person seeking to become a principal officer, board member, agent, volunteer, or employee before the person begins working at the medical cannabis establishment.

(b) A medical cannabis establishment shall not employ any person who is under twenty-one (21) years of age.

(c) The operating documents of a medical cannabis establishment must include procedures for the oversight of the medical cannabis establishment and procedures to ensure accurate recordkeeping.

(d) A medical cannabis establishment shall implement appropriate security measures designed to deter and prevent the theft of cannabis and unauthorized entrance into areas containing cannabis.

(e) All cultivation, harvesting, manufacture, and packaging of cannabis must take place in a secure facility at a physical address provided to the department during the registration process. The secure facility must only be accessed by agents of the medical cannabis establishment, emergency personnel, and adults who are twenty-one (21) years of age and older and who are accompanied by medical cannabis establishment agents.

(f) A medical cannabis establishment, other than a cannabis product manufacturer, shall not produce cannabis concentrates, cannabis extractions, or other cannabis products.

(g) A medical cannabis establishment shall not share office space with or refer patients to a practitioner.

(h) Medical cannabis establishments are subject to inspection by the department during business hours.

(i) Before cannabis may be dispensed to a cardholder or nonresident cardholder, a dispensary agent shall:

(1) Make a diligent effort to verify that the registry identification card or registration presented to the dispensary is valid;

(2) Make a diligent effort to verify that the person presenting the documentation is the person identified on the document presented to the dispensary agent;

(3) Reasonably determine that the amount dispensed would not cause the person to possess more than the allowable amount of cannabis; and

(4) Make a diligent effort to verify that the dispensary is the current dispensary that was designated by the cardholder or nonresident cardholder, if a designation was made.

(j) Unless a registered qualifying patient's written certification specifies that a greater quantity of cannabis is reasonably necessary to meet the patient's needs, a dispensary shall not dispense more than two and one-half ounces (2.5 oz.) of cannabis or cannabis products containing a total of no more than two thousand milligrams (2,000 mg.) of THC to a nonresident cardholder or a registered qualifying patient, directly or via a designated caregiver, in any fourteen-day period. A dispensary shall ensure

compliance with this limitation by maintaining internal, confidential records that include records specifying how much cannabis or cannabis product is being dispensed to the nonresident cardholder or registered qualifying patient and whether it was dispensed directly to a registered qualifying patient or to the designated caregiver.

68-7-218. Rules.

(a) As soon as practicable but no later than January 1, 2024, the department shall promulgate rules, which may include emergency rules, to effectuate this part. Rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, and include:

(1) Governing the manner in which the department will consider petitions from the public to add serious medical conditions or treatments to the list of debilitating medical conditions, including public notice of and opportunities to comment in public hearings on the petitions;

(2) Establishing the form and content of registration and renewal applications submitted under this part;

(3) Establishing a system to determine how medical cannabis establishment registrations are to be awarded in cases where more applicants apply than are allowed by the local government;

(4) Governing the manner in which the department will consider applications for and renewals of registry identification cards, which may include creating a standardized written or electronic certification form;

(5) Governing medical cannabis establishments with the goals of ensuring the health and safety of qualifying patients and preventing diversion and theft without imposing an undue burden or compromising the confidentiality of cardholders, including:

- (A) Oversight requirements;
- (B) Recordkeeping requirements;
- (C) Qualifications that are directly and demonstrably related to the operation of medical cannabis establishments;
- (D) Security requirements, including lighting, physical security, and alarm requirements;
- (E) Health and safety regulations, including restrictions on the use of pesticides that are or may be injurious to human health;
- (F) Standards for the manufacture of cannabis products and both the indoor and outdoor cultivation of cannabis by cultivation facilities;
- (G) Requirements for the transportation and storage of cannabis by medical cannabis establishments;
- (H) Employment and training requirements, including requiring that each medical cannabis establishment create an identification badge for each agent;
- (I) Standards for the safe manufacture of cannabis products, including extracts and concentrates;
- (J) Restrictions on the advertising, logos, signage, and display of medical cannabis, and the appearance of medical cannabis establishments; provided, that:
 - (i) The restrictions do not prevent appropriate signs on the property of a dispensary; listings in business directories including phone books; listings in cannabis-related or medical publications; or the sponsorship of health or not-for-profit charity or advocacy events;

(ii) The requirements must necessitate that medical cannabis establishments be maintained in a manner to prevent blight, deterioration, diminishment, or impairment of property values within the vicinity of the establishment; and

(iii) The medical cannabis establishment's logo, advertising, and signage must be consistent with medical clinics and pharmacies and are not designed in such a manner that a reasonable person would consider the logo, advertising, or signage as appealing to children or adolescents;

(K) Requirements and procedures for the safe and accurate packaging and labeling of medical cannabis, including prohibiting the use of any images that a reasonable person would consider to be designed or likely to appeal to minors, including cartoons, toys, or animals, or a likeness to images, characters, or phrases that are popularly used to advertise to children;

(L) Standards for testing facilities, including requirements for equipment and qualifications for personnel;

(M) Security and recordkeeping requirements for the delivery of cannabis from dispensaries to cardholders; and

(N) Reasonable requirements to ensure the applicant has sufficient property or capital to operate the applicant's proposed medical cannabis establishment;

(6) Establishing procedures for suspending or terminating registry identification cards or registration certificates of cardholders and medical

cannabis establishments that commit multiple or serious violations of this part or rules promulgated pursuant to this part;

(7) Establishing labeling requirements for cannabis and cannabis products, including requiring cannabis product labels to include the following:

(A) The amount of time it typically takes for the product to take effect;

(B) Disclosure of ingredients and possible allergens;

(C) A nutritional fact panel; and

(D) A standard symbol indicating that the product contains cannabis, and other methods to clearly identify edible cannabis products, when practicable;

(8) Establishing procedures for the registration of nonresident cardholders, including any designation of no more than two (2) dispensaries, that require the submission of:

(A) A practitioner's statement confirming that the patient has a debilitating medical condition; and

(B) Documentation demonstrating that the nonresident cardholder is allowed to possess cannabis or cannabis preparations in the jurisdiction where the nonresident cardholder resides; and

(9) Establishing reasonable application and renewal fees for registry identification cards and registration certificates, according to the following:

(A) Application fees for medical cannabis establishments must not exceed five thousand dollars (\$5,000), which, beginning January 1, 2025, must be increased annually to reflect inflation, as measured by the

United States bureau of labor statistics consumer price index for all urban consumers, and be rounded to the nearest ten dollars (\$10.00);

(B) The total fees collected must generate revenues sufficient to offset all departmental expenses of implementing and administering this part;

(C) The department may establish a sliding scale of patient application and renewal fees based upon a qualifying patient's household income;

(D) The fees charged to qualifying patients, nonresident cardholders, and designated caregivers in aggregate must be no greater than the costs of processing applications and issuing registry identification cards; and

(E) The department may accept donations from private sources to reduce application and renewal fees.

(b) The department shall facilitate participation by diverse groups in the medical cannabis establishment activities authorized under this part, including by:

(1) Adopting and implementing policies to ensure diverse groups are accorded equal opportunity in the registration process;

(2) Adopting and implementing policies to ensure medical cannabis establishments promote the participation of diverse groups in their operations by affording equal access to employment and contracting opportunities;

(3) Conducting education and outreach about medical cannabis establishment registration opportunities; and

(4) Providing sufficient and continuous notice of the medical cannabis business and employment opportunities afforded under this part by publishing notice on the department's website.

(c) In the discretion of the department, the department may promulgate rules allowing additional categories of registered medical cannabis establishments to operate, establishing fees for those establishments, and governing their operations.

68-7-219. Violations; fines and penalties.

(a) A cardholder or medical cannabis establishment that intentionally fails to provide notice required by § 68-7-213 commits a violation, subject to a civil penalty imposed by the department in an amount not to exceed one hundred fifty dollars (\$150) per violation.

(b)

(1) A medical cannabis establishment or an agent of a medical cannabis establishment who intentionally sells or otherwise transfers cannabis in exchange for anything of value to a person other than a cardholder, a nonresident cardholder, or a medical cannabis establishment or its agent commits a Class E felony.

(2) A person convicted under subdivision (b)(1) is prohibited from owning, operating, being employed by, or otherwise affiliating with a medical cannabis establishment.

(c)

(1) A person who intentionally makes a false statement to a law enforcement official about any fact or circumstance relating to the medical use of cannabis to avoid arrest or prosecution commits a Class B misdemeanor,

punishable by imprisonment for not more than ninety (90) days or by a fine of not more than one thousand dollars (\$1,000), or both.

(2) This subsection (c) does not prohibit prosecution under any other applicable law.

(3) If a person convicted of violating this subsection (c) is a cardholder, then the person is disqualified from further participation in the medical cannabis program established pursuant to this part.

(d) A person who knowingly submits false records or documentation required by the department to certify a medical cannabis establishment under this part commits a Class E felony.

(e) A practitioner who knowingly refers patients to a medical cannabis establishment or to a designated caregiver, who advertises in a medical cannabis establishment, or who issues written certifications while holding a financial interest in a medical cannabis establishment commits a violation, subject to a civil penalty imposed by the department in an amount not to exceed one thousand dollars (\$1,000) per violation.

(f) Except as otherwise provided in this part, it is unlawful for a person, except for purposes directly connected with the administration of this part, to disclose, make use of, or authorize or knowingly permit the use of confidential information obtained pursuant to this part. A violation of this subsection (f) is a Class B misdemeanor.

(g)

(1) It is an offense for a person, other than a cannabis product manufacturing facility or its agents complying with this part and department rule, to extract compounds from cannabis using solvents other than water, glycerin, propylene glycol, vegetable oil, or food grade ethanol (ethyl alcohol).

(2) It is an offense for a person to extract compounds from cannabis using ethanol in the presence or vicinity of open flame.

(3) A violation of this subsection (g) is a Class D felony, punishable by incarceration and a fine of ten thousand dollars (\$10,000).

(h) Except as otherwise provided in this part, a medical cannabis establishment that violates this part is subject to a civil penalty imposed by the department in an amount not to exceed one thousand dollars (\$1,000) per violation. This penalty is in addition to any other penalties under other applicable law.

68-7-220. Suspension and revocation.

(a) The department may on its own motion or on complaint, after investigation and opportunity for a public hearing at which the medical cannabis establishment has been afforded an opportunity to be heard, suspend or revoke a registration certificate for multiple negligent or knowing violations, or for a serious and knowing violation, of this part or any rules promulgated pursuant to this part by the registrant or any of its agents.

(b) The department shall provide notice of suspension, revocation, fine, or other sanction, as well as the required notice of the hearing, by mailing the same in writing to the medical cannabis establishment at the address on the registration certificate. A suspension must not be for a longer period than six (6) months.

(c) A medical cannabis establishment may continue to possess cannabis during a period of suspension, but it shall not dispense, transfer, or sell cannabis. A cultivation facility may continue to cultivate and possess cannabis plants during a period of suspension, but it shall not dispense, transfer, or sell cannabis.

(d) The department shall immediately revoke the registry identification card of a cardholder who sells cannabis to a person who is not allowed to possess cannabis for

medical purposes under this part, and the cardholder is disqualified from further participation in the medical cannabis program established pursuant to this part.

(e) The department may revoke the registry identification card of a cardholder who commits multiple negligent or knowing violations or a single serious and knowing violation of this part.

(f) Revocation is a final decision of the department subject to judicial review. Jurisdiction and venue of the department's decision to suspend or revoke a registration certificate or registry identification card is vested in the chancery court of Davidson County.

68-7-221. Confidentiality.

(a) Data in registration applications and supporting data submitted by qualifying patients, designated caregivers, nonresident cardholders, and medical cannabis establishments, including data on designated caregivers and practitioners, are confidential and not subject to the open records law, compiled in title 10, chapter 7.

(b) Data kept or maintained by the department pursuant to this part must not be used for any purpose not provided for in this part and must not be combined or linked in any manner with any other list or database.

(c) Data kept or maintained by the department pursuant to this part may be disclosed as necessary for:

(1) The verification of registration certificates and registry identification cards pursuant to § 68-7-212;

(2) Submission of the annual report required by § 68-7-223;

(3) Notification of state or local law enforcement of apparent criminal violations of this part, including the submission of falsified or fraudulent information for purposes of obtaining or renewing a registry identification card; or

(4) Notification of the appropriate health-related licensing board if there is reason to believe that a practitioner provided a written certification outside of a bona fide practitioner-patient relationship, or otherwise violated the standard of care for evaluating medical conditions in providing a written certification.

(d) Information kept or maintained by medical cannabis establishments must identify cardholders by their registry identification numbers and must not contain names or other personally identifying information.

(e) At a cardholder's request, the department may confirm the cardholder's status as a registered qualifying patient or a registered designated caregiver to a third party, such as a landlord, school, medical professional, or court.

(f) Any department hard drives or other data-recording media that are no longer in use and that contain cardholder information must be destroyed.

68-7-222. Business expenses; deductions.

Notwithstanding any federal tax law to the contrary, in computing net earnings for medical cannabis establishments, there is allowed as a deduction from state taxes all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on a trade or business as a medical cannabis establishment, including reasonable allowance for salaries or other compensation for personal services actually rendered.

68-7-223. Annual report.

(a) The department shall report annually to the health and welfare committee of the senate and the health committee of the house of representatives on the number of applications for registry identification cards received; the number of qualifying patients and designated caregivers approved; the number of registry identification cards revoked; the number of practitioners issuing written certifications; the number of each type of medical cannabis establishment that is registered; the participation level, by percentage,

of diverse groups in operating medical cannabis establishments; a summary of efforts to promote diversity in medical cannabis establishments' ownership, staffing, and contracting; and the expenses incurred and revenues generated from the medical cannabis program. The report must be submitted in writing to the chief clerks of the senate and the house of representatives and the legislative librarian no later than February 1 of each year, beginning in 2025. The report may be submitted electronically.

(b) The department shall not include identifying information on qualifying patients, designated caregivers, or practitioners in the report.

SECTION 2. Tennessee Code Annotated, Section 68-7-109(c), is amended by deleting the subsection and substituting instead the following:

(c) Beginning in 2025, the commission shall make recommendations to the general assembly and the department of health regarding the impact and effectiveness of the Tennessee Medical Cannabis Act, compiled in part 2 of this chapter, including:

(1) The ability of qualifying patients in all areas of this state to obtain timely access to high-quality medical cannabis;

(2) The effectiveness of medical cannabis establishments in serving the needs of qualifying patients, including the provision of educational and support services by dispensaries, the reasonableness of their prices, security issues, and the sufficiency of the number operating to serve the state's registered qualifying patients;

(3) The effectiveness of cannabis testing facilities, including whether a sufficient number are operating;

(4) The sufficiency of the regulatory and security safeguards contained in the Tennessee Medical Cannabis Act and adopted by the department to ensure that access to and use of cannabis cultivated is provided only to cardholders;

(5) Any recommended additions or revisions to the Tennessee Medical Cannabis Act or to department rules, including additions or revisions relating to security, safe handling, labeling, nomenclature, and whether additional types of licenses should be made available; and

(6) Any research studies regarding health effects of medical cannabis for patients.

SECTION 3. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act are severable.

SECTION 4. The headings in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 5. For purposes of promulgating rules and forms, this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, this act takes effect January 1, 2024, the public welfare requiring it.