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1 CABINET FOR HEALTH AND FAMILY SERVICES

2 Office of the Secretary

3 (New Administrative Regulation)

4 915 KAR 1:080. Transportation and delivery of medicinal cannabis.

5 RELATES TO: KRS Chapter 218B, KRS 304.39-110

6 STATUTORY AUTHORITY: KRS 218B.140

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 218B.140 requires the Cabinet  
8 for Health and Family Services to promulgate administrative regulations establishing procedures  
9 for the secure transportation, including delivery services provided by dispensaries, of medicinal  
10 cannabis by cannabis businesses. This administrative regulation establishes those procedures.

11 Section 1. Transportation of medicinal cannabis between cannabis businesses.

12 (1) A cannabis business shall only transport medicinal cannabis, including seeds,  
13 seedlings, and plants, to other cannabis businesses as follows:

14 (a) A cannabis business shall use a global positioning system (GPS) to ensure safe,  
15 efficient delivery of the medicinal cannabis to other cannabis businesses.

16 (b) Vehicles permitted to transport medicinal cannabis shall:

17 1. Be equipped with a locked storage compartment that is part of the transport vehicle or  
18 have a locked storage container that has a separate key or combination pad;

19 2. Have no markings that would either identify or indicate that the vehicle is being used  
20 to transport medicinal cannabis;

21 3. Maintain a current state vehicle registration;

22 4. Be equipped with an alarm system; and

1           5. Be insured as required by Kentucky law, specifically KRS 304.39-110.

2           (c) A transport vehicle shall be staffed with a delivery team consisting of at least two (2)  
3 individuals and comply with the following:

4           1. The delivery team shall have a copy of the cannabis business license for the business  
5 transporting the medicinal cannabis;

6           2. At least one (1) delivery team member shall remain with the vehicle at all times that  
7 the vehicle contains medicinal cannabis;

8           3. Each delivery team member shall have access to a secure form of communication, such  
9 as a cellular telephone, at all times that the vehicle contains medicinal cannabis in order to  
10 contact cannabis businesses and law enforcement through the 911 emergency system;

11          4. Each delivery team member shall conspicuously wear an employee identification  
12 badge at all times during transport of medicinal cannabis and shall, upon demand, produce it to  
13 the cabinet or its authorized agents, law enforcement, or other federal or state government  
14 officials if necessary to perform the government officials' functions and duties;

15          5. Each delivery team member shall have a valid driver's license; and

16          6. While on duty, a delivery team member shall not wear any clothing or symbols that  
17 may indicate ownership or possession of medicinal cannabis.

18          (d) A delivery team shall proceed in a transport vehicle from a cannabis business facility,  
19 where the medicinal cannabis is loaded, directly to the other cannabis business, where the  
20 medicinal cannabis is unloaded, without making unnecessary stops. A delivery team may deliver  
21 medicinal cannabis to multiple cannabis businesses during one (1) transport.

1 (e) A cannabis business shall immediately report to the cabinet, via electronic mail to  
2 kymedcanreporting@ky.gov, any vehicle accidents, diversions, losses, or other reportable events  
3 that occur during transport of medicinal cannabis.

4 (f) A transport vehicle is subject to inspection by the cabinet or its authorized agents, law  
5 enforcement, or other federal or state government officials if necessary to perform the  
6 government officials' functions and duties. A transport vehicle may be inspected by the cabinet  
7 or its authorized agents while on the premises of a cannabis business during the course of an  
8 inspection or investigation.

9 (g) Transport manifest. A cannabis business shall generate a printed or electronic  
10 transport manifest that accompanies every transport vehicle transporting medicinal cannabis to  
11 other cannabis businesses and contains the following information:

12 1. The date the transport manifest was created;

13 2. The name, address, telephone number, and license number of the cannabis business  
14 transporting the medicinal cannabis and the name of and contact information for a representative  
15 of the cannabis business who has direct knowledge of the transport;

16 3. If applicable, the name, address, and telephone number of the contracted third party  
17 that is transporting medicinal cannabis on behalf of the cannabis business and the name of and  
18 contact information for a representative of the third party who has direct knowledge of the  
19 transport;

20 4. The name, address, telephone number, and license number of the cannabis business  
21 receiving the delivery;

1           5. The quantity, by weight or unit, of the medicinal cannabis being transported to a  
2 cannabis business along with the unique identifier for each harvest batch, production batch, or  
3 package;

4           6. A statement regarding whether the medicinal cannabis being transported to a cannabis  
5 business has been tested and, if so, the unique identifier for the harvest batch or production batch  
6 test;

7           7. The date and approximate time of departure;

8           8. The date and approximate time of arrival;

9           9. The transport vehicle's make and model and license plate number;

10          10. The name of each member of the delivery team accompanying the transport;

11          11. The driver's license number of the delivery team member driving the transport  
12 vehicle;

13          12. The signature of a delivery team member once delivery has been accomplished; and

14          13. The name and signature of a representative of the cannabis business receiving the  
15 medicinal cannabis that confirms receipt of the delivery.

16          (h) When a delivery team delivers medicinal cannabis to multiple cannabis businesses  
17 during one transport, the transport manifest shall correctly reflect the specific medicinal cannabis  
18 in transit to each cannabis business location.

19          (i) A cannabis business shall provide a copy of the transport manifest to the cannabis  
20 business receiving the medicinal cannabis described in the transport manifest. To maintain  
21 confidentiality, a cannabis business may prepare separate manifests for each recipient.

1 (j) All medicinal cannabis in transport shall be shielded from public view and placed in a  
2 locked storage compartment that is part of the transport vehicle or in a locked storage container  
3 that has a separate key or combination pad.

4 (k) A cannabis business shall, if requested, provide a copy of any printed or electronic  
5 transport manifest to the cabinet or its authorized agents, law enforcement, or other federal or  
6 state government officials if necessary to perform the government officials' functions and duties.

7 (2) Evidence of adverse loss during transport.

8 (a) If a cannabis business receiving a delivery of medicinal cannabis discovers a  
9 discrepancy in the transport manifest upon delivery, the cannabis business shall report the  
10 discrepancy to the cabinet within eight (8) hours of discovery via electronic mail to  
11 [kymedcanreporting@ky.gov](mailto:kymedcanreporting@ky.gov).

12 (b) If a cannabis business transporting medicinal cannabis discovers a discrepancy in the  
13 transport manifest, the cannabis business shall:

14 1. Conduct an investigation;

15 2. Amend the cannabis business's standard plan of operation, if necessary, to prevent  
16 future discrepancies between the quantity or description of inventory listed in the transport  
17 manifest and the quantity or description of inventory delivered; and

18 3. Electronically submit the following reports of the investigation to the cabinet via  
19 electronic mail to [kymedcanreporting@ky.gov](mailto:kymedcanreporting@ky.gov):

20 a. A written preliminary report of the investigation shall be submitted to the cabinet  
21 within seven (7) calendar days of discovering the discrepancy; and

22 b. A final written report of the investigation shall be submitted to the cabinet within thirty  
23 (30) calendar days of discovering the discrepancy.

1 (c) If a cannabis business transporting medicinal cannabis discovers evidence of, or  
2 reasonably suspects, a theft or diversion of medicinal cannabis during transport, the cannabis  
3 business shall report its findings or suspicions to the cabinet within eight (8) hours of discovery  
4 via electronic mail to [kymedcanreporting@ky.gov](mailto:kymedcanreporting@ky.gov).

5 (3) An employee or agent of a safety compliance facility, cultivator, processor, producer,  
6 or third-party contractor who transports medicinal cannabis samples from a cultivator, processor,  
7 or producer to a safety compliance facility shall:

8 (a) Protect the physical integrity of the sample;

9 (b) Keep the composition of the sample intact; and

10 (c) Protect the sample against factors that interfere with the validity of testing results,  
11 including the factors of time and temperature.

12 (4) A cannabis business may contract with a third-party for transportation and delivery to  
13 other cannabis businesses if:

14 (a) The third-party contractor complies with the transportation requirements of this  
15 section;

16 (b) The cannabis business conducts a criminal background check into the criminal history  
17 of each employee or agent of the third-party contractor that will transport medicinal cannabis on  
18 its behalf and shall not allow any such employee or agent to work for the cannabis business that:

19 1. Was convicted of a disqualifying felony offense; or

20 2. Is younger than twenty-one (21) years of age;

21 (c) The cannabis business provides the third-party contractor with a copy of its license  
22 and identification badges for the third-party contractor's employees or agents that will transport

1 medicinal cannabis. The badges shall be conspicuously worn at all times during transport of  
2 medicinal cannabis and shall contain:

- 3 1. The individual's name, photo, and an employee identification number;
- 4 2. A phone number and email address for the cannabis business; and
- 5 3. A phone number and email address for the Kentucky Medical Cannabis Program;

6 (d) The cannabis business notifies the cabinet via electronic mail to  
7 [kymedcanreporting@ky.gov](mailto:kymedcanreporting@ky.gov) of all third parties it has contracted with to transport medicinal  
8 cannabis prior to the third party commencing with any transportation of medicinal cannabis and  
9 confirms that it has satisfied the requirements of subsection (b) and (c) of this subsection. The  
10 cannabis business shall provide the cabinet with any additional information requested by the  
11 cabinet regarding the contracted third party's operations.

12 Section 2. Delivery services provided by dispensaries.

13 (1) A dispensary may operate a delivery service for registered qualified patients and  
14 designated caregivers.

15 (2) In order to deliver medicinal cannabis, medicinal cannabis accessories, and  
16 educational material to registered qualified patients and designated caregivers, a dispensary shall:

17 (a) Follow all requirements for dispensing and selling medicinal cannabis to registered  
18 qualified patients and designated caregivers in accordance with KRS Chapter 218B and 915  
19 KAR 1:070 prior to delivery;

20 (b) Accomplish delivery on the date an order is received and processed through the  
21 commonwealth's designated electronic monitoring system and seed to sale tracking system;

22 (c) Accomplish delivery between the hours of 7:00 a.m. and 9:00 p.m.;

1 (d) Prepare a delivery manifest for each delivery or series of deliveries that includes the  
2 names of the delivery team members, address for each delivery, estimated date and time of  
3 delivery, and actual date and time of delivery;

4 (e) Prepare a receipt for each delivery containing the following information:

5 1. The dispensary's name, address, and license number;

6 2. The name and address of the registered qualified patient or designated caregiver;

7 3. The date the medicinal cannabis was dispensed;

8 4. Any requirement or limitation noted by the medicinal cannabis practitioner on the

9 registered qualified patient or designated caregiver's written certification as to the form or

10 amount of medicinal cannabis that the individual should use;

11 5. The form and the quantity of medicinal cannabis dispensed;

12 6. Any medicinal cannabis accessories or educational materials included in the delivery

13 order; and

14 7. The amount paid by the registered qualified patient or designated caregiver for the

15 medicinal cannabis and other items.

16 (f) At the time of delivery, check the registry identification card of the registered

17 qualified patient or designated caregiver to verify the person accepting delivery is the same

18 person who placed the order. The registered qualified patient or designated caregiver who

19 placed the order shall sign the receipt to confirm receipt of all items delivered and receive a copy

20 of the receipt; and

21 (g) Only deliver medicinal cannabis, medicinal cannabis accessories, and educational

22 material to the Kentucky address identified for the individual in the commonwealth's designated

23 electronic monitoring system.



1 (3) Delivery vehicle and delivery team requirements.

2 (a) Transport vehicles used for the delivery of medicinal cannabis by dispensaries to  
3 registered qualified patients or designated caregivers shall:

4 1. Be equipped with a locked storage compartment that is part of the transport vehicle or  
5 have a locked storage container that has a separate key or combination pad;

6 2. Have no markings that would either identify or indicate that the vehicle is being used  
7 to transport medicinal cannabis;

8 3. Maintain a current state vehicle registration;

9 4. Be equipped with an alarm system; and

10 5. Be insured as required by Kentucky law for commercial vehicles.

11 (b) A transport vehicle shall be staffed with a delivery team consisting of at least two (2)  
12 dispensary employees. At least one (1) delivery team member shall remain with the transport  
13 vehicle at any time that it contains medicinal cannabis.

14 (c) Delivery team members delivering medicinal cannabis shall:

15 1. Have a copy of the cannabis business license for the dispensary delivering the  
16 medicinal cannabis;

17 2. Have an employee identification badge issued by the dispensary that shall be  
18 conspicuously worn at all times during delivery of medicinal cannabis;

19 3. Have a valid driver's license; and

20 4. Not make unnecessary stops.

21 (d) All medicinal cannabis in transport for delivery to registered qualified patients or  
22 designated caregivers shall be shielded from public view and placed in a locked storage

1 compartment that is part of the transport vehicle or in a locked storage container that has a  
2 separate key or combination pad.

3 (e) If a transport vehicle delivering medicinal cannabis is involved in any accident or  
4 experiences any type of failure rendering the vehicle immobile or requiring the use of a tow  
5 truck, the delivery team shall notify the cabinet immediately via electronic mail to  
6 [kymedcanreporting@ky.gov](mailto:kymedcanreporting@ky.gov).

915 KAR 1:080

REVIEWED:

DocuSigned by:

*Sam Flynn*  
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1/2/2024

Sam Flynn  
Executive Director  
Kentucky Medical Cannabis Program  
Cabinet for Health and Family Services

Date

APPROVED:

DocuSigned by:

*Eric Friedlander*  
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1/2/2024

Eric C. Friedlander  
Secretary  
Cabinet for Health and Family Services

Date

**PUBLIC HEARING AND PUBLIC COMMENT PERIOD:**

A public hearing on this administrative regulation shall, if requested, be held on March 25, 2024, at 9:00 a.m. using the CHFS Office of Legislative and Regulatory Affairs Zoom meeting room. The Zoom invitation will be emailed to each requestor the week prior to the scheduled hearing. Individuals interested in attending this virtual hearing shall notify this agency in writing by March 18, 2024, five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who attends virtually will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on this proposed administrative regulation until March 31, 2024. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to the contact person. Pursuant to KRS 13A.280(8), copies of the statement of consideration and, if applicable, the amended after comments version of the administrative regulation shall be made available upon request.

Contact Person: Krista Quarles, Policy Analyst, Office of Legislative and Regulatory Affairs, 275 East Main Street 5 W-A, Frankfort, KY 40621; Phone: 502-564-7476; Fax: 502-564-7091; CHFSregs@ky.gov.

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation: 915 KAR 1:080  
Agency Contact: Oran S. McFarlan, III  
Phone Number: (502) 564-5313  
Email: oran.mcfarlan@ky.gov

Contact Person: Krista Quarles  
Phone Number: (502) 564-7476  
Email: CHFSregs@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes procedures for the secure transportation, including delivery services provided by dispensaries, of medicinal cannabis by cannabis businesses and their employees or agents.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to carry out the requirements of KRS Chapter 218B, specifically KRS 218B.140.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 218B.140 authorizes the Cabinet for Health and Family Services to promulgate administrative regulations establishing procedures for the secure transportation, including delivery services provided by dispensaries, of medicinal cannabis by cannabis businesses and their employees or agents. This administrative regulation sets out those procedures.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation provides procedures for the secure transportation of medicinal cannabis by cannabis businesses and their employees or agents.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: Not applicable. This is a new administrative regulation.

(b) The necessity of the amendment to this administrative regulation: Not applicable. This is a new administrative regulation.

(c) How the amendment conforms to the content of the authorizing statutes: Not applicable. This is a new administrative regulation.

(d) How the amendment will assist in the effective administration of the statutes: Not applicable. This is a new administrative regulation.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation affects cannabis businesses that have applied for and subsequently received licenses to conduct medicinal cannabis activities in the commonwealth.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: Cannabis businesses must review and comply with the transportation procedures contained in this administrative regulation.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): Each cannabis business will decide how to transport medicinal cannabis in accordance with this administrative regulation.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): Cannabis businesses will be able to transport medicinal cannabis, medicinal cannabis products, and medicinal cannabis accessories throughout the commonwealth.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: It is anticipated that an increase in funding will be necessary to implement this administrative regulation as additional staff and resources are necessary to administer and enforce transportation procedures. The cabinet estimates that the total staffing costs for the program in the first year will be approximately \$1,800,000, and a portion of those staffing costs will go toward regulating transportation of medicinal cannabis, medicinal cannabis products, and medicinal cannabis accessories.

(b) On a continuing basis: It is anticipated that an increase in funding will be necessary to administer this administrative regulation as additional staff and resources are necessary to enforce transportation procedures. The cabinet estimates that the total staffing costs for the program on a continuing basis following the first year will be approximately \$2,400,000, and a portion of those staffing costs will go toward regulating transportation of medicinal cannabis, medicinal cannabis products, and medicinal cannabis accessories.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: State general funds provided by the commonwealth.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: It is anticipated that an increase in funding will be necessary to implement this regulation as additional staff and resources are necessary to administer and enforce this administrative regulation.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish or increase any fees.

(9) TIERING: Is tiering applied? Explain why or why not. Tiering is not applied. All cannabis businesses will be treated equally.

## FISCAL NOTE

Administrative Regulation: 915 KAR 1:080  
Agency Contact: Oran S. McFarlan, III  
Phone Number: (502) 564-5313  
Email: oran.mcfarlan@ky.gov

Contact Person: Krista Quarles  
Phone Number: (502) 564-7476  
Email: CHFSregs@ky.gov

(1) What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? This administrative regulation impacts the Kentucky Medical Cannabis Program within the Cabinet for Health and Family Services.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 218B.010, 218B.095, 218B.100, 218B.105, 218B.110, 218B.115, 218B.120, 218B.125, 218B.140.

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This administrative regulation is not expected to generate revenue for state or local government in the first year.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This administrative regulation is not expected to generate revenue for state or local government for subsequent years.

(c) How much will it cost to administer this program for the first year? It is anticipated that an increase in funding will be necessary to implement this administrative regulation as additional staff and resources are necessary to administer and enforce the transportation procedures. The cabinet estimates that the total staffing costs for the program in the first year will be approximately \$1,800,000, and a portion of those staffing costs will go toward regulating transportation of medicinal cannabis.

(d) How much will it cost to administer this program for subsequent years? It is anticipated that an increase in funding will be necessary to administer this administrative regulation as additional staff and resources are necessary to enforce the transportation procedures. The cabinet estimates that the total staffing costs for the program on a continuing basis following the first year will be approximately \$2,400,000, and a portion of those staffing costs will go toward regulating transportation of medicinal cannabis.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation:

(4) Estimate the effect of this administrative regulation on the expenditures and cost savings of regulated entities for the first full year the administrative regulation is to be in effect.

(a) How much cost savings will this administrative regulation generate for the regulated entities for the first year? The cabinet does not anticipate any cost savings in the first year.

(b) How much cost savings will this administrative regulation generate for the regulated entities for subsequent years? The cabinet does not anticipate any cost savings in subsequent years.

(c) How much will it cost the regulated entities for the first year? Each cannabis business will decide how to transport medicinal cannabis in accordance with this administrative regulation.

(d) How much will it cost the regulated entities for subsequent years? Each cannabis business will decide how to transport medicinal cannabis in accordance with this administrative regulation.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Cost Savings(+/-):

Expenditures (+/-):

Other Explanation:

(5) Explain whether this administrative regulation will have a major economic impact, as defined below. *"Major economic impact" means an overall negative or adverse economic impact from an administrative regulation of five hundred thousand dollars (\$500,000) or more on state or local government or regulated entities, in aggregate, as determined by the promulgating administrative bodies. [KRS 13A.010(13)]* The annual cost estimate to administer all aspects of the Kentucky Medical Cannabis Program is \$9,135,398. A significant portion of those funds will go toward licensing and enforcement of cannabis businesses operating in the commonwealth as well implementation and continued operation of the electronic monitoring system and seed to sale tracking system required by KRS 218B.140. The Kentucky Medical Cannabis Program will have a major economic impact on the Cabinet for Health and Family Services, and it is anticipated that an increase in funding will be necessary to administer all of the administrative regulations contained in 915 KAR Chapter 1 related to cannabis businesses.