



2022 South Dakota Legislature

Senate Bill 118

SENATE ENGROSSED

Introduced by: **Senator Wheeler**

1 **An Act to establish provisions related to the testing of medical cannabis.**

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 **Section 1. That chapter 34-20G be amended with a NEW SECTION:**

4 A sample of cannabis or cannabis products submitted to a testing facility must be
 5 collected by a designated representative of the testing facility. Testing is only required for
 6 cannabis and cannabis products intended for retail sale to a cardholder or nonresident
 7 cardholder.

8 **Section 2. That § 34-20G-72 be AMENDED:**

9 **34-20G-72.** ~~Not later than October 29, 2021, the~~The department shall promulgate
 10 rules pursuant to chapter 1-26:

- 11 (1) Governing the manner in which the department shall consider petitions from the
 12 public to add a debilitating medical condition or treatment to the list of debilitating
 13 medical conditions as defined by this chapter, including public notice of and an
 14 opportunity to comment in public hearings on the petitions;
- 15 (2) Establishing the form and content of registration and renewal applications
 16 submitted under this chapter;
- 17 (3) Establishing a system to numerically score competing medical cannabis
 18 establishment applicants, in cases where more applicants apply than are allowed
 19 by the local government, that includes analysis of:
- 20 (a) The preference of the local government;
- 21 (b) In the case of dispensaries, the suitability of the proposed location and its
 22 accessibility for patients;
- 23 (c) The character, veracity, background, qualifications, and relevant experience
 24 of principal officers and board members; and

- 1 (d) The business plan proposed by the applicant, that in the case of a cultivation
2 facility or dispensary shall include the ability to maintain an adequate supply
3 of cannabis, plans to ensure safety and security of patrons and the
4 community, procedures to be used to prevent diversion, and any plan for
5 making cannabis available to low-income registered qualifying patients;
- 6 (4) Governing the manner in which the department shall consider applications for and
7 renewals of registry identification cards, that may include creating a standardized
8 written certification form;
- 9 (5) Governing medical cannabis establishments to ensure the health and safety of
10 qualifying patients and prevent diversion and theft without imposing an undue
11 burden or compromising the confidentiality of a cardholder, including:
- 12 (a) Oversight requirements;
- 13 (b) Record-keeping requirements;
- 14 (c) Security requirements, including lighting, physical security, and alarm
15 requirements;
- 16 (d) Health and safety regulations, including restrictions on the use of pesticides
17 that are injurious to human health;
- 18 (e) Standards for the manufacture of cannabis products and both the indoor
19 and outdoor cultivation of cannabis by a cultivation facility;
- 20 (f) Requirements for the transportation and storage of cannabis by a medical
21 cannabis establishment;
- 22 (g) Employment and training requirements, including requiring that each
23 medical cannabis establishment create an identification badge for each
24 agent;
- 25 (h) Standards for the safe manufacture of cannabis products, including extracts
26 and concentrates;
- 27 (i) Restrictions on the advertising, signage, and display of medical cannabis,
28 provided that the restrictions may not prevent appropriate signs on the
29 property of a dispensary, listings in business directories including phone
30 books, listings in marijuana-related or medical publications, or the
31 sponsorship of health or not-for-profit charity or advocacy events;
- 32 (j) Requirements and procedures for the safe and accurate packaging and
33 labeling of medical cannabis; ~~and~~
- 34 (k) Certification standards for testing facilities, including requirements for
35 equipment and qualifications for personnel; and

- 1 (l) Requirements for samples of cannabis and cannabis products submitted to
2 testing facilities, including batch sizes to not exceed fifty pounds of cannabis
3 intended for retail sale, batch sizes for homogenous cannabis products
4 intended for retail sale, and procedures to ensure representative sampling;
- 5 (6) Establishing procedures for suspending or terminating the registration certificates
6 or registry identification cards of cardholders and medical cannabis establishments
7 that commit multiple or serious violations of this chapter;
- 8 (7) Establishing labeling requirements for cannabis and cannabis products, including
9 requiring cannabis product labels to include the following:
- 10 (a) The length of time it typically takes for a product to take effect;
- 11 (b) Disclosing ingredients and possible allergens;
- 12 (c) A nutritional fact panel; and
- 13 (d) Requiring that edible cannabis products be clearly identifiable, when
14 practicable, with a standard symbol indicating that it contains cannabis;
- 15 (8) Establishing procedures for the registration of nonresident cardholders and the
16 cardholder's designation of no more than two dispensaries, which shall require the
17 submission of:
- 18 (a) A practitioner's statement confirming that the patient has a debilitating
19 medical condition; and
- 20 (b) Documentation demonstrating that the nonresident cardholder is allowed to
21 possess cannabis or cannabis preparations in the jurisdiction where the
22 nonresident cardholder resides;
- 23 (9) Establishing the amount of cannabis products, including the amount of
24 concentrated cannabis, each cardholder and nonresident cardholder may possess;
25 and
- 26 (10) Establishing reasonable application and renewal fees for registry identification
27 cards and registration certificates, according to the following:
- 28 (a) Application fees for medical cannabis establishments may not exceed five
29 thousand dollars, with this upper limit adjusted annually for inflation;
- 30 (b) The total fees collected shall generate revenues sufficient to offset all
31 expenses of implementing and administering this chapter;
- 32 (c) A sliding scale of patient application and renewal fees based upon a
33 qualifying patient's household income;

1 (d) The fees charged to qualifying patients, nonresident cardholders, and
2 caregivers shall be no greater than the costs of processing the application
3 and issuing a registry identification card or registration; and

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

6 A violation of a required or prohibited action under any rule authorized by this
7 section is a Class 2 misdemeanor.