The House Committee on Rules offers the following substitute to SB 494:

A BILL TO BE ENTITLED AN ACT

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

To amend Title 2 of the Official Code of Georgia Annotated, relating to agriculture, so as to regulate hemp products; to authorize the Department of Agriculture to enforce certain criminal laws; to provide for definitions; to provide for the establishment of a delta-9-THC concentration; to prohibit persons from performing certain activities without licenses; to provide for penalties; to revise disqualifications for a hemp grower license; to revise disqualifications for a hemp processor permit; to revise the annual fee for such a permit; to revise bonding requirements; to provide for the issuance of certain licenses relating to the manufacturing and sale of consumable hemp products; to require certificates of analysis for such products; to provide for labeling requirements; to provide for the establishment of maximum levels of contaminants in such products; to provide for inspection and testing of such products by the Department of Agriculture; to provide packaging requirements; to provide restrictions on the sale of such products; to provide restrictions on the advertisement of such products; to provide limitations on retail establishments selling such products; to revise provisions concerning violations; to provide for the amendment of regulatory plans; to conform terminology; to amend Chapter 12 of Title 16 of the Official Code of Georgia Annotated, relating to offenses against public health and morals, so as to prohibit the sale of consumable hemp products to individuals under the age of 21 years; to prohibit the purchase or possession of such products by individuals under the age of 21 years; to require the

posting of certain signs concerning the legal age to purchase such products; to provide penalties for violations; to authorize enforcement; to provide for the payment of fees into the general fund of the state treasury; to provide for effective dates; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

24 SECTION 1.

- Title 2 of the Official Code of Georgia Annotated, relating to agriculture, is amended in Code Section 2-2-13, relating to enforcement of laws and rules within jurisdiction of the Commissioner and employment of investigators, by revising subsections (a), (b), and (d) as follows:
 - "(a) The Commissioner shall be vested with police powers to enforce those laws governing matters within the jurisdiction of the Commissioner or the department as provided by this title and Titles 4, 10, 16, 26, and 43 and the rules and regulations adopted pursuant thereto and to prevent, detect, and respond to acts of bioterrorism, other terroristic acts or threats, or natural disasters affecting or potentially affecting plants, animals, products, or facilities that are subject to regulation by the department.
 - (b) The Commissioner shall be authorized to employ, designate, and deputize investigators and to delegate to such employees of the department the necessary authority to enforce those laws governing matters within the jurisdiction of the Commissioner or the department as provided by this title and Titles 4, 10, 16, 26, and 43 and the rules and regulations adopted pursuant thereto and to prevent, detect, and respond to acts of bioterrorism, other terroristic acts or threats, or natural disasters affecting or potentially affecting plants, animals, products, or facilities that are subject to regulation by the department. Employees who have been so designated by the Commissioner and who have

- been certified by the Georgia Peace Officer Standards and Training Council as having successfully completed the course of training required by Chapter 8 of Title 35, the 'Georgia Peace Officer Standards and Training Act,' shall be authorized:
 - (1) To carry firearms authorized or issued by the Commissioner while in the performance of their duties;
 - (2) To inspect plants, animals, products, or facilities when the same are subject to regulation by the department;
 - (3) To stop and inspect any vehicle transporting plants, animals, or products when the same are subject to regulation by the department;
 - (4) To inspect and require the production of health certificates, waybills, permits, or other documents required by federal or state laws, rules, regulations, or orders for the transportation of plants, animals, or products when the same are subject to regulation by the department;
 - (5) To protect any life or property when the circumstances demand action; and
 - (6) To arrest any person found to be in violation of a criminal law when enforcement of such law is authorized under this subsection"
 - "(d) This Code section shall not repeal, supersede, alter, or affect the power of any other law enforcement officer of this state or of any county, municipality, or other political subdivision of this state. At the request of the Commissioner of Agriculture, it shall be the duty of all state, county, municipal, and other law enforcement officers in this state to enforce and to assist the Commissioner and the employees and agents of the department in the enforcement of those laws governing matters within the jurisdiction of the Commissioner or the department as provided by this title and Titles 4, 10, 16, 26, and 43."

SECTION 2.

Said title is further amended in Code Section 2-23-2, relating to intent of the 'Georgia Hemp Farming Act,' by revising paragraph (6) as follows:

69	"(6) Enable the department, hemp grower licensees, and universities to promote the
70	cultivation and processing of hemp and the commercial sale of hemp products."
71	SECTION 3.
72	Said title is further amended by revising Code Section 2-23-3, relating to definitions, as
73	follows:
74	"2-23-3.
75	As used in this chapter, the term:
76	(1) 'Attractive to children' means the use of any characters or symbols designed to
77	appeal, or would likely appeal, primarily to individuals under 21 years of age, including
78	but not limited to anthropomorphized animals, creatures, promotional characters, licensed
79	characters, or inanimate objects; depictions of children; or depictions of candy.
80	(2) 'Commercial sale' means the sale of products in the stream of commerce at retail, at
81	wholesale, and online.
82	(3) 'Consumable hemp product' means a hemp product intended to be ingested, absorbed,
83	or inhaled by humans or animals.
84	(4) 'Contaminant' means a foreign substance or compound that may, if ingested,
85	absorbed, or inhaled, have an adverse effect on the health of a human or animal. Such
86	term shall include, without limitation, heavy metals, pesticide residues, residual solvents
87	or processing chemicals, and any other substance or compound that the department
88	determines could, if ingested, absorbed, or inhaled, have an adverse effect on the health
89	of a human or animal.
90	(2)(5) 'Cultivate' means to plant, water, grow, and harvest a plant or crop.
91	(6) 'Delta-9-THC' means delta-9-tetrahydrocannabinol.

(7) 'Delta-9-THCA' means delta-9-tetrahydrocannabinolic acid.

93 (3)(8) 'Federally defined THC level for hemp' means a delta-9-THC concentration of not more than 0.3 percent on a dry weight basis, or as defined in 7 U.S.C. Section 16390, 94 95 whichever is greater Reserved. 96 (9) 'Full panel certificate of analysis' means a report, produced by a laboratory which is 97 unaffiliated with the processor or manufacturer and which has been accredited pursuant to the standards of the International Organization for Standardization for the competence, 98 impartiality, and consistent operation of laboratories, attesting to the composition of a 99 100 product. 101 (4)(10) 'Handle' means to possess or store hemp plants for any period of time on 102 premises owned, operated, or controlled by a person licensed to cultivate or permitted to process hemp, or to possess or store hemp plants in a vehicle for any period of time other 103 104 than during the actual transport of such plants from the premises of a person licensed to cultivate or permitted to process hemp or a college or university authorized to conduct 105 106 research pursuant to Code Section 2-23-4 to the premises of another licensed or permitted person or to a college or university authorized to conduct research pursuant to Code 107 108 Section 2-23-4; provided, however, that this such term shall not include possessing or 109 storing finished hemp products. 110 (5)(11) 'Hemp' means the Cannabis sativa L. plant and any part of such plant, including 111 the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and 112 salts of isomers, whether growing or not, with the federally defined THC level for hemp 113 or a lower level a total delta-9-THC concentration that does not exceed the legal limit. 114 (12) 'Hemp grower licensee' means an individual or business entity possessing a hemp grower license issued by the department under the authority of this chapter to handle and 115 116 cultivate hemp in the State of Georgia.

(6)(13) 'Hemp products' means all products with the federally defined THC level for hemp a total delta-9-THC concentration that does not exceed the legal limit that are derived from, or made by, processing hemp plants or plant parts and that are prepared in

117

118

120	a form available for legal commercial sale, but not including food products infused with
121	THC unless approved by the United States Food and Drug Administration.
122	(14) 'Industrial hemp product' means any hemp product that is not a consumable hemp
123	product.
124	(7)(15) 'Key participant' means a sole proprietor, a partner in a partnership, or a person
125	with executive managerial control in a corporation when such sole proprietor,
126	partnership, or corporation is an applicant to be a <u>hemp grower</u> licensee or a permittee.
127	A person with executive managerial control in a corporation includes persons serving as
128	a chief executive officer, chief operating officer, chief financial officer, or any other
129	individual identified in regulations promulgated by the department. This Such term shall
130	not include nonexecutive managers, such as farm, field, or shift managers.
131	(16) 'Legal limit' means a total delta-9-THC concentration that is the lesser of:
132	(A) 0.3 percent; or
133	(B) The percentage limit set forth in 7 U.S.C. Section 1639o.
134	(8)(17) 'Licensee' means an individual or business entity possessing a hemp grower
135	license issued by the department under the authority of this chapter to handle and
136	cultivate hemp in the State of Georgia.
137	(18) 'Manufacture' means to create, produce, manipulate, combine, or package.
138	(19) 'Manufacturer license' means a license issued by the department under the authority
139	of this chapter to an individual or business entity that manufactures consumable hemp
140	products or industrial hemp products in this state.
141	(20) 'Measurement of uncertainty' means the parameter, associated with the result of a
142	measurement, that characterizes the dispersion of the values that could reasonably be
143	attributed to the particular quantity subject to measurement.
144	(9)(21) 'Permittee' means an individual or business entity possessing a hemp processor
145	permit issued by the department under the authority of this chapter to handle and process
146	hemp in the State of Georgia.

147	(10)(22)(A) 'Process' or 'processing,' except as otherwise provided in subparagraph (B)
148	of this paragraph, means converting an agricultural commodity into a legally
149	marketable form.
150	(B) Such term shall not include:
151	(i) Merely placing raw or dried material into another container or packaging raw or
152	dried material for resale; or
153	(ii) Traditional farming practices such as those commonly known as drying, shucking
154	and bucking, storing, trimming, and curing.
155	(23) 'QR code' means a quick response code that is a type of machine-readable,
156	two-dimensional barcode that stores information about a product.
157	(24) 'Registered laboratory' means an individual or business entity that tests or analyzes
158	any plant within the genus Cannabis, including but not limited to hemp, and products
159	made from or derived from such plant, including but not limited to hemp products and
160	consumable hemp products, and that has registered with the department under this
161	chapter.
162	(11)(25) 'Research' or 'researching' means experimental field, greenhouse, or laboratory
163	activity for the ultimate purpose of developing new hemp varieties and products,
164	improving existing hemp products, developing new uses for existing hemp products, or
165	developing or improving methods for producing hemp products.
166	(26) 'Retail consumable hemp establishment license' means a license issued by the
167	department under the authority of this chapter to an individual or business entity that
168	prepares or sells prepackaged consumable hemp products to consumers.
169	(12)(27) 'THC' means tetrahydrocannabinol, tetrahydrocannabinolic acid, or a
170	combination of tetrahydrocannabinol and tetrahydrocannabinolic acid.
171	(28) 'Total delta-9-THC concentration' means a concentration of delta-9-THC as

determined by Code Section 2-23-3.1.

(29) 'Wholesale consumable hemp license' means a license issued by the department under the authority of this chapter to an individual or business entity that sells, in bulk, prepackaged consumable hemp products to retail consumable hemp establishment licensees or to other retail establishments located outside of the State of Georgia that are authorized to sell consumable hemp products to consumers in the jurisdiction where such establishments are located."

SECTION 4.

Said title is further amended by adding a new Code section to read as follows:

"<u>2-23-3.1.</u>

- (a) For purposes of this chapter, delta-9-THC concentration shall be established by:
 - (1) Identifying the total percentage weight, on a dry weight basis where applicable, of delta-9-THC from a sample that has undergone decarboxylation such that all delta-9-THCA in the sample has been converted to delta-9-THC; or
 - (2) Identifying the sum of the percentage by weight, on a dry weight basis where applicable, of delta-9-THCA multiplied by 0.877 plus the percentage by weight, on a dry weight basis where applicable, of delta-9-THC.
 - (b) For purposes of this chapter, when determining whether a tested sample of hemp or hemp products has a total delta-9-THC concentration that exceeds or is within the legal limit, such determination shall take into account the applicable measurement of uncertainty for the test used to establish the total delta-9-THC concentration. The department, by rules or regulations, may specify the method and procedure for determining the applicable measurement of uncertainty for a given test used to determine the total delta-9-THC concentration of a sample of hemp or hemp products."

196	SECTION 5.

Said title is further amended in Code Section 2-23-4, relating to required licenses, research by colleges and universities, and processing of other products, by revising subsection (a) as follows:

- "(a) Except as otherwise provided in subsection (b) of this Code section, it shall be unlawful for:
 - (1) Any person to cultivate, handle, or process hemp in this state unless such person holds a hemp grower license or a hemp processor permit issued by the department pursuant to this chapter or is employed by a hemp grower licensee or permittee;
 - (2) A permittee to accept hemp for processing from any person other than a <u>hemp grower</u> licensee or a college or university authorized to conduct research pursuant to subsection (b) of this Code section, except as otherwise provided in paragraph (4) of this subsection;
 - (3) A <u>hemp grower</u> licensee to provide or sell hemp to any person other than another <u>hemp grower</u> licensee, a college or university authorized to conduct research pursuant to subsection (b) of this Code section, or a permittee with whom the <u>hemp grower</u> licensee enters into an agreement pursuant to Code Section 2-23-7, unless such person is located in a state with a plan to regulate hemp production that is approved by the <u>Secretary of Agriculture secretary of agriculture</u> of the United States, or otherwise in accordance with regulations promulgated by the United States Department of Agriculture, and such person is authorized to grow or process hemp in that state;
 - (4) A permittee to accept for processing any hemp grown outside of the State of Georgia, unless such hemp is grown in a state with a plan to regulate hemp production that is approved by the Secretary of Agriculture secretary of agriculture of the United States or otherwise in accordance with regulations promulgated by the United States Department of Agriculture;

222	(5) A permittee to process hemp pursuant to a hemp processor permit outside of the State
223	of Georgia, unless such processing occurs in a state with a plan to regulate hemp
224	production that is approved by the Secretary of Agriculture secretary of agriculture of the
225	United States or otherwise in accordance with regulations promulgated by the United
226	States Department of Agriculture;
227	(6) Any hemp grower licensee or permittee to otherwise fail to comply with the
228	requirements of this chapter or any applicable state or federal law or regulation;
229	(7) Any person to offer for sale at retail the unprocessed flower or leaves of the hemp
230	plant Cannabis sativa L. plant, regardless of the total delta-9-THC concentration in such
231	flower or leaves; provided, however, that this paragraph shall not prohibit the sale of any
232	hemp products that include extracts or derivatives of the flower or leaves of such plant;
233	or
234	(8) Any person to cultivate or handle hemp in any structure that is used for residential
235	purposes."
236	SECTION 6.
237	Said title is further amended by adding a new Code section to read as follows:
238	" <u>2-23-4.1.</u>
239	(a) Except as provided in subsection (b) of this Code section, it shall be unlawful for any
240	person:
241	(1) To process hemp in this state unless such person holds a processing permit issued by
242	the department or is employed by a permittee;
243	(2) To handle hemp in this state unless such person holds a hemp grower license, a
244	processing permit, or a manufacturer license issued by the department or has registered
245	with the department as a registered laboratory or is employed by a person who holds such

a license or who has registered with the department as a registered laboratory;

247 (3) To sell or offer for sale any consumable hemp product in this state to consumers 248 unless such person holds a retail consumable hemp establishment license issued by the department or is employed by a person who holds such a license; 249 250 (4) To sell or offer for sale any consumable hemp product in this state to retail 251 consumable hemp establishment licensees or other retail establishments unless such 252 person holds a wholesale consumable hemp license issued by the department or is 253 employed by a person who holds such a license: 254 (5) To manufacture hemp products in this state unless such person holds a manufacturer 255 license issued by the department or is employed by a person who holds such a license; 256 <u>or</u> 257 (6) Perform in this state tests or analyses of any plant within the genus Cannabis, 258 including but not limited to hemp, or any product made or derived from such plant, 259 including but not limited to hemp products and consumable hemp products, unless such 260 person has registered with the department as a registered laboratory or is employed by a 261 person who has registered with the department as a registered laboratory. (b) The prohibitions contained in paragraphs (2) and (6) of subsection (a) of this Code 262 263 section shall not apply to a college or university authorized to conduct research pursuant 264 to Code Section 2-23-4 or a person assisting such college or university with such research 265 pursuant to Code Section 2-23-4. 266 (c)(1) Any person who violates any provision of subsection (a) of this Code section shall: 267 (A) Be guilty of a misdemeanor for a first offense; and 268 (B) For a second or subsequent offense, be guilty of a misdemeanor of a high and 269 aggravated nature. 270 (2) Each violation of any provision of subsection (a) of this Code section shall constitute 271 a separate offense.

(d) In addition to the criminal penalties provided for in subsection (c) of this Code section,

any person who violates any provision of subsection (a) of this Code section shall be

272

subject to a civil penalty of not more than \$5,000.00 for each violation. The amount of the civil penalty imposed pursuant to this subsection shall be fixed by the Commissioner after notice and hearing as provided in Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act,' for contested cases. For purposes of this subsection, each day a violation of subsection (a) of this Code section occurs or continues shall constitute a separate violation."

280 SECTION 7.

Said title is further amended in Code Section 2-23-5, relating to procedure for licensing, fees, license requirements, and limitations on license, by revising paragraph (3) of subsection (c) and paragraph (3) of subsection (d) as follows:

- "(3) No license shall be issued to any applicant who has been convicted of a misdemeanor involving sale of or trafficking in a controlled substance or a felony related to a state or federally controlled substance within ten years of the date of application or who materially falsifies any information contained in a license application."
- "(3) For purposes of this subsection:
 - (A) The term 'person' shall include all members of a hemp grower licensee's family and all corporations, limited partnerships, limited liability companies, and other business entities in which a hemp grower licensee holds more than a 50 percent ownership interest; the term 'family' shall include any person related to the holder of the hemp grower license within the first degree of consanguinity and affinity as computed according to the canon law and who is claimed as a dependent by the hemp grower licensee for income tax purposes; and
 - (B) The beneficiaries of a trust shall be considered to have a beneficial interest in any business forming a part of the trust estate."

298	SECTION 8.
299	Said title is further amended in Code Section 2-23-6, relating to procedure for permitting and
300	limitations on permits and interests, by revising paragraph (3) of subsection (c),
301	subsection (e), and paragraph (3) of subsection (h) as follows:
302	"(3) No permit shall be issued to any applicant who has been convicted of a misdemeanor
303	involving sale of or trafficking in a controlled substance or a felony related to a state or
304	federally controlled substance within ten years of the date of application or who
305	materially falsifies any information contained in a license application."
306	"(e) Hemp processor permits shall be issued for one calendar year at an annual permit fee
307	of \$25,000.00 at least \$500.00 but not more than \$2,000.00, as established by the
308	Commissioner, so long as no administrative action has been taken by the department
309	regarding such permittee under this chapter."
310	"(3) For purposes of this subsection:
311	(A) The term 'person' shall include all members of a licensee's permittee's family and
312	all corporations, limited partnerships, limited liability companies, and other business
313	entities in which a licensee permittee holds more than a 50 percent ownership interest;
314	the term 'family' shall include any person related to the holder of the hemp processor
315	permit within the first degree of consanguinity and affinity as computed according to
316	the canon law and who is claimed as a dependent by the licensee permittee for income
317	tax purposes; and
318	(B) The beneficiaries of a trust shall be considered to have a beneficial interest in any
319	business forming a part of the trust estate."

320 SECTION 9.

321

322

323

324

325

326

327

328

329

330

331

332

333

334

335

336

337

338

339

340

341

342

343

344

345

346

Said title is further amended in Code Section 2-23-6.1, relating to bond requirements, breach of bond, hearing, enforcement, and insufficient bond funds, by revising subsections (a), (d), and (e) as follows:

- Any applicant for a hemp processor permit shall make and deliver to the Commissioner a surety bond executed by a surety corporation authorized to transact business in this state and approved by the Commissioner. Any and all bond applications shall be accompanied by a certificate of good standing issued by the Commissioner of Insurance. If any company issuing a bond shall be removed from doing business in this state, it shall be the duty of the Commissioner of Insurance to notify the Commissioner within 30 days. The bond shall be in such amount as the Commissioner may determine, not exceeding an amount equal to 2 percent of the amount of hemp purchased from hemp grower licensees by the permittee in the most recent calendar year; provided, however, that the minimum amount of such bond shall be \$300,000.00 \$20,000.00 and the maximum amount shall be \$1 million. Such bond shall be upon a form prescribed or approved by the Commissioner and shall be conditioned to secure the faithful accounting for and payment to hemp grower licensees for hemp purchased by such permittee as well as to secure the permittee's compliance with the requirements of this chapter. Whenever the Commissioner shall determine that a previously approved bond has for any cause become insufficient, the Commissioner may require an additional bond or bonds to be given in compliance with this Code section. Unless the additional bond or bonds are given within the time fixed by written demand therefor, or if the bond of a permittee is canceled, the permit of such permittee shall be immediately revoked by operation of law without notice or hearing, and such permittee shall be ineligible to reapply for such permit for a period of four years after such revocation."
- "(d) If such settlement is not effected within such time, the Commissioner or the hemp grower licensee may bring an action to enforce the claim. If the hemp grower licensee is

347	not satisfied with the ruling of the Commissioner, he or she may commence and maintain
348	an action against the principal and surety on the bond of the parties complained of as in any
349	civil action.
350	(e) If the bond or collateral posted is insufficient to pay in full the valid claims of hemp
351	grower licensees, the Commissioner may direct that the proceeds of such bond shall be
352	divided pro rata among such hemp grower licensees."
353	SECTION 10.
354	Said title is further amended by adding new Code sections to read as follows:
355	" <u>2-23-6.2.</u>
356	(a) Except as otherwise provided in this chapter, consideration, issuance, and revocation
357	of retail consumable hemp establishment licenses issued by the department pursuant to this
358	Code section shall be accomplished in accordance with Chapter 5 of this title, and such
359	licenses shall otherwise be governed by such chapter.
360	(b) Applications for a retail consumable hemp establishment license shall be made on a
361	form furnished by the Commissioner and, together with such other information as the
362	Commissioner may require, shall state:
363	(1) The name of the applicant;
364	(2) The business address of the applicant;
365	(3) The complete telephone number and email address of the applicant;
366	(4) The location where the applicant will sell or offer for sale consumable hemp products
367	in this state and whether such location is owned or leased by the applicant; and
368	(5) If the applicant is a business entity, the name of the owners, partners, members, or
369	shareholders of such entity.
370	(c) Retail consumable hemp establishment licenses shall be issued by the department for
371	one calendar year at an annual licensing fee of \$250.00.

(d) Retail consumable hemp establishment licenses issued by the department pursuant to
this Code section shall be issued in connection with a single retail location wher
consumable hemp products will be sold or offered for sale to consumers by the licensee
For a person to sell or offer for sale consumable hemp products to consumers at multiple
retail locations, such person shall be required to obtain from the department separate retail
consumable hemp establishment licenses for each such retail location.
consumable hemp establishment needses for each such retail location.

378 <u>2-23-6.3.</u>

- (a) Except as otherwise provided in this chapter, consideration, issuance, and revocation
 of wholesale consumable hemp licenses issued by the department pursuant to this Code
 section shall be accomplished in accordance with Chapter 5 of this title, and such licenses
 shall otherwise be governed by such chapter.
 - (b) Applications for a wholesale consumable hemp license shall be made on a form furnished by the Commissioner and, together with such other information as the Commissioner may require, shall state:
 - (1) The name of the applicant;
 - (2) The business address of the applicant;
 - (3) The complete telephone number and email address of the applicant;
 - (4) The location of the facility where the applicant will store consumable hemp products and otherwise operate as a wholesaler of consumable hemp products in this state and whether such facility is owned or leased by the applicant; and
 - (5) If the applicant is a business entity, the name of the owners, partners, members, or shareholders of such entity.
 - (c) Wholesale consumable hemp licenses shall be issued by the department for one calendar year at an annual licensing fee of at least \$500.00 but not more than \$10,000.00, as established by the Commissioner. The Commissioner may establish separate classes of wholesale consumable hemp licenses based on the amount of consumable hemp products

to be sold by the licensee, and the annual licensing fees required by this subsection shall
 be in different amounts for each such separate class of wholesale consumable hemp
 licenses.
 (d) Wholesale consumable hemp licenses issued by the department pursuant to this Code

(d) Wholesale consumable hemp licenses issued by the department pursuant to this Code section shall be issued in connection with a single facility where the licensee will store consumable hemp products or otherwise operate as a wholesaler of consumable hemp products. For a person to store consumable hemp products or otherwise operate as a wholesaler of consumable hemp products at multiple facilities, such person shall be required to obtain from the department separate wholesale consumable hemp licenses for each such facility.

408 <u>2-23-6.4.</u>

402

403

404

405

406

407

409

410

411

412

413

414

415

416

417

- (a) Except as otherwise provided in this chapter, consideration, issuance, and revocation of manufacturer licenses issued by the department pursuant to this Code section shall be accomplished in accordance with Chapter 5 of this title, and such licenses shall otherwise be governed by such chapter.
- (b) Applications for a manufacturer license shall be made on a form furnished by the Commissioner and, together with such other information as the Commissioner may require, shall state:
 - (1) The name of the applicant;
 - (2) The business address of the applicant;
 - (3) The complete telephone number and email address of the applicant;
- 419 (4) The location of the facility where the applicant will manufacture hemp products in this state and whether such facility is owned or leased by the applicant; and
- 421 (5) If the applicant is a business entity, the name of the owners, partners, members, or shareholders of such entity.

- 423 (c) Manufacturer licenses shall be issued by the department for one calendar year at an
 424 annual licensing fee of \$5,000.00; provided, however, that any person who holds a hemp
 425 processor permit issued by the department under this chapter shall not be required to pay
 426 the annual licensing fee provided for in this subsection in order for such person to be issued
 427 a manufacturer license by the department under this Code section.
 - (d) Manufacturer licenses issued by the department pursuant to this Code section shall be issued in connection with a single facility where the licensee will manufacture hemp products. For a person to manufacture hemp products at multiple facilities, such person shall be required to obtain from the department separate manufacturer licenses for each such facility.
- 433 <u>2-23-6.5.</u>

429

430

431

432

439

440

441

442

443

444

445

446

447

- 434 (a) Any person desiring to perform in this state tests or analyses of any plant within the
 435 genus Cannabis, including but not limited to hemp, or any product made or derived from
 436 such plant, including but not limited to hemp products and consumable hemp products,
 437 shall register with the department as a registered laboratory and pay a one-time registration
 438 fee of \$250.00.
 - (b) Except as otherwise provided in this chapter, consideration, acceptance, and revocation of a registration made pursuant to this Code section shall be accomplished in accordance with Chapter 5 of this title, and such registration shall otherwise be governed by such chapter.
 - (c) Registration with the department as a registered laboratory shall be made on a form and in a manner as prescribed by the Commissioner. Such registration shall include, together with such other information as the Commissioner may require, the following information:
 - (1) The name of the registrant;
 - (2) The business address of the registrant;
 - (3) The complete telephone number and email address of the registrant;

449 (4) The location of the laboratory facility where the registrant will perform tests and 450 analyses of any plant within the genus Cannabis or any product made or derived from 451 such plant; and 452 (5) If the registrant is a business entity, the name of the owner, partners, members, or 453 shareholders of such entity. (d) The department shall not accept a registration under this Code section unless the 454 455 registrant demonstrates, to the department's satisfaction, that it is not affiliated with any 456 licensee or permittee and has been accredited pursuant to the standards of the International 457 Organization for Standardization for the competence, impartiality, and consistent operation 458 of laboratories. (e) Registrations made under this Code section shall be in connection with a single 459 460 laboratory facility. For a person to perform tests or analyses of any plant within the genus 461 Cannabis or any product made or derived from such plant at multiple laboratory facilities, 462 such person shall be required to register each such laboratory facility with the department 463 under this Code section. 464 (f) A registered laboratory, or any person employed by a registered laboratory, shall not 465 be subject to arrest, prosecution, or any civil penalty for possessing, or having under his or 466 her control, THC or marijuana, as such term is defined in Code Section 16-13-21, provided 467 that such possession or control occurs in connection with a test or analysis performed in 468 accordance with the rules and regulations promulgated by the department pursuant to this 469 chapter. 470 (g) The department shall provide by rule and regulation a procedure by which registered

laboratories shall dispose of plants or products within their possession that do not comply

with the provisions of this chapter or are otherwise unlawful under the laws of this state."

471

473	SECTION 11.
474	Said title is further amended by revising Code Section 2-23-7, relating to business
475	agreements, transportation, and reimbursement for crop destruction, as follows:
476	"2-23-7.
477	(a) Every permittee shall at all times have in place written agreements with each <u>hemp</u>
478	grower licensee governing their business relationship. Each permittee shall provide a copy
479	of each such agreement, and any amendments thereto, to the department within ten days
480	of execution of each such agreement or amendment thereto.
481	(b)(1)(A) All hemp being shipped, transported, or otherwise delivered into, within, or
482	through this state must be accompanied by documentation sufficient to prove that the
483	hemp being shipped, transported, or delivered:
484	(i) Was lawfully produced under a state or tribal hemp plan approved by the United
485	States Department of Agriculture, under a hemp license issued by the United States
486	Department of Agriculture, or otherwise in accordance with federal regulations
487	through the state or territory of the Indian tribe, as applicable; and
488	(ii) Does not exceed the federally defined THC level for hemp Has a total
489	delta-9-THC concentration that does not exceed the legal limit.
490	(B) Any person shipping, transporting, or delivering hemp must also carry a bill of
491	lading that includes:
492	(i) Name and address of the owner of the hemp;
493	(ii) Point of origin;
494	(iii) Point of delivery, including name and address;
495	(iv) Kind and quantity of packages or, if in bulk, the total quantity of hemp in the
496	shipment; and
497	(v) Date of shipment.
498	(C) The person shipping, transporting, or delivering hemp must act in compliance with
499	all state and federal laws and regulations.

500	(2)(A) All hemp products being shipped into or transported within or through this state
501	must be accompanied by documentation sufficient to prove that the hemp products
502	being shipped or transported were produced from hemp that was lawfully produced
503	under a state or tribal hemp plan approved by the United States Department of
504	Agriculture, under a hemp license issued by the United States Department of
505	Agriculture, or otherwise in accordance with federal regulations through the state or
506	territory of the Indian tribe, as applicable.

- (B) Any person transporting hemp products must also carry a bill of lading that includes:
 - (i) Name and address of the owner of the hemp products;
 - (ii) Point of origin;

- (iii) Point of delivery, including name and address;
- (iv) Kind and quantity of packages or, if in bulk, the total quantity of hemp products in the shipment; and
- (v) Date of shipment.
- (C) The person transporting hemp products must act in compliance with all state and federal laws and regulations.
- (c) Until December 31, 2022, when a <u>hemp grower</u> licensee disposes of a lot pursuant to Code Section 2-23-8, the permittee with whom the <u>hemp grower</u> licensee has entered into an agreement pursuant to this Code section shall reimburse the <u>hemp grower</u> licensee for half of the amount of the combined value of the seed, fertilizer, labor costs, and any other reasonable and customary input expenses incurred with such disposed of lot."

SECTION 12.

Said title is further amended by revising Code Section 2-23-8, relating to sampling and random testing of hemp, as follows:

525	"2-23-	Q
<i>323</i>	Z-Z 3 -	a

(a)(1) The department shall have the right, either through its own personnel or through an independent contractor as provided for in Code Section 2-23-9, to collect samples of hemp for testing as provided for in this chapter from the fields and greenhouses of all hemp grower licensees. Samples shall be representative of each lot with the same global positioning coordinates. No hemp shall be harvested until such samples are collected. Such testing, and the harvesting of the hemp tested, shall be conducted in compliance with this chapter and with regulations promulgated by the department.

- (2) In the event that a test sample reveals that a sample of hemp has a total delta-9-THC concentration that exceeds the legal limit of more than the federally defined THC level for hemp, the licensee's entire lot with the same global positioning coordinates shall be disposed of in compliance with this chapter and with regulations promulgated by the department.
- (b)(1) The department shall, as provided for in Code Section 2-23-9, randomly test hemp products of the facilities of all permittees. Such testing shall be conducted in compliance with this chapter and with regulations promulgated by the department.
- (2) In the event that a test sample reveals that a sample of hemp products has a total delta-9-THC concentration that exceeds the legal limit of more than the federally defined THC level for hemp, all related hemp products shall be disposed of in compliance with this chapter and with regulations promulgated by the department.
- (3) In the event that THC is removed from hemp during processing and not subsequently returned to hemp products produced from such hemp, such THC shall be disposed of in compliance with this chapter and with regulations promulgated by the department."

SECTION 13.

Said title is further amended by adding new Code sections to read as follows:

550	<u>2-23-9.1.</u>
551	(a) No consumable hemp product shall be sold or otherwise distributed in this state unless
552	the processor or manufacturer has, within the last 12 months, contracted for a full panel
553	certificate of analysis to be conducted on such product and such analysis has been
554	conducted and made available to the public. Such full panel certificate of analysis shall,
555	at a minimum:
556	(1) Attest to the presence and amount, in such product's final packaged form, of the
557	following compounds:
558	(A) THC;
559	(B) Cannabidiol (CBD);
560	(C) Cannabidiolic acid (CBDA);
561	(D) Cannabigerol (CBG);
562	(E) Cannabigerolic acid (CBGA);
563	(F) Cannabinol (CBN);
564	(G) Hexahydrocannabinol (HHC); and
565	(H) Any other compound that the department determines is necessary to protect the
566	health and safety of consumers; and
567	(2) Attest that the product, in its final packaged form, does not contain any contaminants
568	in excess of the maximum levels established by the department. In establishing such
569	maximum levels, the department shall consider the American Herbal Pharmacopoeia
570	monographs or such other scientific resources that the department determines is accurate,
571	reliable, and relevant.
572	(b) Any consumable hemp product sold or otherwise distributed in this state shall bear:
573	(1) A sticker, approved by the department, warning potential consumers that such
574	product contains THC; and

3/3	(2) A conspicuous label providing the information from the full panel certificate of
576	analysis conducted on such product within the last 12 months pursuant to subsection (a)
577	of this Code section or allowing a consumer to access such information using a QR code.
578	(c) The department shall randomly inspect and test consumable hemp products available
579	for purchase at retail establishments to ensure compliance with this Code section. Such
580	investigations and testing shall be conducted in compliance with this chapter and with the
581	rules and regulations promulgated by the department.
582	(d) In the event that an inspection or test of a consumable hemp product conducted by the
583	department pursuant to subsection (c) of this Code section reveals that such product:
584	(1) Does not bear:
585	(A) The sticker required under paragraph (1) of subsection (b) of this Code section; or
586	(B) The label required under paragraph (2) of subsection (b) of this Code section;
587	(2) Has a total delta-9-THC concentration that exceeds the legal limit;
588	(3) Contains one or more contaminants in excess of the maximum levels established by
589	the department; or
590	(4) Has a composition that is materially different from what is shown on the full panel
591	certificate of analysis conducted on such product within the last 12 months pursuant to
592	subsection (a) of this Code section,
593	such product and all related consumable hemp products shall be disposed of in compliance
594	with this chapter and with the rules and regulations promulgated by the department.
595	(e) Any person who violates the provisions of subsection (a) or (b) of this Code section
596	shall be guilty of a misdemeanor.
597	<u>2-23-9.2.</u>
598	(a) No consumable hemp product shall be sold or otherwise distributed in this state unless
599	such product is packaged in a container that:
600	(1) Is not attractive to children;

601	(2) Does not bear any reasonable resemblance to any existing candy, snack, or other food
602	product that is widely distributed and familiar to the public;
603	(3) Does not infringe on any trade dress, trademarks, branding, or other related materials
604	as described in Code Section 10-1-450 or in Chapter 22 of Title 15 of the United States
605	Code; and
606	(4) Is tamper evident and child resistant.
607	(b) No consumable hemp product shall be advertised in this state in any manner that:
608	(1) Is attractive to children;
609	(2) Bears a reasonable resemblance to any existing candy, snack, or other food product
610	that is widely distributed and familiar to the public;
611	(3) Infringes on any trade dress, trademarks, branding, or other related materials as
612	described in Code Section 10-1-450 or in Chapter 22 of Title 15 of the United States
613	Code; or
614	(4) Suggests that such product constitutes or contains low THC oil, as such term is
615	defined in Code Section 16-12-190, or otherwise constitutes or contains medical
616	marijuana or medical cannabis.
617	(c)(1) As used in this subsection, the term:
618	(A) 'Food product' means any product intended to be consumed by humans for physical
619	subsistence; provided, however, that such term shall not include products that constitute
620	drinks or beverages.
621	(B) 'Gummy' means a gelatinous substance in the form of a cube, sphere, prismatoid,
622	ovoid, or other shape that is designed for human ingestion.
623	(2) No consumable hemp product shall be sold or otherwise distributed in this state if
624	such product constitutes or is a component of:
625	(A) A food product; or
626	(B) A drink or beverage that contains alcohol or constitutes an alcoholic beverage
627	under Title 3.

528	(3) Nothing in this subsection is intended to prohibit the sale or distribution of hemp that
529	is contained within gummies or consumable base oils, provided that such gummies or
630	consumable base oils are not a component of a food product."
631	SECTION 14.
532	Said title is further amended by adding a new Code section to read as follows:
533	" <u>2-23-9.3.</u>
634	(a) On or after July 1, 2024, no person shall create or begin operating in this state a retail
535	establishment that sells or otherwise distributes consumable hemp products to consumers
636	that is located within 500 feet of any educational institution, public or private, providing
637	elementary or secondary education to children at any level, kindergarten through twelfth
538	grade, or the equivalent thereof if grade divisions are not used by such institution.
539	(b)(1) As used in this subsection, the term:
540	(A) 'Dispensing license' shall have the same meaning as provided in Code
541	Section 16-12-200.
542	(B) 'Low THC oil' shall have the same meaning as provided in Code
543	Section 16-12-190.
544	(2) No person operating a retail establishment in this state that sells or otherwise
545	distributes consumable hemp products to consumers shall advertise or represent such
646	establishment as selling or otherwise distributing or being a dispensary of low THC oil
647	or products containing low THC oil unless such person holds a dispensing license."
548	SECTION 15.
549	Said title is further amended by revising Code Section 2-23-10, relating to enforcement,
650	corrective action plan, revocation of licenses, and reporting of licensees and permittees to the
551	Attorney General, as follows:

652	"2-23-10

- (a) A violation of a plan authorized by Code Section 2-23-11 and approved by the secretary of agriculture of the United States by a licensee or permittee shall be subject to enforcement in accordance with this Code section.
 - (b)(1) A <u>hemp grower</u> licensee or permittee under this chapter shall be required to conduct a corrective action plan if the Commissioner determines that the <u>hemp grower</u> licensee or permittee has negligently violated this chapter or has violated rules and regulations promulgated by the department pursuant to this chapter by:
 - (A) Failing to provide a legal description and global positioning coordinates sufficient for locating fields and greenhouses the <u>hemp grower</u> licensee uses to cultivate and harvest hemp or facilities at which the permittee processes hemp;
 - (B) Failing to properly obtain a <u>hemp grower</u> license or permit from the department;
 - (C) Producing Cannabis sativa L. with more than the federally defined THC level for hemp a total delta-9-THC concentration that exceeds the legal limit; or
 - (D) Otherwise negligently violating this chapter.
 - (2) A corrective action plan required by this Code section shall include:
 - (A) A reasonable date by which the <u>hemp grower</u> licensee or permittee shall correct the negligent violation; and
 - (B) A requirement that the <u>hemp grower</u> licensee or permittee shall periodically report to the Commissioner on the compliance status of the <u>hemp grower</u> licensee or permittee with the corrective action plan for a period of not less than two calendar years after the violation.
 - (c) Except as provided in subsection (d) of this Code section, a <u>hemp grower</u> licensee or permittee that negligently violates this chapter or rules and regulations promulgated by the department pursuant to this chapter shall not as a result be subject to any criminal or civil enforcement action by any government agency other than the enforcement action authorized under subsection (b) of this Code section.

- (d) A <u>hemp grower</u> licensee or permittee that negligently violates the corrective action plan under subsection (b) of this Code section this chapter or the rules and regulations promulgated by the department pursuant to this chapter three times in a five-year period shall have its <u>hemp grower</u> license or permit issued pursuant to this chapter immediately revoked and shall be ineligible to reapply for a <u>hemp grower</u> license or permit for a period of five years after the date of the third violation.
- (e) If the Commissioner determines that a <u>hemp grower</u> licensee or permittee has violated state law with a culpable mental state greater than negligence, the Commissioner shall immediately report the <u>hemp grower</u> licensee or permittee to the United States Attorney General and the state Attorney General, and subsection (a) of this Code section shall not apply to the violation.
- (f) Laws enacting criminal offenses, including laws provided for in Title 16, not in conflict with this chapter shall continue to be enforceable and of full force and effect."

SECTION 16.

Said title is further amended in Code Section 2-23-11, relating to plan for regulation of hemp production and approval, by revising paragraph (2) of subsection (a) and adding a new subsection to read as follows:

"(2) A procedure to test the total delta-9-THC concentration of a sample levels, by using post-decarboxylation or other similarly reliable methods, for hemp produced in this state;"

"(c) The department may submit an amended plan to the secretary of agriculture of the United States if or when required by any amendment to this chapter, the rules and regulations promulgated by the department pursuant to this chapter, or any federal law or regulation."

702	SECTION 17.
703	Said title is further amended by revising Code Section 2-23-12, relating to rules and
704	regulations, as follows:
705	<i>"</i> 2-23-12.
706	The department, in consultation with the Georgia Bureau of Investigation, shall may
707	promulgate rules and regulations as necessary to implement the provisions of this chapter.
708	Such rules and regulations shall include the plan provided for in Code Section 2-23-11
709	upon the approval of such plan by the secretary of agriculture of the United States."
710	SECTION 18.
711	Chapter 12 of Title 16 of the Official Code of Georgia Annotated, relating to offenses against
712	public health and morals, is amended by adding a new article to read as follows:
713	"ARTICLE 10
714	<u>16-12-240.</u>
715	As used in this article, the term:
716	(1) 'Consumable hemp product' shall have the same meaning as provided in Code
717	Section 2-23-3.
718	(2) 'Person' means any natural person or any firm, partnership, company, corporation, or
719	other entity.
720	(3) 'Proper identification' means any document issued by a governmental agency that
721	contains a description of an individual, such individual's photograph, or both; provides
722	such individual's date of birth; and includes, without limitation, a passport, military
723	identification card, driver's license, or an identification card authorized under Code
724	Sections 40-5-100 through 40-5-104; provided, however, that such term shall not include
725	a birth certificate.

- 726 <u>16-12-241.</u>
- (a) It shall be unlawful for any person to knowingly sell, furnish, or cause to be furnished,
- directly or through another person, any consumable hemp product to any individual under
- 729 <u>the age of 21 years.</u>
- (b) It shall be unlawful for any individual under the age of 21 years to knowingly:
- 731 (1) Purchase, attempt to purchase, or possess any consumable hemp product; or
- (2) Misrepresent his or her identity or age or use any false identification for the purpose
- of obtaining, or attempting to obtain, any consumable hemp product.
- 734 (c)(1) The prohibition contained in subsection (a) of this Code section shall not apply
- with respect to the sale of any consumable hemp product by a person when such person
- has been furnished with proper identification showing that the individual to whom the
- consumable hemp product is to be sold or furnished is 21 years of age or older.
- 738 (2) In any case where a reasonable or prudent person could reasonably be in doubt as to
- whether or not the individual to whom any consumable hemp product is to be sold or
- furnished is 21 years of age or older, it shall be the duty of the person selling or
- furnishing such consumable hemp product to request to see and to be furnished with
- proper identification in order to verify the age of such individual. The failure to make
- such request and verification in any case where the individual to whom any consumable
- hemp product is sold or furnished is under the age of 21 years may be considered by the
- 745 <u>trier of fact in determining whether the person who sold or furnished such consumable</u>
- hemp product did so knowingly.
- 747 (d) Nothing contained in this Code section shall be construed to prohibit any individual
- 748 <u>under the age of 21 years from dispensing, serving, selling, or handling any consumable</u>
- hemp product as part of employment in any place of business that requires such individual
- to dispense, serve, sell, or handle consumable hemp products.
- (e) Any person who violates this Code section shall be guilty of a misdemeanor; provided,
- however, that, upon the first conviction of a violation of subsection (b) of this Code

- section, such person shall be punished by a fine not to exceed \$500.00 and the court shall,
 pursuant to paragraph (3) of subsection (d) of Code Section 17-10-1, allow such person to
 satisfy such fine through community service as set forth in Article 3 of Chapter 3 of
 Title 42.
- 757 <u>16-12-242.</u>
- (a) Any person owning or operating a place of business in which any consumable hemp product is offered for sale shall post in a conspicuous place a sign which shall contain the following statement printed in all capital letters of at least one-half inch in height:
- 761 <u>'SALE OF CONSUMABLE HEMP PRODUCTS TO INDIVIDUALS UNDER 21</u>
- 762 YEARS OF AGE IS PROHIBITED BY LAW.'
- (b) Any person who fails to comply with the requirements of subsection (a) of this Code
 section shall be guilty of a misdemeanor.
- 765 <u>16-12-243.</u>
- 766 The Commissioner of Agriculture, acting through special agents or enforcement officers, 767 and other law enforcement agencies may conduct random, unannounced inspections at 768 locations where consumable hemp products are sold or distributed to ensure compliance 769 with this article. Individuals under the age of 21 years may be enlisted to test compliance 770 with this article; provided, however, that such individuals may be used to test compliance 771 with this article only if the testing is conducted under the direct supervision of such special 772 agents or enforcement officers of the Department of Agriculture or a peace officer and if 773 written parental consent for such individuals has been provided. Any other use of individuals under the age of 21 years to test compliance with this article or any other 774 775 similar provisions shall be unlawful, and the person or persons responsible for such use 776 shall be subject to the penalties prescribed in this article."

777	SECTION 19.
778	All fees collected pursuant to this Act shall be paid into the general fund of the state treasury.
779	SECTION 20.
780	(a) This section and Sections 14 and 21 of this Act shall become effective on July 1, 2024.
781	(b) The remaining sections of this Act shall become effective on October 1, 2024.
782	SECTION 21.
783	All laws and parts of laws in conflict with this Act are repealed.