AN ACT

To amend and reenact R.S. 3:1402, 1461, 1462, 1464(8), 1465(A), (C)(1), and (D)(1), 1466(A) and (B)(2), 1468, 1471(A)(4), 1481, 1482, 1483, 1484, and 1485(B) and (G) and R.S. 47:1692 and 1693(A) and to enact R.S. 3:1469(C) and 1473, relative to industrial hemp; to provide for the regulation of industrial hemp; to provide for exemptions from commercial feed regulations; to provide for definitions; to provide for licensure; to provide relative to criminal background checks; to provide for testing; to provide relative to research entities; to provide for a centralized website; to provide a definition for consumable hemp products; to provide for regulation of consumable hemp products; to provide for license and permit fees; to provide for criminal penalties; to provide for civil penalties; to provide relative to the tax on hemp products; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 3:1402, 1461, 1462, 1464(8), 1465(A), (C)(1), and (D)(1), 1466(A) and (B)(2), 1468, 1471(A)(4), 1481, 1482, 1483, 1484, and 1485(B) and (G) are hereby amended and reenacted and R.S. 3:1469(C) and 1473 are hereby enacted to read as follows:

§1402. Exemptions

The provisions of this Part shall not apply to any commercial feeds that have been manufactured or produced by any person for the purpose of feeding his own livestock or manufactured or registered in accordance with Part VI of this Chapter.

*    *    *
§1461. Purpose

It is hereby the intent of the legislature to recognize industrial hemp as an agricultural commodity and authorize the cultivation, processing, and transportation handling of industrial hemp as legal, agricultural activities in the state of Louisiana in accordance with the Agriculture Improvement Act of 2018, P.L. 115-334.

§1462. Definitions

As used in this Part, the following terms shall have the following meanings:

(1) "Applicant" means a natural person or any individual who applies on behalf of a partnership, corporation, cooperative association, limited liability company, joint stock association, sole proprietorship, joint venture, business association, professional corporation, or any other legal entity or organization through which business is conducted for a grower, processor, contract carrier, handler, or industrial hemp seed producer license.

(2) "Commission" means the Agricultural Chemistry and Seed Commission.

(3) "Commissioner" means the Louisiana commissioner of agriculture and forestry.

(4) "Contract carrier" means an entity operating in intrastate commerce to transport or deliver industrial hemp for compensation.

(5) "Cultivate" or "cultivating" means planting, growing, or harvesting industrial hemp.

(6) "Department" means the Louisiana Department of Agriculture and Forestry.

(7) "Designated responsible party" means a natural person designated by the applicant or licensee as responsible for facility operations of the applicant or licensee facility.

(8) "Federally defined THC level for hemp" means the greater of the following:

(a) A delta-9-THC concentration of not more than three-tenths of a percent (0.3%) on a dry weight basis.
(b) The THC concentration for hemp defined in 7 U.S.C. 1639q.

(7) "Grower" means any individual, partnership, corporation, cooperative association, or other business entity that is licensed by the department to cultivate industrial hemp.

(8) "Handle" or "handling" means possessing or storing industrial hemp for any period of time on premises owned, operated, or controlled by a person licensed by the Department of Agriculture and Forestry to cultivate or process industrial hemp, any of the following:

(a) Transporting or delivering industrial hemp material in intrastate commerce for compensation.

(b) Commercially harvesting, storing, or grinding industrial hemp material received from a grower.

(c) Cleaning or packaging industrial hemp seed received from a seed producer.

(d) Brokering industrial hemp material.

(e) Receiving industrial hemp material for testing.

(9) "Handler" means any individual, partnership, corporation, cooperative association, or other business entity that handles industrial hemp.

(10) "Industrial hemp" means the plant Cannabis sativa L. and any part of such plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with no more than the federally defined THC level for hemp, a total delta-9 THC concentration of not more than 0.3 percent on a dry weight basis.

(11) "Industrial hemp seed" means Cannabis sativa L. seed or other propagating stock which have been inspected and sampled during their period of growth and preparation for market by the commissioner, or by the inspection official of the state in which the seeds or propagating stock were grown, and which have been found to conform to the regulations issued by the commission pursuant to this Part.
"Key participant" means a sole proprietor, a partner in a partnership, or a person with executive managerial control in a corporation. A person with executive managerial control includes persons such as a chief executive officer, chief operating officer, and chief financial officer. "Key participant" does not include non-executive managers such as farm, field, or shift managers.

"Licensure" means any license that the department is authorized to issue to a grower, seed producer, contract carrier, and processor, or handler of industrial hemp.

"Process” means converting industrial hemp into a marketable form.

"Processor" means any individual, partnership, corporation, cooperative association, or other business entity that receives industrial hemp for storage or processing into commodities, or products, or industrial hemp seed.

"Processor" shall not include a consumable hemp processor as defined in R.S. 3:1481.

"Seed producer" means a person licensed by the department to obtain, produce, transport, and sell industrial hemp seed in the state.

"State plan" means a plan required for approval by the United States Secretary of Agriculture to monitor and regulate the production of industrial hemp.

"THC" means a combination of tetrahydrocannabinol; and tetrahydrocannabinolic acid, or a combination of both.

"Transport" or "transporting" means the movement of industrial hemp from the premises of a licensee to the premises of another licensee or from the premises of a licensee to the premises of a permit holder pursuant to R.S. 3:1483 by means of a vehicle.

§1464. Powers and duties of the commissioner

The commissioner shall:

* * *

CODING: Words in struck through type are deletions from existing law; words underscored are additions.
Create a state plan, in consultation with the governor and attorney general, to monitor and regulate the production of industrial hemp. The state plan shall include all requirements specified in the Agriculture Improvement Act of 2018, P.L. 115-334.

(a) Submit the state plan to the House and Senate committees on agriculture for approval no later than October 15, 2019.

(b) Submit the state plan for approval by the United States Secretary of Agriculture no later than November 1, 2019.

§1465. Licensure

A.(1)(a) Each industrial hemp seed producer shall obtain an annual license issued by the department. The license shall authorize the licensee to produce, transport, and sell approved seeds to licensed industrial hemp growers, seed producers, handlers, and processors.

(b)(b) A licensed industrial hemp seed producer shall ensure that the seed complies with the standards set by the commission.

(c) The department shall provide information that identifies sellers of industrial hemp seed to growers.

(2) A grower of industrial hemp shall obtain an annual license issued by the department. The license shall authorize the licensee to possess, store, cultivate, handle, and transport industrial hemp in this state.

(3) A processor of industrial hemp shall obtain an annual license issued by the department. The license shall authorize the licensee to handle, possess, store, process, and transport industrial hemp in this state.

(4) A contract carrier handler of industrial hemp shall obtain an annual license issued by the department. The license shall authorize the licensee to transport handle industrial hemp in this state.

CODING: Words in struck through type are deletions from existing law; words underscored are additions.
C.(1) The application for any grower, processor, contract carrier, handler, or industrial hemp seed producer license shall include the following information:

(a) The name and address of the applicant.

(b) The name and address of the designated responsible party, if the applicant is a business entity.

(c) Except for the contract carrier applicant, if applicable, the legal description and global positioning coordinates of the land area to be used to produce or process industrial hemp.

*          *          *

D.(1) Upon application for initial licensure or annual license renewal, each applicant shall be required to submit to a criminal background check pursuant to the provisions of this Subsection. For purposes of this Subsection, "applicant" shall mean an applicant, key participant, or designated responsible party as defined in R.S. 3:1462.

*          *          *

§1466. Records required

A. Every grower, processor, contract carrier, handler, and industrial hemp seed producer shall maintain full and accurate records as required by rules and regulations of the department.

B. The department's rules and regulations on record keeping shall, at a minimum, require the following:

*          *          *

(2) Growers and seed producers shall maintain documentation of traceability from seed acquisition to harvest to crop termination.

*          *          *

§1468. Testing; inspections

A.(1) The department shall collect samples to test all industrial hemp crops prior to harvest to ensure the THC concentration does not exceed the federally defined THC level for hemp a total delta-9 THC concentration of 0.3 percent on a
dry weight basis. The grower shall harvest his approved industrial hemp plants not more than fifteen thirty days following the date of sample collection by the department, unless specifically authorized in writing by the department.

(2) The department may enter into contracts, cooperative endeavor agreements, memoranda of understanding, or other agreements with any public postsecondary education institution for the testing of THC levels in industrial hemp crops or industrial hemp products deemed necessary by the commissioner.

B. In addition to any scheduled testing, the department may randomly inspect any industrial hemp crop or industrial hemp product in the possession of any person or entity with a grower, processor, contract carrier, handler, or industrial hemp seed producer license and take a representative composite sample for field THC concentration analysis if the department has reason to believe a violation of this Part has occurred. If an industrial hemp crop or industrial hemp product contains a THC concentration that exceeds the federally defined THC level for hemp, the department may detain, seize, destroy, or embargo the industrial hemp crop or industrial hemp product.

C. Any facility processing industrial hemp products for consumption shall be subject to inspection by the Louisiana Department of Health as provided for in R.S. 40:631.

§1469. Industrial hemp research

* * *

C. Except for those entities exempted pursuant to this Part, all industrial hemp licensees whose intent is to perform industrial hemp research shall submit an annual industrial hemp research plan to the department. The department shall adopt rules establishing the requirements of the industrial hemp research plan. Such rules shall include performance-based sampling requirements.

* * *
§1471. Criminal penalties

A. It shall be unlawful for any person or entity to cultivate, handle, process, or transport industrial hemp in any of the following circumstances:

* * *

(4) If the Cannabis sativa L. plant or any part of that plant would otherwise be industrial hemp as defined by this Part except that it has a THC concentration that exceeds the federally defined THC level for hemp THC concentration authorized in this Part. This shall not include handling the plant for destruction as required by the department pursuant to this Part.

* * *

§1473. Centralized website

The Louisiana State University Agricultural Center shall develop a centralized industrial hemp website that provides to the public information, resources, and educational opportunities concerning industrial hemp. The agricultural center shall develop the website in collaboration with the Southern University Agricultural Center, Louisiana Department of Agriculture and Forestry, Louisiana Department of Health, the office of alcohol and tobacco control, Department of Economic Development, and relevant industry associations.

PART VI. INDUSTRIAL HEMP-DERIVED CANNABIDIOL CONSUMABLE HEMP PRODUCTS

§1481. Definitions

As used in this Part:

(1) "CBD" means cannabidiol.

(2) "Commissioner" means the commissioner of alcohol and tobacco control.

(2)(a) "Consumable hemp product" means any product derived from industrial hemp that contains any cannabinoid, including cannabidiol, and is intended for consumption or topical use.

(b) "Consumable hemp product" shall include commercial feed, pet products, and hemp floral material.
(3) "Consumable hemp processor" means any individual, partnership, corporation, cooperative association, or other business entity that receives industrial hemp for the manufacturing or processing of a consumable hemp product.

(4) "Department" means the Louisiana Department of Health.

(4) "Federally defined THC level for hemp" means the greater of the following:

(a) A delta-9-THC concentration of not more than three-tenths of a percent (0.3%) on a dry weight basis.

(b) The THC concentration for hemp defined in 7 U.S.C. 1639o.

(5) "Industrial hemp" or "hemp" means the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with no more than the federally defined THC level for hemp a total delta-9 THC concentration of not more than 0.3 percent on a dry weight basis.

(6) "Industrial hemp-derived CBD product" means any industrial hemp-derived product that contains CBD intended for consumption or topical use.

(7) "Remote retailer" means a person or entity who offers any industrial hemp-derived CBD consumable hemp product for sale at retail, or for any transaction of products in lieu of a sale, through a digital application, catalog, or the internet, that can be purchased and delivered directly to a consumer in Louisiana.

(8) "Retail sale" or "sale at retail" means the sale or any transaction in lieu of a sale of products to the public for use or consumption but does not include the sale or any transaction in lieu of a sale of products for resale.

(9) "State plan" means a plan required for approval by the United States Secretary of Agriculture to monitor and regulate the production of hemp.

(9) "THC" means a combination of tetrahydrocannabinol and tetrahydrocannabinolic acid.

(10) "Wholesaler" means a wholesale seller, distributor, or packer of consumable hemp products.
§1482. CBD Consumable hemp products; prohibitions

A. No person shall process or sell:

(1) Any part of hemp for inhalation, except for hemp rolling papers.

B. No person shall process or sell:

(1) Any alcoholic beverage containing CBD cannabidiol.

(2) Any consumable hemp product without a license or permit required pursuant to this Part.

(3) Any food product or beverage containing CBD unless the United States Food and Drug Administration approves CBD as a food additive.

B. C. It shall be unlawful for any person to knowingly, willfully, or intentionally violate the provisions of this Section. Whoever knowingly, willfully, or intentionally violates the provisions of this Section shall be penalized as follows:

(1) On a first conviction, the offender shall be fined not more than three hundred dollars.

(2) On a second conviction, the offender shall be fined not more than one thousand dollars.

(3) On a third or subsequent conviction, the offender shall be fined not more than five thousand dollars.

D. The provisions of this Part shall be preempted by any federal statute, federal regulation, or guidance from a federal government agency that is less restrictive than the provisions of this Part.

§1483. Product approval; consumable hemp processors; Louisiana Department of Health

A. (1) Each consumable hemp processor shall obtain an annual consumable hemp processor license issued by the department. The department shall charge and collect an annual consumable hemp processor license fee. The fee shall be for each separate processing facility and shall be based on the annual sales of such facility according to the following schedule:
<table>
<thead>
<tr>
<th>Annual Sales</th>
<th>Annual Fee</th>
</tr>
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<tbody>
<tr>
<td>Under $500,000</td>
<td>$175.00</td>
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<tr>
<td>$500,001 - $1,000,000</td>
<td>$475.00</td>
</tr>
<tr>
<td>$1,000,001 - $2,500,000</td>
<td>$775.00</td>
</tr>
<tr>
<td>$2,500,001 - $5,000,000</td>
<td>$1,075.00</td>
</tr>
<tr>
<td>Over $5,000,000</td>
<td>$1,375.00</td>
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(2) A consumable hemp processor shall adhere to any sanitary regulations promulgated by the department.

A. Any CBD consumable hemp product that is manufactured, distributed, imported, or sold for use in Louisiana shall:

(1) Be produced from hemp grown by a licensee authorized to grow hemp by the United States Department of Agriculture or under an approved state plan pursuant to the Agriculture Improvement Act of 2018, P.L. 115-334, or under an authorized state pilot program pursuant to the Agriculture Act of 2014, P.L. 113-79.

(2) Be registered with the department in accordance with the State Food, Drug, and Cosmetic Law provisions of this Section. The department shall charge and collect a fee of not more than fifty dollars for each separate and distinct product registered. This charge shall be in lieu of the charge collected pursuant to R.S. 40:628.

(3) Receive label approval from the department.

(4) Not be marketed as dietary.

(5) Not contain any active pharmaceutical ingredient (API) recognized by the United States Food and Drug Administration other than cannabidiol. The provisions of this Paragraph shall not apply to products intended for topical application.

(6) Not contain a total delta-9 THC concentration of more than 0.3 percent on a weight to weight basis.

(7) Not contain a total THC concentration of more than one percent on a weight to weight basis.
B. All labels shall meet the following criteria in order to receive approval from the department:

(1) Contain no medical claims.

(2) Have a scannable bar code, QR code, or web address linked to a document or website that contains a certificate of analysis as provided in Subsection E of this Section.

D. In addition to the requirements provided in Subsections B and C of this Section, floral hemp material shall:

(1) Be contained in tamper-evident packaging. A package shall be deemed tamper-evident if it clearly indicates prior access to the container.

(2) Not be labeled or marketed for inhalation.

E. In addition to the registration requirements established by the department, the application for registration shall include a certificate of analysis containing the following information:

(1) The batch identification number, date received, date of completion, and the method of analysis for each test conducted.

(2) Test results identifying the cannabinoid profile by percentage of dry weight, solvents, pesticides, microbials, and heavy metals.

F. The certificate of analysis required by Subsection E of this Section shall be completed by an independent laboratory that meets the following criteria:

(1) Is accredited as a testing laboratory approved by the department.

(2) Has no direct or indirect interest in a grower, processor, or distributor of hemp or hemp products.

G. The department shall provide a list of registered products to the office of alcohol and tobacco control, law enforcement, and other necessary entities as determined by the department.

H. The provisions of this Section do not authorize any person to manufacture, distribute, import, or sell any CBD cannabinoid product derived from any source other than hemp.
I. Any facility processing industrial hemp products intended for human consumption that do not meet the definition of consumable hemp product provided in this Part shall be regulated in accordance with the State Food, Drug, and Cosmetic Law.

J. Whoever processes consumable hemp products without a license shall be subject to imprisonment at hard labor for not less than one year nor more than twenty years and shall be fined not more than fifty thousand dollars.

G.K. The provisions of this Part shall not apply to any CBD cannabinoid product approved by the United States Food and Drug Administration or produced in accordance with R.S. 40:1046.

H. The department shall charge and collect from the manufacturers or packers of industrial hemp-derived CBD products an annual examination and investigation charge of not more than fifty dollars for any one separate and distinct product registered. This charge shall be in lieu of the charge pursuant to R.S. 40:628.

I. Any wholesale seller, manufacturer, distributor, or packer of industrial hemp-derived CBD products shall be regulated by the department in accordance with the State Food, Drug, and Cosmetic Law.

J.L. The department shall promulgate rules and regulations in accordance with the Administrative Procedure Act to implement the provisions of this Section. The rules shall specify standards for product labels, procedures for label approval, requirements for accreditation for laboratories, and any prohibited dosage vehicles as determined by the department, and sanitary requirements specific to consumable hemp processors.

§1484. Permit to sell; office of alcohol and tobacco control

A.(1) Each wholesaler of consumable hemp products shall apply for and obtain a permit from the office of alcohol and tobacco control.

CODING: Words in struck through type are deletions from existing law; words underscored are additions.
(2) The commissioner may establish and collect an annual wholesaler permit fee. The amount of the wholesaler permit fee shall be based on the cost of the regulatory functions performed and shall not exceed five hundred dollars per year.

A.B.(1)(a) Each person who sells or is about to engage in the business of selling at retail any industrial hemp-derived CBD consumable hemp product shall first apply for and obtain a permit for each place of business from the office of alcohol and tobacco control.

(a)(b) For purposes of this Section, each individually registered domain name owned or leased by or on behalf of a remote retailer shall be considered a place of business. No person or entity shall be required to have a physical place of business in the state of Louisiana in order to sell industrial hemp-derived CBD consumable hemp products at retail.

(b) The office of alcohol and tobacco control has no authority to permit or otherwise regulate any wholesale seller, manufacturer, distributor, or packer of industrial hemp-derived CBD products.

(2) Prior to selling industrial hemp-derived CBD consumable hemp products at a special event, the retailer shall request and promptly receive an annual special event permit from the commissioner. For purposes of this Section, a special event shall be defined as any event held at any location, other than a permitted place of business, where industrial hemp-derived CBD consumable hemp products are sold. The permittee shall notify the commissioner in writing of any special event the permittee will be attending prior to the event. Failure to notify the commissioner shall be grounds for revocation of the permit.

(3) No permit issued pursuant to this Section shall authorize the permittee to sell or offer for sale any CBD cannabinoid product derived from any source other than hemp.

(4) No industrial hemp-derived CBD consumable hemp product shall be sold to any person under the age of eighteen years.
The commissioner may establish and collect an annual retail permit fee and an annual special event permit fee. The amount of each permit fee provided for in this Subsection shall be based on the cost of the regulatory functions performed and shall not exceed one hundred seventy-five dollars per year.

The commissioner may, in addition to revocation or suspension of a permit issued under the authority of this Section, impose the following fines for selling at retail hemp-derived CBD products without a permit: Any person who violates any of the provisions of this Part or rules adopted pursuant to this Part, who alters, forges, or counterfeits, or uses without authority any permit or other document provided for in this Part, who operates without a permit, or who fails to collect or to timely pay the assessments, fees, and penalties due or assessed pursuant to this Part, shall be subject, in addition to any unpaid assessments, late fees, or collection costs, to the civil penalties provided in this Section. Each day on which a violation occurs shall constitute a separate offense.

(1) For a first offense, not more than three hundred dollars.

(2) For a second offense, which occurs within two years of the first offense, not more than one thousand dollars.

(3) For a third or subsequent offense, which occurs within two years of the first offense, not less than five hundred dollars but not more than three thousand dollars.

In addition to the penalties provided in Subsection D of this Section, any permittee who violates any provisions of this Part shall be subject to having his permit suspended or revoked. Any fine imposed pursuant to this Part or the revocation or suspension of a permit is in addition to and is not in lieu of or a limitation on the imposition of any other penalty provided by law.

In addition to the commissioner's authority to revoke or suspend a permit pursuant to this Section, the secretary of the Department of Revenue shall order the commissioner to immediately suspend the retailer's permit if the secretary determines that an industrial hemp-derived CBD a consumable hemp product retailer...
has failed to timely file returns or pay taxes as required by R.S. 47:1693. The
secretary shall order the commissioner to suspend the retailer's permit until the
returns have been filed and the taxes are paid. No permit shall be suspended for taxes
which have been properly protested or appealed by the retailer pursuant to R.S.
47:1565 or 1567.

F-G. The commissioner shall adopt rules and regulations in accordance with
the Administrative Procedure Act to implement the provisions of this Section. The
rules shall not include any fees or penalties for any permit not provided for in this
Section, or any requirements for proof of Louisiana residency, criminal background
checks, diagrams of retail premises, or proof of lease or ownership of any retail
establishment.

§1485. Industrial Hemp Advisory Committee

* * *

B. The committee is hereby authorized to receive and review information
and requests and make recommendations for future legislation relative to the
regulation of industrial hemp; and industrial hemp products; and industrial
hemp-derived CBD products.

* * *

G. The committee may call upon and utilize the assistance and
recommendations of those market participants directly involved with the industrial
hemp industry including but not limited to seed distributors, growers, handlers,
processors, manufacturers, wholesalers, and retailers of industrial hemp, industrial
hemp products, and industrial hemp-derived CBD products; and any other private
sources as deemed necessary by the committee.

* * *

Section 2. R.S. 47:1692 and 1693(A) are hereby amended and reenacted to read as
follows:
CHAPTER 19. INDUSTRIAL HEMP-DERIVED CBD CONSUMABLE HEMP

PRODUCT TAX

§1692. Definitions

As used in this Chapter, the following terms shall have the meaning ascribed to them in this Section unless the context clearly indicates otherwise:

1. "CBD" means cannabidiol; "Consumable hemp product" shall have the same definition as set forth in R.S. 3:1481.

2. Solely for purposes of the imposition of the industrial hemp-derived CBD tax, "Consumer" means either a business entity or a person who purchases industrial hemp-derived CBD products.

3. Solely for purposes of the imposition of the industrial hemp-derived CBD tax, "industrial hemp" means the plant Cannabis sativa and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis, and produced from hemp grown by a licensee authorized to grow hemp by the United States Department of Agriculture, or under an approved state plan pursuant to the Agriculture Improvement Act of 2018, P.L. 115-334, or under an authorized state pilot program pursuant to the Agriculture Act of 2014, P.L. 113-79. Industrial hemp shall not include plants of the Genus Cannabis that meet the definition of "marijuana" as defined in R.S. 40:961.


5. Solely for purposes of the imposition of the industrial hemp-derived CBD tax, "retail sale" means the sale or transfer of industrial hemp-derived CBD consumable hemp products to a consumer for any purpose other than resale and shall include all transactions as the secretary, upon investigation, finds to be in lieu of sales. Resale shall include but not be limited to the sale of industrial...
hemp-derived CBD consumable hemp products for further processing into a product produced in accordance with R.S. 40:1046.

(6) Solely for purposes of the imposition of the industrial hemp-derived CBD tax, "retailer" means a person or entity that sells or offers for sale industrial hemp-derived CBD consumable hemp products to a consumer. Retailer shall also include any person or entity that imports or causes to be imported from any other state industrial hemp-derived CBD consumable hemp products for use or consumption.

(7) "Secretary" means the secretary of the Department of Revenue or his duly appointed representatives.

§1693. Imposition of tax

A. There is hereby levied an excise tax upon each retail sale of industrial hemp-derived CBD consumable hemp products within the state of Louisiana. The tax levied in this Chapter shall be at the rate of three percent of the retail sales price of industrial hemp-derived CBD products the consumable hemp product. The excise tax shall be levied in addition to state and local sales and use tax or any other tax, and shall be reported monthly by the retailer on forms prescribed by the secretary and paid by the retailer on or before the twentieth day of the month following the month to which the tax is applicable.

* * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 640 Engrossed 2021 Regular Session Schexnayder

Abstract: Provides for the regulation of industrial hemp and hemp products.

Present law provides for registration and label requirements for commercial feed.

Proposed law exempts commercial feed manufactured and registered pursuant to consumable hemp regulations.

Present law requires licensure of contract carriers. Proposed law removes that requirement and creates a handler license.

CODING: Words in struck through type are deletions from existing law; words underscored are additions.
Proposed law extends the timeframe to harvest approved industrial hemp from 15 days to 30 days.

Present law authorizes the Dept. of Agriculture and Forestry (LDAF) to detain, seize, destroy, or embargo any industrial hemp crop or product that exceeds the federally defined THC level for hemp.

Proposed law repeals present law.

Proposed law requires all industrial hemp licensees whose intent is to perform research, except the universities exempted in present law, to submit an annual research plan to the LDAF. Further requires LDAF to adopt rules for performance based-sampling for those licensees.

Proposed law requires the LSU AgCenter to develop a centralized industrial hemp website in collaboration with regulatory agencies and stakeholders.

Proposed law changes "industrial hemp-derived CBD product" to "consumable hemp product" and provides that consumable hemp products are any industrial hemp-derived products that contain any cannabinoid, including CBD. Further provides that consumable hemp product includes commercial feed, pet products, and hemp floral material.

Proposed law requires that present law and proposed law dealing with consumable hemp products are preempted by any federal statute, federal regulation, or guidance from a federal government agency that is less restrictive than state law.

Proposed law establishes a consumable hemp processor license issued by the La. Dept. of Health (LDH) and establishes a fee schedule for the license.

Proposed law creates criminal penalties of not less than one year nor more than 20 years imprisonment at hard labor and a fine of not more than $50,000 for processing consumable hemp products without a license.

Present law prohibits processing or selling any part of hemp for inhalation, except hemp rolling papers.

Proposed law removes the prohibition on processing hemp for inhalation.

Present law prohibits processing or selling any food or beverage containing CBD unless the FDA approves CBD as a food additive. Proposed law removes that prohibition.

Present law prohibits any CBD products that contain any active pharmaceutical ingredient other than cannabidiol. Proposed law exempts products intended for topical application from the prohibition.

Proposed law provides that consumable hemp products cannot contain a total delta-9 THC concentration of more than 0.3% nor a total THC concentration of more than 1% on a weight to weight basis.

Proposed law defines THC as a combination of tetrahydrocannabinol and tetrahydrocannabinolic acid.

Proposed law requires any floral hemp material to be contained in tamper-evident packaging and not be labeled or marketed for inhalation.

Proposed law provides that any facility processing hemp products for human consumption outside of the scope of the definition of consumable hemp product shall be regulated by LDH in accordance with the State Food, Drug, and Cosmetic Law.

CODING: Words in struck through type are deletions from existing law; words underscored are additions.
Proposed law establishes a wholesaler license for consumable hemp products issued by the office of alcohol and tobacco control (ATC).

Proposed law establishes a wholesaler license fee not to exceed $500.

Present law imposes civil fines for selling hemp-derived CBD products at retail without a permit.

Proposed law expands the violations that the civil penalties can be imposed. Further provides that each day a violation occurs is a separate offense.

Present law provides for an industrial hemp-derived CBD excise tax.

Proposed law changes the taxable product to consumable hemp products.

(Amends R.S. 3:1402, 1461, 1462, 1464(8), 1465(A), (C)(1), and (D)(1), 1466(A) and (B)(2), 1468, 1471(A)(4), 1481, 1482, 1483, 1484, and 1485(B) and (G) and R.S. 47:1692 and 1693(A); Adds R.S. 3:1469(C) and 1473)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Agriculture, Forestry, Aquaculture, and Rural Development to the original bill:

1. Clarify "delta-9 THC" as "total delta-9 THC".
2. Change the term "contract carrier" to "handler".
3. Change the definition of "THC" to mean "a combination of tetrahydrocannabinol and tetrahydrocannabinolic acid" and change the term "Total THC concentration" to "THC".
4. Remove the LDAF's authority to detain, seize, destroy, or embargo any industrial hemp crop that contains a THC concentration that exceeds the acceptable hemp THC level provided in federal law.
5. Add a provision of preemption if federal law is ever less restrictive than state law as it applies to consumable hemp products.
6. Distinguish the amount of total delta-9 THC concentration from total THC concentration regarding the approval of consumable hemp products manufactured, distributed, imported, or sold in La.
7. Remove a provision that specified that "consumable hemp products" do not include foods, food ingredients, or food additives generally recognized as safe by the U.S. Food and Drug Administration.
8. Make technical changes.

CODING: Words in struck through type are deletions from existing law; words underscored are additions.