

GREEN SHEET REDIGEST

HB 843

2020 Regular Session

Schexnayder

AGRICULTURAL COMMODITIES: To provide for the regulation of industrial hemp, industrial hemp products, and industrial hemp-derived cannabidiol (CBD) products

DIGEST

Applicable to industrial hemp.

Present law defines "applicant" to be an individual, partnership, corporation, cooperative association or other business entity applying for a grower, processor, contract carrier, or industrial hemp seed producer license. Proposed law adds limited liability company, joint stock association, sole proprietorship, joint venture, business association, professional corporation, or other legal entity or organization. Also for purposes of a business entity, removes a person designated by the business as being responsible for daily business operations from the definition of applicant.

Present law defines "industrial hemp" to be Cannabis sativa L. and any part of the plant, all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers with a delta-9-THC concentration of not more than 0.3 percent. Proposed law changes the THC level to no more than the federally defined level for hemp.

Proposed law defines "federally defined level for hemp" as the greater of the following:

- (1) A delta-9-THC concentration of not more than 0.3% on a dry weight basis.
- (2) The THC concentration for hemp defined in 7 U.S.C. 1639o.

Proposed law adds the definitions for "key participant", "licensure", and "THC".

Present law provides that each applicant is required to submit to a criminal background check and submit fingerprints and other identifying information to the La. Bureau of Criminal Identification and Information. Proposed law requires the same for each key participant and designated responsible party applying for a license. Proposed law further provides that the department is entitled to the criminal history and identification files for applicants.

Present law authorizes the commissioner to establish an annual license fee and requires that the annual amount of the license fee not exceed \$500. Proposed law adds an application fee and requires that the combined annual total amount of the application fee and license fee shall not exceed \$500.

Present law requires the Dept. of Agriculture to test the THC levels of all industrial hemp crops prior to harvest. Proposed law authorizes the department to contract with any public postsecondary education institution for THC testing.

Present law authorizes the department to randomly inspect industrial hemp crops and products. Proposed law specifies this random inspection may be for crops or products in the possession of any person or entity with a grower, processor, contract carrier, or industrial hemp seed producer license.

Proposed law authorizes the department to issue stop orders until the commissioner is satisfied that all laws, rules, and regulations have been complied with. Specifies that the person receiving the stop order has 30 days within which to comply and obtain a written release of the order.

Applicable to industrial hemp-derived CBD.

Proposed law adds definitions for "remote retailer" and "retail sale" or "sale at retail".

Present law prohibits the sale of any part of hemp for inhalation. Proposed law authorizes the sale of hemp rolling papers as an exception to present law.

Present law requires criminal penalties for those in violation of present law, including imprisonment for not more than two years on a third or subsequent offense. Proposed law modifies present law by specifying that the violation must be committed knowingly, willfully, or intentionally for monetary penalties to apply and removes the criminal penalty of imprisonment from present law.

Present law requires labels on CBD products to be in accordance with the State Food, Drug, and Cosmetics Law and clearly state that the product has not been evaluated by the Food and Drug Administration and is not intended to treat, cure, or prevent disease. Proposed law requires that the label be approved by the department and repeals the requirement for the statement regarding FDA evaluation and medical disclaimer.

Proposed law adds that CBD products cannot contain any active pharmaceutical ingredient recognized by the U.S. Food and Drug Administration.

Proposed law provides that any wholesale seller, manufacturer, distributor, or packer of industrial hemp-derived CBD products are regulated in accordance with the State Food, Drug, and Cosmetic Law.

Present law requires the Dept. of Health to promulgate rules by Nov. 1, 2019. Proposed law removes the deadline and further requires that the rules specify standards for product labels, procedures for label approval, requirements for accreditation of laboratories, and any prohibited dosage vehicles.

Proposed law provides that each registered domain is considered a place of business and specifies that a person selling industrial hemp-derived CBD is not required to have a physical location in La.

Proposed law specifies that the office of alcohol and tobacco control has no authority to permit or otherwise regulate a wholesale seller, manufacturer, distributor, or packer of industrial hemp-derived CBD products. Further requires a special event permit prior to selling industrial hemp-derived CBD at a special event which is defined as an event held at a location other than the permitted place of business. Further prohibits the sale of industrial hemp-derived CBD products to anyone under 18 years of age.

Proposed law authorizes the commissioner to impose the following fines:

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| (1) | First offense | not more than \$300. |
| (2) | Second offense | not more than \$1,000. |
| (3) | Third and subsequent offense | not less than \$500 nor more than \$3,000. |

Provides that fines are in addition to other penalties contained in law.

Proposed law provides for suspension of retailer permits for nonpayment of taxes.

Present law requires the office of alcohol and tobacco control to promulgate rules by Nov. 1, 2019. Proposed law removes the deadline and further provides that the rules not include fees or penalties for any permit not provided for in the law nor requirements for proof of residence, criminal background checks, diagrams of retail premises, or proof of lease or ownership of a retail establishment.

Proposed law creates the Industrial Hemp Advisory Committee to receive and review information and requests and make recommendations for future legislation relative to the regulation of industrial hemp, industrial hemp products, and industrial hemp-derived CBD products.

Proposed law provides for the membership of the Industrial Hemp Advisory Committee and the chairmen of the House and Senate Committees on Agriculture, Forestry, Aquaculture, and Rural Development will serve as co-chairmen of the committee.

(Amends R.S. 3:1462(1) and (10), 1465(D)(1), 1467(A), 1468(A) and (B), 1471(A)(4), 1481(4), (5), and (6), and 1482-1484; Adds R.S. 3:1462(16)-(19), 1472, 1481(7)-(9), and 1485)

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. Remove proposed law introductory language contained in the provision creating the Industrial Hemp Advisory Committee relevant to industry background information and a summary of powers and duties granted to the regulatory agencies under Part V and Part VI of present law.
2. Remove the proposed law authorizations granted to the Industrial Hemp Advisory Committee enabling the committee to receive and study information and make recommendations for future legislation relative to the following: (a) the sustainability of the industrial hemp industry; (b) industrial hemp-derived CBD products not approved for sale in the state; and (c) labeling requirements of all industrial hemp-derived CBD products.
3. Add a provision that authorizes the Industrial Hemp Advisory Committee to receive and review information and requests and make recommendations for future legislation relative to the regulation of industrial hemp, industrial hemp products, and industrial hemp-derived CBD products.
4. Make technical changes

The House Floor Amendments to the engrossed bill:

1. Authorize the Dept. of Agriculture to contract with any public postsecondary education institution for THC testing.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Agriculture, Forestry, Aquaculture, and Rural Development to the reengrossed bill

1. Adds a provision authorizing the department to randomly inspect industrial hemp crops and products in the possession of any person or entity with an industrial hemp seed producer license.
2. Provides that the chairmen of the House and Senate Committees on Agriculture, Forestry, Aquaculture, and Rural Development will serve as co-chairmen of the Industrial Hemp Advisory Committee.
3. Provides for technical corrections.