

2021 Regular Session

HOUSE BILL NO. 640

BY REPRESENTATIVES SCHEXNAYDER, MCFARLAND, AND TRAVIS JOHNSON
AND SENATOR CATHEY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

AGRICULTURAL COMMODITIES: Provides relative to industrial hemp

1 AN ACT

2 To amend and reenact R.S. 3:1402, 1461, 1462, 1464(8), 1465(A), (C)(1), and (D)(1),

3 1466(A) and (B)(2), 1468, 1471(A)(4), 1481, 1482, 1483, 1484, and 1485(B) and (G)

4 and R.S. 47:1692 and 1693(A) and to enact R.S. 3:1469(C) and 1473, relative to

5 industrial hemp; to provide for the regulation of industrial hemp; to provide for

6 exemptions from commercial feed regulations; to provide for definitions; to provide

7 for licensure; to provide relative to criminal background checks; to provide for

8 testing; to provide relative to research entities; to provide for a centralized website;

9 to provide a definition for consumable hemp products; to provide for regulation of

10 consumable hemp products; to provide for license and permit fees; to provide for

11 criminal penalties; to provide for civil penalties; to provide relative to the tax on

12 hemp products; and to provide for related matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 3:1402, 1461, 1462, 1464(8), 1465(A), (C)(1), and (D)(1), 1466(A)

15 and (B)(2), 1468, 1471(A)(4), 1481, 1482, 1483, 1484, and 1485(B) and (G) are hereby

16 amended and reenacted and R.S. 3:1469(C) and 1473 are hereby enacted to read as follows:

1 §1402. Exemptions

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

5 * * *

6 §1461. Purpose

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

11 §1462. Definitions

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

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

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

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

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

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

26 (6)(5) "Department" means the Louisiana Department of Agriculture and
27 Forestry.

1 ~~(7)~~(6) "Designated responsible party" means a natural person designated by
2 the applicant or licensee as responsible for facility operations of the applicant or
3 licensee facility.

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

6 ~~(a) A delta-9-THC concentration of not more than three-tenths of a percent~~
7 ~~(0.3%) on a dry weight basis.~~

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

9 ~~(9)~~(7) "Grower" means any individual, partnership, corporation, cooperative
10 association, or other business entity that is licensed by the department to cultivate
11 industrial hemp.

12 ~~(10)~~(8) "Handle" or "handling" means ~~possessing or storing industrial hemp~~
13 ~~for any period of time on premises owned, operated, or controlled by a person~~
14 ~~licensed by the Department of Agriculture and Forestry to cultivate or process~~
15 ~~industrial hemp.~~ any of the following:

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

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

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

22 (c) Brokering industrial hemp material.

23 (d) Receiving industrial hemp material for testing.

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

26 ~~(11)~~(10) "Industrial hemp" means the plant Cannabis sativa L. and any part
27 of such plant, including the seeds thereof and all derivatives, extracts, cannabinoids,
28 isomers, acids, salts, and salts of isomers, whether growing or not, with ~~no more than~~

1 ~~the federally defined THC level for hemp.~~ a delta-9 THC concentration of not more
2 than 0.3 percent on a dry weight basis.

3 ~~(12)~~(11) "Industrial hemp seed" means Cannabis sativa L. seed or other
4 propagating stock which have been inspected and sampled during their period of
5 growth and preparation for market by the commissioner, or by the inspection official
6 of the state in which the seeds or propagating stock were grown, and which have
7 been found to conform to the regulations issued by the commission pursuant to this
8 Part.

9 ~~(13)~~ "Key participant" means a sole proprietor, a partner in a partnership, or
10 a person with executive managerial control in a corporation. ~~A person with~~
11 ~~executive managerial control includes persons such as a chief executive officer, chief~~
12 ~~operating officer, and chief financial officer. "Key participant" does not include non-~~
13 ~~executive managers such as farm, field, or shift managers.~~

14 ~~(14)~~(12) "Licensure" means any license that the department is authorized to
15 issue to a grower, seed producer, ~~contract carrier, and processor~~ or handler of
16 industrial hemp.

17 ~~(15)~~(13) "Process" means converting industrial hemp into a marketable form.

18 ~~(16)~~(14)(a) "Processor" means any individual, partnership, corporation,
19 cooperative association, or other business entity that receives industrial hemp for
20 ~~storage or processing into commodities; or products; or industrial hemp seed.~~

21 (b) "Processor" shall not include a consumable hemp processor as defined
22 in R.S. 3:1481.

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

25 ~~(17)~~(16) "State plan" means a plan required for approval by the United States
26 Secretary of Agriculture to monitor and regulate the production of industrial hemp.

27 ~~(18)~~(17) "THC" means tetrahydrocannabinol, tetrahydrocannabinolic acid,
28 or a combination of both.

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

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

7 * * *

8 C.(1) The application for any grower, processor, ~~contract carrier~~, handler, or
9 ~~industrial hemp~~ seed producer license shall include the following information:

10 (a) The name and address of the applicant.

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

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

16 * * *

17 D.(1) Upon application for initial licensure or annual license renewal, each
18 applicant shall be required to submit to a criminal background check pursuant to the
19 provisions of this Subsection. For purposes of this Subsection, "applicant" shall
20 mean an applicant, ~~key participant~~, or designated responsible party as defined in R.S.
21 3:1462.

22 * * *

23 §1466. Records required

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

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

29 * * *

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

3 * * *

4 §1468. Testing; inspections

5 A.(1) The department shall collect samples to test all industrial hemp crops
6 prior to harvest to ensure the THC concentration does not exceed the federally
7 defined THC level for hemp. The grower shall harvest his approved industrial hemp
8 plants not more than ~~fifteen~~ thirty days following the date of sample collection by
9 the department, unless specifically authorized in writing by the department.

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

14 B. In addition to any scheduled testing, the department may randomly
15 inspect any industrial hemp crop or industrial hemp product in the possession of any
16 person or entity with a grower, processor, ~~contract carrier,~~ handler, or industrial
17 ~~hemp~~ seed producer license and take a representative composite sample for ~~field~~
18 THC concentration analysis if the department has reason to believe a violation of this
19 Part has occurred. If an industrial hemp crop ~~or industrial hemp product~~ contains a
20 THC concentration that exceeds the ~~federally defined THC level for hemp~~ acceptable
21 hemp THC level provided in 7 C.F.R. Part 990, the department may detain, seize,
22 destroy, or embargo the industrial hemp crop ~~or industrial hemp product~~.

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

26 §1469. Industrial hemp research

27 * * *

28 C. Except for those entities exempted pursuant to this Part, all industrial
29 hemp licensees whose intent is to perform industrial hemp research shall submit an

1 annual industrial hemp research plan to the department. The department shall adopt
2 rules establishing the requirements of the industrial hemp research plan. Such rules
3 shall include performance-based sampling requirements.

4 * * *

5 §1471. Criminal penalties

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

8 * * *

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

14 * * *

15 §1473. Centralized website

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

23 ~~PART VI. INDUSTRIAL HEMP-DERIVED CANNABIDIOL~~ CONSUMABLE HEMP
24 PRODUCTS

25 §1481. Definitions

26 As used in this Part:

27 (1) ~~"CBD" means cannabidiol.~~

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

1 (2)(a) "Consumable hemp product" means any product derived from
2 industrial hemp that contains any cannabinoid, including cannabidiol, that contains
3 a total THC concentration of not more than 0.3 percent on a weight to weight basis
4 and is intended for consumption or topical use.

5 (b) "Consumable hemp product" shall include commercial feed, pet products,
6 and hemp floral material.

7 (c) "Consumable hemp product" shall not include any food, food ingredient,
8 or food additive that is generally recognized as safe (GRAS) by the United States
9 Food and Drug Administration.

10 (3) "Consumable hemp processor" or means any individual, partnership,
11 corporation, cooperative association, or other business entity that receives industrial
12 hemp for the manufacturing or processing of a consumable hemp product.

13 ~~(3)~~(4) "Department" means the Louisiana Department of Health.

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

16 ~~(a) A delta-9-THC concentration of not more than three-tenths of a percent~~
17 ~~(0.3%) on a dry weight basis:~~

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

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

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

26 ~~(7)~~(6) "Remote retailer" means a person or entity who offers any industrial
27 hemp-derived CBD product for sale at retail, or for any transaction of products in
28 lieu of a sale, through a digital application, catalog, or the internet, that can be
29 purchased and delivered directly to a consumer in Louisiana.

1 ~~(8)~~(7) "Retail sale" or "sale at retail" means the sale or any transaction in lieu
2 of a sale of products to the public for use or consumption but does not include the
3 sale or any transaction in lieu of a sale of products for resale.

4 ~~(9)~~(8) "State plan" means a plan required for approval by the United States
5 Secretary of Agriculture to monitor and regulate the production of hemp.

6 (9) "Total THC concentration" means delta-9-tetrahydrocannabinol,
7 delta-8-tetrahydrocannabinol, delta-10-tetrahydrocannabinol,
8 delta-6a(10a)-tetrahydrocannabinol, delta-6a(7)-tetrahydrocannabinol,
9 delta-7-tetrahydrocannabinol, and delta-9(11)-tetrahydrocannabinol, including all
10 isomers, acids, salts and salts of isomers.

11 (10) "Wholesaler" means wholesale seller, distributor, or packer of
12 consumable hemp products.

13 §1482. ~~CBD~~ Consumable hemp products; prohibitions

14 A. No person shall ~~process or sell~~:

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

16 B. No person shall process or sell:

17 ~~(2)~~(1) Any alcoholic beverage containing CBD.

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

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

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

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

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

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

3 §1483. Product approval; consumable hemp processors; Louisiana Department of
4 Health

5 A.(1) Each consumable hemp processor shall obtain an annual consumable
6 hemp processor license issued by the department. The department shall charge and
7 collect an annual consumable hemp processor license fee. The fee shall be for each
8 separate processing facility and shall be based on the annual sales of such facility
9 according to the following schedule:

<u>Annual Sales</u>	<u>Annual Fee</u>
<u>Under \$500,000</u>	<u>\$175.00</u>
<u>\$500,001 - \$1,000,000</u>	<u>\$475.00</u>
<u>\$1,000,001 - \$2,500,000</u>	<u>\$775.00</u>
<u>\$2,500,001 - \$5,000,000</u>	<u>\$1,075.00</u>
<u>Over \$5,000,000</u>	<u>\$1,375.00</u>

16 (2) A consumable hemp processor shall adhere to any sanitary regulations
17 promulgated by the department.

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

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

24 (2) Be registered with the department in accordance with the ~~State Food,~~
25 ~~Drug, and Cosmetic Law.~~ provisions of this Section. The department shall charge
26 and collect a fee of not more than fifty dollars for each separate and distinct product
27 registered. This charge shall be in lieu of the charge collected pursuant to R.S.
28 40:628.

29 (3) Receive label approval from the department.

1 (4) Not be marketed as dietary.

2 (5) Not contain any active pharmaceutical ingredient (API) recognized by
3 the United States Food and Drug Administration other than cannabidiol. This
4 provision shall not apply to products intended for topical application.

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

7 B.C. All labels shall meet the following criteria in order to receive approval
8 from the department:

9 (1) Contain no medical claims.

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

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

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

17 (2) Not be labeled or marketed for inhalation.

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

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

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

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

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

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

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

4 ~~F.H.~~ The provisions of this Section do not authorize any person to
5 manufacture, distribute, import, or sell any ~~CBD~~ cannabinoid product derived from
6 any source other than hemp.

7 I. Any facility processing industrial hemp products intended for human
8 consumption that do not meet the definition of consumable hemp product provided
9 in this Part shall be regulated in accordance with the State Food, Drug, and Cosmetic
10 Law.

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

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

17 ~~H. The department shall charge and collect from the manufacturers or~~
18 ~~packers of industrial hemp-derived CBD products an annual examination and~~
19 ~~investigation charge of not more than fifty dollars for any one separate and distinct~~
20 ~~product registered. This charge shall be in lieu of the charge pursuant to R.S.~~
21 ~~40:628.~~

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

25 ~~J.L.~~ The department shall promulgate rules and regulations in accordance
26 with the Administrative Procedure Act to implement the provisions of this Section.
27 The rules shall specify standards for product labels, procedures for label approval,
28 requirements for accreditation for laboratories, ~~and~~ any prohibited dosage vehicles

1 as determined by the department, and sanitary requirements specific to consumable
2 hemp processors.

3 §1484. Permit to sell; office of alcohol and tobacco control

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

6 (2) The commissioner may establish and collect an annual wholesaler permit
7 fee. The amount of the wholesaler permit fee shall be based on the cost of the
8 regulatory functions performed and shall not exceed five hundred dollars per year.

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

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

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

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

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

4 (4) No ~~industrial hemp-derived CBD~~ consumable hemp product shall be sold
5 to any person under the age of eighteen years.

6 ~~B.C.~~ C. The commissioner may establish and collect an annual retail permit fee
7 and an annual special event permit fee. The amount of each permit fee provided for
8 in this Subsection shall be based on the cost of the regulatory functions performed
9 and shall not exceed one hundred seventy-five dollars per year.

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

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

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

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

26 ~~D.E.~~ E. In addition to the penalties provided in Subsection D of this Section,
27 any permittee who violates any provisions of this Part shall be subject to having his
28 permit suspended or revoked. Any fine imposed pursuant to this Part or the

1 revocation or suspension of a permit is in addition to and is not in lieu of or a
2 limitation on the imposition of any other penalty provided by law.

3 E.F. In addition to the commissioner's authority to revoke or suspend a
4 permit pursuant to this Section, the secretary of the Department of Revenue shall
5 order the commissioner to immediately suspend the retailer's permit if the secretary
6 determines that ~~an industrial hemp-derived CBD~~ a consumable hemp product retailer
7 has failed to timely file returns or pay taxes as required by R.S. 47:1693. The
8 secretary shall order the commissioner to suspend the retailer's permit until the
9 returns have been filed and the taxes are paid. No permit shall be suspended for taxes
10 which have been properly protested or appealed by the retailer pursuant to R.S.
11 47:1565 or 1567.

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

18 §1485. Industrial Hemp Advisory Committee

19 * * *

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

24 * * *

25 G. The committee may call upon and utilize the assistance and
26 recommendations of those market participants directly involved with the industrial
27 hemp industry including but not limited to seed distributors, growers, handlers,
28 processors, manufacturers, wholesalers, and retailers of industrial hemp, industrial

1 hemp products, ~~and industrial hemp-derived CBD products~~, and any other private
2 sources as deemed necessary by the committee.

3 * * *

4 Section 2. R.S. 47:1692 and 1693(A) are hereby amended and reenacted to read as
5 follows:

6 CHAPTER 19. ~~INDUSTRIAL HEMP-DERIVED CBD~~ CONSUMABLE HEMP
7 PRODUCT TAX

8 §1692. Definitions

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

11 (1) ~~"CBD" means cannabidiol.~~ "Consumable hemp product" shall have the
12 same definition as set forth in R.S. 3:1481.

13 (2) ~~Solely for purposes of the imposition of the industrial hemp-derived CBD~~
14 ~~tax, "consumer"~~ "Consumer" means either a business entity or a person who
15 purchases ~~industrial hemp-derived CBD products.~~ consumable hemp products.

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

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

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 Original

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.

Proposed law extends the timeframe to harvest approved industrial hemp from 15 days to 30 days.

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 Dept. of Agriculture and Forestry (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 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 THC concentration of more than 0.3%.

Proposed law defines total THC concentration as including all forms of tetrahydrocannabinol.

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.

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)