

House Bill 645

By: Representatives Peake of the 141<sup>st</sup>, McCall of the 33<sup>rd</sup>, Gravley of the 67<sup>th</sup>, Powell of the 32<sup>nd</sup>, England of the 116<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 8 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated,  
2 relating to regulation of low THC oil, so as to provide for certain circumstances for the  
3 lawful possession or control of certain amounts of low THC oil; to amend Chapter 2A of  
4 Title 31 of the Official Code of Georgia Annotated, relating to the Department of Public  
5 Health, so as to provide for licensing for cultivation of cannabis for the purpose of producing  
6 low THC oil, processing low THC oil, and dispensing low THC oil in this state; to provide  
7 for criteria for certain cultivation and production licenses; to provide for state postsecondary  
8 educational institutions to have the option to bid on production facility licenses; to provide  
9 for rules and regulations; to provide for related matters; to repeal conflicting laws; and for  
10 other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 style="text-align:center">**SECTION 1.**

13 Article 8 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated, relating to  
14 regulation of low THC oil, is amended in Code Section 16-12-191, relating to possession,  
15 manufacture, distribution, or sale of low THC oil and penalties, by revising subsection (a)  
16 and adding a new subsection to read as follows:

17 "(a)(1) Notwithstanding any provision of Chapter 13 of this title, it shall be lawful for  
18 any person to possess or have under his or her control 20 fluid ounces or less of low THC  
19 oil if:

20 (A) Such person is registered with the Department of Public Health as set forth in Code  
21 Section 31-2A-18;

22 (B) Such person has in his or her possession a registration card issued by the  
23 Department of Public Health; ~~and~~

24 (C) Such substance is in a pharmaceutical container labeled by the manufacturer  
25 indicating the percentage of tetrahydrocannabinol therein; and

26 (D) Such person is involved in a business licensed to dispense, extract, process,  
 27 produce, or transport low THC oil pursuant to Code Section 31-2A-18 as:

28 (i) A licensee employee;

29 (ii) A licensee agent;

30 (iii) A licensee board member or director; and

31 (iv) A licensee subcontractor, including but not limited to a laboratory, a  
 32 transportation entity, a construction contractor, or any other supplier of goods or  
 33 services to any licensed dispensary or licensed production facility which shall include  
 34 any such production facility licensee affiliated with a postsecondary educational  
 35 institution within this state or an independent production facility licensed by the  
 36 department.

37 (2) Notwithstanding any provision of Chapter 13 of this title, any person who possesses  
 38 or has under his or her control 20 fluid ounces or less of low THC oil without complying  
 39 with subparagraphs (A), (B), ~~and (C)~~, and (D) of paragraph (1) of this subsection shall  
 40 be punished as for a misdemeanor."

41 "(e.1) Subsections (c) and (d) of this Code section shall not apply to a person involved in  
 42 a business licensed to dispense, extract, process, produce, or transport low THC oil  
 43 pursuant to Code Section 31-2A-18 and such persons acting in their capacity as a licensee  
 44 employee, agent, board member, director, subcontractor, including but not limited to a  
 45 laboratory, transportation entity, construction contractor, or any other supplier of goods or  
 46 services to any licensed dispensary or licensed production facility which shall include any  
 47 such production facility licensee affiliated with a postsecondary educational institution  
 48 within this state or an independent production facility licensed by the department provided  
 49 that such possession, sale, manufacturing, distribution, or dispensing is solely for the  
 50 purposes set forth in Code Section 31-2A-18."

51 **SECTION 2.**

52 Chapter 2A of Title 31 of the Official Code of Georgia Annotated, relating to the Department  
 53 of Public Health, is amended in Code Section 31-2A-18, relating to the establishment of the  
 54 Low THC Oil Patient Registry, definitions, purpose, registration cards, quarterly reports, and  
 55 waiver forms, by adding new subsections to read as follows:

56 "(h)(1) Registered individuals and registered caretakers shall be dispensed low THC oil  
 57 pursuant to this Code section from a licensed dispensary in good standing located in this  
 58 state. Such licensed dispensary shall review the department registry for verification of  
 59 registration of individuals or caregivers prior to dispensing low THC oil to such  
 60 individuals and caregivers.

61 (2) The department shall adopt reasonable and necessary rules and regulations relating  
 62 to the dispensing of low THC oil. Such rules and regulations shall include but not be  
 63 limited to:

64 (A) Standards, procedures, and protocols for the dispensing and tracking of low THC  
 65 oil;

66 (B) Procedures and protocols to provide that no low THC oil may be dispensed from,  
 67 produced from, obtained from, sold to, or transferred to a location outside of this state;

68 (C) The establishment of standards, procedures, and protocols to ensure that all low  
 69 THC oil dispensed is consistently pharmaceutical grade;

70 (D) The establishment of standards and procedures for the revocation, suspension, and  
 71 nonrenewal of licenses;

72 (E) The establishment of other licensing, renewal, and operational standards;

73 (F) The establishment of standards and procedures for testing low THC oil for levels  
 74 of tetrahydrocannabinol or other testing parameters;

75 (G) The establishment of health, safety, and security requirements for dispensers of  
 76 low THC oil;

77 (H) Licensure of dispensers of low THC oil; and

78 (I) The establishment of financial requirements for applicants of a dispensing license.

79 (3) The department shall develop an annual, nontransferable license for a business to  
 80 dispense low THC oil and shall limit the number of such licenses granted in this state to  
 81 no more than ten licensees. The department's rules and regulations shall include the  
 82 geographical locations of dispensaries in this state.

83 (i)(1) The department shall develop rules and regulations regarding facilities authorized  
 84 and licensed by the department to cultivate cannabis and extract, process, and produce  
 85 low THC oil. Such rules and regulations shall include but not be limited to the  
 86 procedures for application, qualifications, eligibility, background checks, and standards  
 87 for suitability for a license and penalties for violations of such rules and regulations. Such  
 88 rules and regulations shall also include the facility and all aspects of the cultivation of  
 89 cannabis for the purposes of producing low THC oil, the extraction process, and the  
 90 production of the completed product. The department shall set facility standards to  
 91 mitigate the risk of bacterial contamination and ensure that the extraction and refining  
 92 process produces a product that is both food safe and pharmaceutical grade.

93 (2) The department shall develop an annual, nontransferable specialty license for the  
 94 production of low THC oil. The department shall limit the number of such licenses  
 95 granted in this state to no more than two licensees. Postsecondary educational institutions  
 96 within this state shall have the right of first refusal to be licensed as a production facility,  
 97 either separately or jointly.

98 (3)(A) If no postsecondary educational institutions within this state exercise the option  
99 pursuant to paragraph (2) of this subsection, the department shall grant the licenses  
100 pursuant to a sealed bid or a competitive sealed bid proposal. Such contract for the  
101 license shall be subject to state purchasing provisions under Article 3 of Chapter 5 of  
102 Title 50 and shall not be subject to any exceptions or other variances.

103 (B) Such contract for the license shall be subject to the following conditions:

104 (i) Any such contract for a license awarded shall not exceed five years; and

105 (ii) Any such contract, memorandum of understanding, or cooperative endeavor  
106 agreement entered into shall be a public record subject to disclosure under Article 4  
107 of Chapter 18 of Title 50, relating to open records.

108 (C) No person licensed pursuant to this paragraph shall subcontract for services for the  
109 cultivation of cannabis or processing of low THC oil in any way if the subcontractor,  
110 or any of the service providers in the chain of subcontractors, is owned wholly or in part  
111 by any state employee or member of a state employee's immediate family, including but  
112 not limited to any legislator, state-wide public official, university or community or  
113 technical college employee, department employee, or an employee at a learning  
114 institution.

115 (D) Any bid for the license awarded pursuant to this paragraph shall include proof of  
116 the financial capability of the bidder, including but not limited to a net worth of not less  
117 than \$1 million.

118 (E) No person licensed pursuant to this paragraph shall give or receive anything of  
119 value in connection with any contract, memorandum of understanding, or cooperative  
120 endeavor agreement executed pursuant to this paragraph except the value that is  
121 expressed in the contract, memorandum of understanding, or cooperative endeavor  
122 agreement.

123 (4) The department shall collect the following information from each licensee pursuant  
124 to this subsection:

125 (A) Gross amounts of cannabis produced by the licensee during each calendar year;

126 (B) Production costs, including but not limited to seed, fertilizer, labor, advisory  
127 services, construction, and irrigation;

128 (C) Items or services for which the licensee subcontracted and the costs of each  
129 subcontractor directly or indirectly working for the licensee;

130 (D) Low THC oil volume produced from the cannabis grown pursuant to this  
131 subsection;

132 (E) The amounts paid each year to the licensee related to the licensee's production of  
133 low THC oil pursuant to this subsection; and

134 (F) The amount of low THC oil distributed to each licensed dispensary during each  
135 calendar year.

136 (5) The department shall provide the information collected pursuant to paragraph (4) of  
137 this subsection for the previous calendar year in the form of a written report to the  
138 General Assembly no later than December 31. The department shall also make a copy  
139 of the report required by this paragraph available to the public on its website.

140 (j) In addition to all other requirements under this Code section, the department shall  
141 establish and collect a semiannual license fee of \$25,000.00.

142 (k) Nothing in this Code section shall be construed to prohibit the department from  
143 adopting emergency rules as otherwise provided for under Chapter 13 of Title 50, the  
144 'Georgia Administrative Procedure Act.'

145 **SECTION 3.**

146 All laws and parts of laws in conflict with this Act are repealed.