

House Bill 324 (COMMITTEE SUBSTITUTE) (AM)

By: Representatives Gravley of the 67th, Newton of the 123rd, Powell of the 32nd, Smyre of the 135th, Clark of the 98th, and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Chapter 12 of Title 16 of the Official Code of Georgia Annotated, relating to
 2 offenses against public health and morals, so as to provide for the production, manufacturing,
 3 and dispensing of low THC oil in this state; to provide for an exception to possession of
 4 certain quantities of low THC oil; to provide for definitions; to require a license to produce,
 5 grow, manufacture, or dispense low THC oil in this state; to create the Office of Low THC
 6 Oil Control within the Department of Public Health; to establish the Low THC Oil License
 7 Oversight Board; to provide for Class 1 production licenses; to provide for Class 2
 8 production licenses; to provide for safe access retail licenses; to provide for seed-to-sale
 9 tracking systems; to provide requirements for safe access retail outlets; to prohibit ingesting
 10 low THC oil through vaping; to provide for enforcement by the Georgia Bureau of
 11 Investigation; to provide for facility inspections and product sample testing; to prohibit
 12 certain convicted felons from working as employees for licensees; to provide for
 13 confidentiality of records; to provide for transfer of licenses; to provide for revocation of
 14 licenses; to prohibit ownership by certain physicians in low THC oil manufacturers or
 15 distributors; to provide for violations and penalties; to prohibit regulation by the Department
 16 of Agriculture; to amend Chapter 11 of Title 2 of the Official Code of Georgia, relating to
 17 seeds and plants generally, so as to provide for an exception; to amend Code Section
 18 31-2A-18 of the Official Code of Georgia Annotated, relating to establishment of the Low
 19 THC Oil Patient Registry, so as to provide for research to determine the efficacy of low THC
 20 oil for treatment of conditions; to provide for related matters; to provide for a short title; to
 21 provide for legislative findings; to repeal conflicting laws; and for other purposes.

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

23 **SECTION 1.**

24 This Act shall be known and may be cited as "Georgia's Hope Act."

25

SECTION 2.

26 The General Assembly finds that the establishment of the Low THC Oil Patient Registry in
 27 2015 allows Georgia patients to possess low THC oil but provides no way to access low THC
 28 oil. The General Assembly finds that thousands of Georgians have serious medical
 29 conditions that can be improved by the medically approved use of cannabis and that the law
 30 should not stand between them and treatment necessary for life and health. The General
 31 Assembly finds that the purpose of this Act is to allow the legitimate use of medical cannabis
 32 for health care, including palliative care. The General Assembly finds that this Act does not
 33 in any way diminish this state's strong public policy and laws against illegal drug use, nor
 34 should it be deemed in any manner to advocate, authorize, promote, or legally or socially
 35 accept the use of marijuana for children or adults for any nonmedical use.

36

SECTION 3.

37 Chapter 12 of Title 16 of the Official Code of Georgia Annotated, relating to offenses against
 38 public health and morals, is amended by revising Code Section 16-12-191, relating to
 39 possession, manufacture, distribution, or sale of low THC oil and penalties, as follows:

40 "16-12-191.

41 (a)(1) Notwithstanding any provision of Chapter 13 of this title, it shall be lawful for any
 42 person to possess or have under his or her control 20 fluid ounces or less of low THC oil
 43 if such substance is in a pharmaceutical container labeled by the manufacturer indicating
 44 the percentage of tetrahydrocannabinol therein and:

45 (A) Such person is registered with the Department of Public Health as set forth in Code
 46 Section 31-2A-18 and has in his or her possession a registration card issued by the
 47 Department of Public Health; or

48 (B) Such person has in his or her possession a registration card issued by another state
 49 that allows the same possession of low THC oil as provided by this state's law;
 50 provided, however, that such registration card shall not be lawful authority when such
 51 person has been present in this state for 45 days or more.

52 (2) Notwithstanding any provision of Chapter 13 of this title, any person who possesses
 53 or has under his or her control 20 fluid ounces or less of low THC oil without complying
 54 with paragraph (1) of this subsection shall be punished as for a misdemeanor.

55 (b)(1) Notwithstanding any provision of Chapter 13 of this title, it shall be lawful for any
 56 person to possess or have under his or her control 20 fluid ounces or less of low THC oil
 57 if:

58 (A) Such person is involved in a clinical research program being conducted by the
 59 Board of Regents of the University System of Georgia or any authorized clinical trial

60 or research study in this state or their authorized agent pursuant to Chapter 51 of Title
61 31 as:

- 62 (i) A program participant;
- 63 (ii) A parent, guardian, or legal custodian of a program participant;
- 64 (iii) An employee of the board of regents designated to participate in the research
65 program;
- 66 (iv) A program agent;
- 67 (v) A program collaborator and their designated employees;
- 68 (vi) A program supplier and their designated employees;
- 69 (vii) A program physician;
- 70 (viii) A program clinical researcher;
- 71 (ix) Program pharmacy personnel; or
- 72 (x) Other program medical personnel;
- 73 (B) Such person has in his or her possession a permit issued as provided in Code
74 Section 31-51-7; and
- 75 (C) Such substance is in a pharmaceutical container labeled by the manufacturer
76 indicating the percentage of tetrahydrocannabinol therein.

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

81 (c) Notwithstanding any provision of Chapter 13 of this title, any person having possession
82 of or under his or her control more than 20 fluid ounces of low THC oil but less than 160
83 fluid ounces of low THC oil or who manufactures, distributes, dispenses, sells, or possesses
84 with the intent to distribute low THC oil shall be guilty of a felony; and, upon conviction
85 thereof, shall be punished by imprisonment for not less than one year nor more than ten
86 years, a fine not to exceed \$50,000.00, or both.

87 (d) Notwithstanding any provision of Chapter 13 of this title, any person who sells,
88 manufactures, delivers, brings into this state, or has possession of 160 or more fluid ounces
89 of low THC oil shall be guilty of the felony offense of trafficking in low THC oil and, upon
90 conviction thereof, shall be punished as follows:

91 (1) If the quantity of low THC oil is at least 160 fluid ounces but less than 31,000 fluid
92 ounces, by imprisonment for not less than five years nor more than ten years and a fine
93 not to exceed \$100,000.00;

94 (2) If the quantity of low THC oil is at least 31,000 fluid ounces but less than 154,000
95 fluid ounces, by imprisonment for not less than seven years nor more than 15 years and
96 a fine not to exceed \$250,000.00; and

97 (3) If the quantity of low THC oil is 154,000 or more fluid ounces, by imprisonment for
98 not less than ten years nor more than 20 years and a fine not to exceed \$1 million.

99 (e) Subsections (c) and (d) of this Code section shall not apply to a person involved in a
100 research program being conducted by the Board of Regents of the University System of
101 Georgia or its authorized agent pursuant to Chapter 51 of Title 31 as an employee of the
102 board of regents designated to participate in such program, a program agent, a program
103 collaborator and their designated employees, a program supplier and their designated
104 employees, a physician, clinical researcher, pharmacy personnel, or other medical
105 personnel, provided that such person has in his or her possession a permit issued as
106 provided in Code Section 31-51-7 and such possession, sale, manufacturing, distribution,
107 or dispensing is solely for the purposes set forth in Chapter 51 of Title 31.

108 (f) Subsections (c) and (d) of this Code section shall not apply to a licensee under Article
109 9 of Chapter 12 of Title 16, provided that such possession, control, sale, manufacturing,
110 distribution, or dispensing is solely conducted in accordance with the provisions of Article
111 9 of Chapter 12 of Title 16.

112 ~~(f)~~(g) Nothing in this article shall require an employer to permit or accommodate the use,
113 consumption, possession, transfer, display, transportation, sale, or growing of marijuana
114 in any form, or to affect the ability of an employer to have a written zero tolerance policy
115 prohibiting the on-duty, and off-duty, use of marijuana, or prohibiting any employee from
116 having a detectable amount of marijuana in such employee's system while at work."

117 **SECTION 4.**

118 Said chapter is further amended by adding a new article to read as follows:

119 "ARTICLE 9

120 16-12-200.

121 As used in this article, the term:

122 (1) 'Applicant' means an individual or corporate entity applying for a license pursuant
123 to this article.

124 (2) 'Available capital' means corporate assets that are available to fund business
125 operations in the event a license is awarded.

126 (3) 'Class 1 production license' means a license to produce, manufacture, and dispense
127 low THC oil issued pursuant to Code Section 16-12-204.

128 (4) 'Class 2 production license' means a license to produce, manufacture, and dispense
129 low THC oil issued pursuant to Code Section 16-12-205.

130 (5) 'Department' means the Department of Public Health.

131 (6) 'Dispense' means the sale or provision of low THC oil through a safe access retail
 132 outlet or home delivery.

133 (7) 'Grow' means cultivating and harvesting cannabis or hemp products for use in
 134 producing low THC oil.

135 (8) 'Licensee' means any business, or owner of such business, with a valid license issued
 136 pursuant to this article.

137 (9) 'Low THC oil' shall have the same meaning as set forth in Code Section 16-12-190.

138 (10) 'Low THC Oil License Oversight Board' or 'oversight board' means the board
 139 established pursuant to Code Section 16-12-203.

140 (11) 'Manufacture' means to process cannabis or hemp products to produce low THC oil.

141 (12) 'Owner' means any person who directly or indirectly owns, actually or beneficially,
 142 or controls 5 percent or greater of interests of the applicant or any licensee. In the event
 143 that one person owns a beneficial right to interests and another person holds the voting
 144 rights with respect to such interests, then both shall be considered an owner of such
 145 interests.

146 (13) 'Registered patient' means an individual who is legally authorized to possess and use
 147 low THC oil pursuant to Code Section 31-2A-18.

148 (14) 'Safe access retail license' means a license issued pursuant to Code
 149 Section 16-12-206 to operate retail outlets for the sale of low THC oil to registered
 150 patients and also means the authority granted to Class 1 production licensees and Class 2
 151 production licensees to operate retail outlets for the sale of low THC oil to registered
 152 patients.

153 (15) 'Safe access retail outlet' means a retail outlet operated by a licensee for the sale of
 154 low THC oil to registered patients.

155 (16) 'Tracking system' means a seed-to-sale tracking system utilized by Class 1
 156 production licensees and Class 2 production licensees to track marijuana that is grown,
 157 processed, manufactured, transferred, stored, or disposed of and low THC oil that is
 158 transferred, stored, sold, dispensed, or disposed of pursuant to this article.

159 16-12-201.

160 It shall be unlawful for any person in this state to produce, grow, manufacture, or dispense
 161 low THC oil or any products related to its production without a valid license issued by the
 162 Low THC Oil License Oversight Board pursuant to this article.

163 16-12-202.

164 (a) There is created the Office of Low THC Oil Control within the department. The
 165 department, through the office, shall be authorized to:

- 166 (1) Issue licenses related to the production, growing, manufacturing, and dispensing of
 167 low THC oil in accordance with the provisions of this article;
 168 (2) Facilitate and coordinate the operation of the oversight board;
 169 (3) Coordinate with the Georgia Bureau of Investigation to implement security plans and
 170 enforce the provisions of this article;
 171 (4) Establish procedures for granting licenses, testing products, and inspecting facilities;
 172 (5) Establish requirements and procedures to ensure quality control, security, and
 173 oversight of all low THC oil production in this state, including, but not limited to,
 174 conducting testing for purity and dosage levels and verifying that product labels
 175 accurately reflect product content. The department is authorized to contract with private
 176 laboratories to perform the functions described in this paragraph;
 177 (6) Establish procedures and ensure sufficient resources are available to receive and
 178 resolve complaints from registered patients;
 179 (7) Establish applications and forms necessary to carry out the provisions of this article;
 180 (8) Establish criteria for applicants and licensees as necessary to ensure market stability
 181 and adequate supply;
 182 (9) Provide for the selection, implementation, and oversight of tracking systems;
 183 (10) Provide oversight of licensee reporting, data collection, and analysis;
 184 (11) Establish requirements and procedures for marketing and signage; and
 185 (12) Promulgate rules and regulations and adopt policies and procedures necessary to
 186 carry out the provisions of this article.
 187 (b) The department shall not promulgate any rules or regulations that would unduly burden
 188 access to low THC oil by registered patients.

189 16-12-203.

- 190 (a) There is established the Low THC Oil License Oversight Board for the purpose of
 191 reviewing and approving applications pursuant to a competitive process for licenses issued
 192 under this article.
 193 (b) The oversight board shall comprise 12 members as follows:
 194 (1) The commissioner of public health or his or her designee;
 195 (2) The commissioner of community affairs or his or her designee;
 196 (2.1) The director of the Georgia Drugs and Narcotics Agency or his or her designee;
 197 (3) The chairperson of the Georgia Composite Medical Board or his or her designee;
 198 (4) Two members appointed by the Governor, one of whom shall be an attorney with
 199 expertise in professional licensing;

200 (5) Three members appointed by the President of the Senate, one of whom shall be an
 201 individual with expertise in corporate finance and one of whom shall be an owner of a
 202 minority business enterprise as defined in Code Section 50-5-131; and

203 (6) Three members appointed by the Speaker of the House of Representatives, one of
 204 whom shall be a patient advocate and one of whom shall be an owner of a minority
 205 business enterprise as defined in Code Section 50-5-131.

206 (c) The oversight board shall elect a chairperson from among its membership. The
 207 oversight board shall meet upon the call of the chairperson at such times and places as he
 208 or she deems necessary or convenient to perform its duties. The oversight board shall
 209 maintain minutes of its meetings and such other records as it deems necessary.

210 (d) Members of the oversight board shall serve without compensation but shall receive for
 211 each day of attendance at oversight board meetings a daily expense allowance in the
 212 amount specified in subsection (b) of Code Section 45-7-21, plus reimbursement for actual
 213 transportation costs incurred while traveling by public carrier or the legal mileage rate for
 214 use of a personal car in connection with such attendance.

215 (e) Members of the oversight board shall serve at the pleasure of the Governor, President
 216 of the Senate, or Speaker of the House of Representatives, in accordance with their manner
 217 of appointment.

218 (f) In addition to the powers provided pursuant to this article, the oversight board shall
 219 have the authority to:

220 (1) Have a seal and alter the same at its pleasure; bring and defend actions; make,
 221 execute, and deliver contracts, conveyances, and other instruments necessary or
 222 convenient to the exercise of its powers; and make and amend bylaws;

223 (2) Adopt such rules and regulations as are necessary to implement the provisions of this
 224 article; and

225 (3) Contract for necessary goods and services and employ necessary personnel to assist
 226 in carrying out the duties required under this article as it deems advisable.

227 16-12-204.

228 (a) No later than January 1, 2020, the department shall issue five Class 1 production
 229 licenses, providing it receives at least five qualified applications. A Class 1 production
 230 licensee shall be authorized to:

231 (1) Grow unlimited amounts of cannabis or hemp products only in indoor facilities for
 232 use in producing low THC oil;

233 (2) Manufacture low THC oil;

234 (3) Operate up to five safe access retail outlets state wide for the sale of low THC oil to
 235 registered patients; and

236 (4) Provide home delivery of low THC oil to registered patients state wide through
237 company owned and operated vehicles.

238 (b) Class 1 production licenses shall be issued to applicants selected by the oversight board
239 following a competitive application and review process in accordance with the
240 requirements set forth in this article. An applicant for a Class 1 production license shall
241 submit an application on a form established by the department, together with the following
242 information:

243 (1) Proof of available capital to make the investments needed to safely, securely, and
244 promptly perform all required functions of a licensee. Prior to issuance of a Class 1
245 production license, the applicant shall provide written documentation showing that on the
246 date of application and award such applicant holds at least \$10 million in available cash
247 reserves to invest in operations in this state;

248 (2) A written production plan detailing the production processes that, at a minimum,
249 includes details describing how the chain of custody will be maintained, documented, and
250 made available for review by the department or the Georgia Bureau of Investigation.
251 Production processes shall include compliance with all production standards, laws, and
252 regulations needed to protect public safety and ensure product purity;

253 (3) A comprehensive security plan that ensures compliance with the applicable laws of
254 this state. At a minimum, a security plan shall include a 24 hours per day, seven days per
255 week interior and exterior video monitoring and intrusion detection monitoring system,
256 recording and video storage capabilities for all facilities, and licensed security personnel.
257 The entire premises of licensees shall be equipped with a centralized access control
258 system capable of generating detailed reports of access logs for a minimum of one year.
259 All videos, access logs, and any other monitoring data shall be available to the Georgia
260 Bureau of Investigation upon request. The department is authorized to set requirements
261 for the minimum technology, resolution, and storage capacity of at least 45 days for the
262 video recording capabilities of licensees;

263 (4) A written plan detailing specific security measures to ensure secured transportation
264 and tracking of delivered products for intrafacility transportation and for home delivery;

265 (5) A detailed employment plan specifying the jobs and salaries of employees and
266 demonstrating the expected economic impact of proposed activities in Georgia;

267 (6) A written plan to ensure that no pesticides are used at any point in the production
268 process other than those certified organic by the Organic Materials Review Institute or
269 another similar standards organization;

270 (7) Detailed designs of all production and retail facilities;

271 (8) Letters of support from one or more local governmental entities where the primary
272 facilities will be located;

273 (9) A demonstration of significant involvement in the business by one or more minority
274 business enterprises as defined in Code Section 50-5-131, either as co-owners of the
275 business or as significant suppliers of goods and services for the business. Such
276 applicants shall be encouraged to form business relationships with Georgia agricultural
277 businesses and military veterans;

278 (10) Documentation of the applicant's industry capabilities and management experience.
279 The oversight board shall consider the relevant industry experience and strength of the
280 applicant's management team and board of directors when considering its merits;

281 (11) Sufficient documentation to prove that a \$5 million cash bond payable to the State
282 of Georgia or an irrevocable letter of credit can be obtained within 30 days of license
283 award. Failure to provide the requisite bond or letter of credit within 30 days of the
284 license award date may be cause for revocation of the license;

285 (12) Documentation to satisfactorily demonstrate that the applicant will successfully
286 open and begin operation of its first retail outlet within 12 months of the award date.
287 Failure to meet this requirement within 12 months of the award date may be cause for
288 revocation of the license;

289 (13) A written delivery plan with detailed documentation of the applicant's plan to offer
290 in-home delivery of low THC oil to registered patients;

291 (14) Copies of recent criminal background checks performed by the Georgia Crime
292 Information Center for all owners, officers, and employees of the applicant demonstrating
293 a lack of felony convictions, except for felony convictions that are greater than ten years
294 old and are not drug related; and

295 (15) A description of any efforts made by the applicant to create jobs or locate facilities
296 in tier one or tier two counties as defined in Code Section 48-7-40.

297 (c) An applicant for a Class 1 production license shall submit a nonrefundable application
298 fee in the amount of \$50,000.00 concurrent with submission of the application.

299 (d) Upon award of a Class 1 production license, an applicant shall be required to submit
300 an initial license fee of \$100,000.00, and upon annual renewal, a license renewal fee of
301 \$50,000.00.

302 (e) A Class 1 production license may be revoked if the licensee is not operational
303 within 12 months of the award date.

304 (f)(1) No person or entity holding an ownership interest in a license issued under this
305 Code section may hold an ownership interest in any other type of license issued under
306 this article.

307 (2) No person or entity may hold an ownership interest in more than one Class 1
308 production license at any one time.

309 (3) Ownership interests in more than one license shall be cause for revocation of all
310 licenses.

311 (g) In the event a license issued pursuant to this Code section is revoked by the oversight
312 board or surrendered by the licensee, the oversight board shall be authorized to issue a
313 replacement license through a competitive application and review process conducted in
314 accordance with this Code section.

315 16-12-205.

316 (a) No later than January 1, 2020, the department shall issue five Class 2 production
317 licenses, providing it receives at least five qualified applications. A Class 2 production
318 licensee shall be authorized to:

319 (1) Grow cannabis or hemp products only in indoor facilities for use in producing low
320 THC oil, limited to 20,000 square feet of cultivation space;

321 (2) Manufacture low THC oil;

322 (3) Operate up to three safe access retail outlets for the sale of low THC oil to registered
323 patients; and

324 (4) Provide home delivery of low THC oil to registered patients through company owned
325 and operated vehicles.

326 (b) Class 2 production licenses shall be issued to applicants selected by the oversight board
327 following a competitive application and review process in accordance with the
328 requirements set forth in this article. An applicant for a Class 2 production license shall
329 submit an application on a form established by the department, together with the following
330 information:

331 (1) Proof of available capital to make the investments needed to safely, securely, and
332 promptly perform all required functions of a licensee. Prior to issuance of a Class 2
333 production license, the applicant shall provide written documentation showing that on the
334 date of application and award such applicant holds at least \$1 million in available cash
335 reserves to invest in operations in this state;

336 (2) A written production plan detailing the production processes that, at a minimum,
337 includes details describing how the chain of custody will be maintained, documented, and
338 made available for review by the department or the Georgia Bureau of Investigation.
339 Production processes shall include compliance with all production standards, laws, and
340 regulations needed to protect public safety and ensure product purity;

341 (3) A comprehensive security plan that ensures compliance with the applicable laws of
342 this state. At a minimum, a security plan shall include a 24 hours per day, seven days per
343 week interior and exterior video monitoring and intrusion detection monitoring system,
344 recording and video storage capabilities for all facilities, and licensed security personnel.

345 The entire premises of licensees shall be equipped with a centralized access control
346 system capable of generating detailed reports of access logs for a minimum of one year.
347 All videos, access logs, and any other monitoring data shall be available to the Georgia
348 Bureau of Investigation upon request. The department is authorized to set requirements
349 for the minimum technology, resolution, and storage capacity of at least 45 days for the
350 video recording capabilities of licensees;

351 (4) A written plan detailing specific security measures to ensure secured transportation
352 and tracking of delivered products for intrafacility transportation and for home delivery;

353 (5) A detailed employment plan specifying the jobs and salaries of employees and
354 demonstrating the expected economic impact of proposed activities in Georgia;

355 (6) A written plan to ensure that no pesticides are used at any point in the production
356 process other than those certified organic by the Organic Materials Review Institute or
357 another similar standards organization;

358 (7) Detailed designs of all production and retail facilities;

359 (8) Letters of support from one or more local governmental entities where the primary
360 facilities will be located;

361 (9) A demonstration of significant involvement in the business by one or more minority
362 business enterprises as defined in Code Section 50-5-131, either as co-owners of the
363 business or as significant suppliers of goods and services for the business. Such
364 applicants shall be encouraged to form business relationships with Georgia agricultural
365 businesses and military veterans;

366 (10) Documentation of applicant's industry capabilities and management experience.
367 The oversight board shall consider the relevant industry experience and strength of the
368 applicant's management team and board of directors when considering its merits;

369 (11) Documentation to satisfactorily demonstrate that the applicant will successfully
370 open and begin operation of its first retail outlet within 12 months of the award date.
371 Failure to meet this requirement within 12 months of the award date may be cause for
372 revocation of the license;

373 (12) A written delivery plan with detailed documentation of the applicant's plan to offer
374 in-home delivery of low THC oil to registered patients;

375 (13) Copies of recent criminal background checks performed by the Georgia Crime
376 Information Center for all owners, officers, and employees of the applicant demonstrating
377 a lack of felony convictions, except for felony convictions that are greater than ten years
378 old and are not drug related; and

379 (14) A description of any efforts made by the applicant to create jobs or locate facilities
380 in tier one or tier two counties as defined in Code Section 48-7-40.

381 (c) An applicant for a Class 2 production license shall submit a nonrefundable application
382 fee in the amount of \$12,500.00 concurrent with submission of the application.

383 (d) Upon award of a Class 2 production license, an applicant shall be required to submit
384 an initial license fee of \$25,000.00, and upon annual renewal, a license renewal fee of
385 \$12,500.00.

386 (e) A Class 2 production license may be revoked if the licensee is not operational within
387 12 months of the award date.

388 (f)(1) No person or entity holding an ownership interest in a license issued under this
389 Code section may hold an ownership interest in any other type of license issued under
390 this article.

391 (2) No person or entity may hold an ownership interest in more than one Class 2
392 production license at any one time.

393 (3) Ownership interests in more than one license shall be cause for revocation of all
394 licenses.

395 (g) In the event a license issued pursuant to this Code section is revoked by the oversight
396 board or surrendered by the licensee, the oversight board shall be authorized to issue a
397 replacement license through a competitive application and review process conducted in
398 accordance with this Code section.

399 16-12-206.

400 (a) No later than January 1, 2020, the department shall issue ten safe access retail licenses,
401 providing it receives at least ten qualified applications. A safe access retail licensee shall
402 be authorized to operate up to two safe access retail outlets to make low THC oil available
403 to registered patients on a retail basis.

404 (b) Safe access retail licenses shall be issued to applicants selected by the oversight board
405 following a competitive application and review process in accordance with the
406 requirements set forth in this article. An applicant for a safe access retail license shall
407 submit an application on a form established by the department, together with the following
408 information:

409 (1) Proof of available capital to make the investments needed to safely, securely, and
410 promptly perform all required functions of a licensee. Prior to issuance of a safe access
411 retail license, the applicant shall provide written documentation showing that on the date
412 of application and award such applicant holds at least \$250,000.00 in available cash
413 reserves to invest in operations in this state;

414 (2) A comprehensive security plan that ensures compliance with the applicable laws of
415 this state. At a minimum, a security plan shall include a 24 hours per day, seven days per
416 week interior and exterior video monitoring and intrusion detection monitoring system.

417 recording and video storage capabilities for all facilities, and licensed security personnel.
 418 The entire premises of licensees shall be equipped with a centralized access control
 419 system capable of generating detailed reports of access logs for a minimum of one year.
 420 All videos, access logs, and any other monitoring data shall be available to the Georgia
 421 Bureau of Investigation upon request. The department is authorized to set requirements
 422 for the minimum technology, resolution, and storage capacity of at least 45 days for the
 423 video recording capabilities of licensees;

424 (3) A detailed employment plan specifying the jobs and salaries of employees and
 425 demonstrating the expected economic impact of proposed activities in Georgia;

426 (4) Detailed designs of all retail facilities;

427 (5) Letters of support from one or more local governmental entities where the primary
 428 facilities will be located;

429 (6) A demonstration of significant involvement in the business by one or more minority
 430 business enterprises as defined in Code Section 50-5-131, either as co-owners of the
 431 business or as significant suppliers of goods and services for the business. Such
 432 applicants shall be encouraged to form business relationships with Georgia agricultural
 433 businesses and military veterans; and

434 (7) Copies of recent criminal background checks performed by the Georgia Crime
 435 Information Center for all owners, officers, and employees of the applicant demonstrating
 436 a lack of felony convictions, except for felony convictions that are greater than ten years
 437 old and are not drug related.

438 (c) An applicant for a safe access retail license shall submit a nonrefundable application
 439 fee in the amount of \$10,000.00 concurrent with submission of the application.

440 (d) Upon award of a safe access retail license, an applicant shall be required to submit an
 441 initial license fee of \$20,000.00, and upon annual renewal, a license renewal fee
 442 of \$10,000.00.

443 (e) A safe access retail license may be revoked if the licensee is not operational within 12
 444 months of the award date.

445 (f)(1) No person or entity holding an ownership interest in a license issued under this
 446 Code section may hold an ownership interest in any other type of license issued under
 447 this article.

448 (2) No person or entity may hold an ownership interest in more than one safe access
 449 retail license at any one time.

450 (3) Ownership interests in more than one license shall be cause for revocation of all
 451 licenses.

452 (g) In the event a license issued pursuant to this Code section is revoked by the oversight
 453 board or surrendered by the licensee, the oversight board shall be authorized to issue a

454 replacement license through a competitive application and review process conducted in
 455 accordance with this Code section.

456 16-12-207.

457 (a) The department shall require that each Class 1 production licensee and Class 2
 458 production licensee establish, maintain, and utilize, directly or by contract, a tracking
 459 system. The department shall approve one or more vendors to provide or operate tracking
 460 systems no later than December 1, 2019.

461 (b) A tracking system shall have the functions and capabilities described in subsections (c)
 462 and (d) of this Code section and shall be operated in compliance with the federal Health
 463 Insurance Portability and Accountability Act of 1996, Public Law 104-191.

464 (c) The tracking system shall be hosted on a platform that allows for:

- 465 (1) Dynamic allocation of resources;
- 466 (2) Data redundancy; and
- 467 (3) Recovery from natural disaster within 12 hours.

468 (d) The tracking system shall be capable of:

- 469 (1) Tracking all plants, products, packages, and registered patients' purchase totals,
 470 waste, transfers, conversions, sales, and returns that, if practicable, are linked to unique
 471 identification numbers;
- 472 (2) Tracking lot and batch information throughout the entire chain of custody;
- 473 (3) Tracking all marijuana and low THC oil throughout the entire chain of custody;
- 474 (4) Tracking plant, batch, and marijuana and low THC oil destruction;
- 475 (5) Tracking transportation of marijuana and low THC oil;
- 476 (6) Performing complete batch recall tracking that clearly identifies all of the following
 477 details relating to the specific batch subject to the recall:
 - 478 (A) Amount of low THC oil sold;
 - 479 (B) Amount of low THC oil inventory that is finished and available for sale;
 - 480 (C) Amount of low THC oil that is in the process of transfer;
 - 481 (D) Amount of low THC oil being processed into another form; and
 - 482 (E) Amount of postharvest raw marijuana, such as marijuana that is in the drying,
 483 trimming, or curing process;
- 484 (7) Reporting and tracking loss, theft, or diversion of marijuana or low THC oil;
- 485 (8) Reporting and tracking all inventory discrepancies;
- 486 (9) Reporting and tracking adverse patient responses or dose related efficacy issues;
- 487 (10) Reporting and tracking all sales and refunds;
- 488 (11) Tracking purchase limits and flagging purchases in excess of authorized limits;

- 489 (12) Receiving electronically submitted information required to be reported under this
 490 Code section;
- 491 (13) Receiving testing results electronically from a laboratory via a secured application
 492 program interface into the tracking system and directly linking the testing results to each
 493 applicable source batch and sample;
- 494 (14) Flagging test results that have characteristics indicating that they may have been
 495 altered;
- 496 (15) Providing information to cross-check that low THC oil sales are made to a
 497 registered patient, caregiver, or designated caregiver and that the low THC oil received
 498 the required testing;
- 499 (16) Providing the department with real-time access to information in the tracking
 500 system; and
- 501 (17) Providing real-time information to the department regarding key performance
 502 indicators, including:
- 503 (A) Total low THC oil daily sales;
 504 (B) Total marijuana plants in production;
 505 (C) Total marijuana plants destroyed; and
 506 (D) Total inventory adjustments.
- 507 (e) A Class 1 production licensee or Class 2 production licensee shall supply the relevant
 508 tracking or testing information regarding each plant, product, package, batch, test, transfer,
 509 conversion, sale, recall, or disposition of marijuana or low THC oil in or from such
 510 licensee's possession or control on forms created by the department.
- 511 16-12-208.
- 512 (a) No person may enter a safe access retail outlet unless he or she is an employee of the
 513 retail outlet, an employee of a licensee, or a registered patient or caregiver in possession
 514 of a valid registration card in accordance with Code Section 31-2A-18. A registered patient
 515 or caregiver in possession of a valid registration card in accordance with Code
 516 Section 31-2A-18 may obtain low THC oil from any safe access retail outlet in this state
 517 regardless of where he or she resides within this state.
- 518 (b) Prior to dispensing any low THC oil to a registered patient, a safe access retail outlet
 519 shall:
- 520 (1) Verify that the individual requesting the low THC oil is a registered patient or
 521 designated caregiver as set forth in Code Section 31-2A-18, using procedures developed
 522 by the department;
- 523 (2) Assign a tracking number to any low THC oil distributed;

524 (3) Properly package low THC oil in compliance with the federal Poison Prevention
 525 Packing Act regarding child resistant packaging and exemptions for packaging for elderly
 526 patients and shall label low THC oil with a list of all active ingredients and specific
 527 identifying information, including:

528 (A) The patient's name and date of birth;

529 (B) The name and date of birth of a caregiver or designated caregiver, if applicable;

530 (C) The patient's registry identification number from his or her registration card; and

531 (D) The chemical composition of the low THC oil; and

532 (4) Ensure that the low THC oil distributed contains a maximum of a 60 day supply of
 533 the dosage determined for such registered patient.

534 (c) Each safe access retail licensee shall report to the department on a monthly basis the
 535 following information on each registered patient for the prior month:

536 (1) The amount and dosages of the low THC oil distributed;

537 (2) The chemical composition of the low THC oil distributed; and

538 (3) The tracking number assigned to the low THC oil distributed.

539 (d) Each safe access retail licensee shall require its employees to receive ten hours of
 540 annual training, approved by the department, regarding clinical efficacy and safe use of low
 541 THC oil.

542 16-12-209.

543 (a) No licensee shall operate in any location, whether for cultivation, harvesting, and
 544 processing of marijuana or for processing, manufacturing, packaging, or distributing low
 545 THC oil, within a 3,000 foot radius, measured from property boundary to property
 546 boundary, of a public or private school; an early care and education program as defined in
 547 Code Section 20-1A-2; or a church, synagogue, or other place of public religious worship,
 548 in existence prior to the date of licensure of such licensee by the department.

549 (b) No licensee shall use or provide funding for any advertisement for low THC oil which:

550 (1) Contains the word 'marijuana' or any term commonly referring to marijuana used for
 551 recreational purposes;

552 (2) Utilizes signs with green lighting;

553 (3) Contains statements that are inconsistent with any statements on the labeling of
 554 products;

555 (4) Advertises or markets marijuana or marijuana products in a manner intended to
 556 encourage persons under 21 years of age to consume such products;

557 (5) Is attractive to children, including the use of toys or cartoon characters; or

558 (6) Promotes the recreational or nonmedical use of marijuana.

559 16-12-210.

560 Any Class 1 production licensee or Class 2 production licensee may operate one or more
561 health consultation centers to provide information to registered patients and to arrange for
562 the purchase of low THC oil from a licensed safe access retail outlet or through home
563 delivery, so long as such centers have no low THC oil onsite.

564 16-12-211.

565 The Georgia Bureau of Investigation shall be responsible for ensuring that all activities of
566 licensees are conducted in accordance with this article and the laws of this state. In
567 addition to other powers and duties, the Georgia Bureau of Investigation shall establish
568 procedures to ensure that no activities conducted under this article result in the illegal or
569 recreational use of low THC oil or manufacturing by-products and establish any other
570 procedures necessary to carry out its duties and responsibilities pursuant to this article.

571 16-12-211.1.

572 It shall be unlawful to ingest low THC oil in a manner that employs a heating element,
573 power source, electronic circuit, or other electronic, chemical, or mechanical means,
574 regardless of shape or size, that can be used to produce vapor in a solution or other form,
575 including but not limited to any electronic cigarette, electronic cigar, electronic cigarillo,
576 electronic pipe, or similar product or device and any vapor cartridge or other container of
577 low THC oil in a solution or other form that is intended to be used with or in an electronic
578 cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device.

579 16-12-212.

580 (a) All licensees shall provide on-demand access to facilities for inspection when requested
581 by the Georgia Bureau of Investigation or the department. Facility inspections may be
582 unannounced and may occur at any time, with or without cause. Upon request by the
583 Georgia Bureau of Investigation or the department, a licensee shall immediately provide
584 product samples for the purposes of laboratory testing.

585 (b) All Class 1 production licensees and Class 2 production licensees shall contract with
586 a laboratory on the department's approved list of independent laboratories, subject to any
587 requirements set by the department, for purposes of testing low THC oil manufactured by
588 such licensees. Low THC oil shall be analyzed for potency, foreign matter, microbial
589 presence, pesticides, heavy metals, and residual solvents. The department shall establish
590 limits for each item tested to verify that such low THC oil meets the requirements of this
591 article. The department shall promulgate rules and regulations governing the operations
592 of laboratories for the testing of low THC oil. The costs of laboratory testing shall be paid

593 by the licensees. Each low THC oil product shall be required to pass all requirements
 594 established by the department before being distributed. Products that do not pass the
 595 department requirements shall be destroyed by the licensee and proof of such destruction
 596 shall be sent to the department upon request.

597 (c) This Code section shall not apply to intrafacility transportation or home delivery of low
 598 THC oil; provided, however, that licensees engaging in such transportation or home
 599 delivery shall maintain secured transportation and tracking of product delivery.

600 16-12-213.

601 No person convicted of a felony shall be eligible to work as an employee of a licensee or
 602 otherwise participate in the business activities of a licensee conducted pursuant to this
 603 article; provided, however, that this Code section shall not apply to a felony in which the
 604 date of such conviction is greater than ten years old so long as it is not drug related.

605 16-12-214.

606 (a) All working papers, recorded information, documents, and copies produced by,
 607 obtained by, or disclosed to the department pursuant to the activities conducted pursuant
 608 to this article, other than information published in an official department report regarding
 609 the activities conducted pursuant to this article, shall be confidential data and shall not be
 610 subject to Article 4 of Chapter 18 of Title 50.

611 (b) In no event shall the department disclose any information that would reveal the identity
 612 or health information of any registered patient or violate the federal Health Insurance
 613 Portability and Accountability Act of 1996, Public Law 104-191.

614 16-12-215.

615 (a) No license issued under this article shall transfer ownership within one year of
 616 issuance.

617 (b) All subsequent transfers of license ownership shall be approved by the department to
 618 become valid. The department shall not unreasonably withhold approval of a license
 619 transfer when the parties adequately demonstrate that a proposed new owner satisfies all
 620 requirements necessary to obtain a license and that the transfer is in the best interest of
 621 registered patients in this state.

622 (c) A licensee who has been denied transfer approval by the department may appeal the
 623 denial to the commissioner of public health. Thereafter, an appeal may be filed in the
 624 Superior Court of Fulton County in accordance with Chapter 13 of Title 50, the 'Georgia
 625 Administrative Procedure Act.'

626 16-12-216.

627 (a) A license may be revoked by the department if the licensee:

628 (1) Holds ownership interest in more than one category of license issued under this
629 article;

630 (2) Employs individuals convicted of a felony within the previous ten years;

631 (3) Utilizes pesticides other than pest management products that have been certified
632 organic by the Organic Materials Review Institute or another similar standards
633 organization;

634 (4) Fails to comply with inspection and access requirements in accordance with this
635 article;

636 (5) Fails to be fully operational within 12 months of the date a license is awarded; or

637 (6) Fails to comply with any other provision or requirement of this article.

638 (b) A licensee may appeal a revocation of a license by the department to the commissioner
639 of public health to have such license reinstated. Thereafter, an appeal may be filed in the
640 Superior Court of Fulton County in accordance with Chapter 13 of Title 50, the 'Georgia
641 Administrative Procedure Act.'

642 16-12-217.

643 (a) No current member of the oversight board, or former member of the oversight board
644 for a period of five years from the date such individual ceased to be a member, shall own,
645 operate, have a financial interest in, or be employed by a low THC oil manufacturer or
646 distributor, including any licensee under this article.

647 (b) No physician who certifies individuals to the department pursuant to Code
648 Section 31-2A-18 for the use of low THC oil to treat certain conditions shall own, operate,
649 have a financial interest in, or be employed by a low THC oil manufacturer or distributor,
650 including any licensee under this article. This subsection shall not prohibit a physician
651 from furnishing a registered patient or his or her caregiver, upon request, with the names
652 of low THC oil manufacturers or distributors. Any physician violating this Code section
653 shall be guilty of a misdemeanor.

654 (c) A licensee that makes a campaign contribution pursuant to Article 2 of Chapter 5 of
655 Title 21 shall identify itself as a licensee under this article to the recipient of such campaign
656 contribution.

657 16-12-218.

658 (a) A licensee or licensee's employee who knowingly or willfully encourages, causes,
659 abets, connives, conspires, or aids in the endangerment of patients, trafficking of low THC
660 oil or its manufacturing by-products, or criminal distribution of raw materials and

661 agricultural inputs, including but not limited to seeds, under this article shall be guilty of
 662 a felony and, upon conviction thereof, be punished by a fine not to exceed \$100,000.00,
 663 imprisonment for not less than five nor more than ten years, or both.

664 (b) Any person whose acts or omissions of gross, willful, or wanton negligence contribute
 665 to or cause the endangerment of patients, trafficking of low THC oil or its manufacturing
 666 by-products, or criminal distribution of raw materials and agricultural inputs, including but
 667 not limited to seeds, under this article shall be guilty of a misdemeanor of a high and
 668 aggravated nature and, upon conviction thereof, be punished by a fine of up to \$5,000.00,
 669 imprisonment for up to 12 months, or both.

670 (c) Failure to comply with all other provisions of this article shall be punishable by a fine
 671 of up to \$500.00 for the first offense. All persons convicted of a second or subsequent
 672 offense shall be guilty of a misdemeanor and, upon conviction thereof, be punished by a
 673 fine of up to \$1,000.00, imprisonment for up to six months, or both, for each violation.

674 (d) The provisions of this Code section shall not preclude prosecution and punishment for
 675 the commission of any offense otherwise provided by law.

676 16-12-219.

677 The Georgia Department of Agriculture shall not regulate any activity authorized under this
 678 article. To the extent that the Department of Agriculture is authorized under any other law
 679 of this state to regulate any activity authorized by this article, including, but not limited to,
 680 the production process and seeds used by growers, such activities shall be exempt from
 681 regulation by the Department of Agriculture; provided, however, that all use of artificial
 682 pesticides regulated by the Department of Agriculture shall be banned."

683 **SECTION 5.**

684 Chapter 11 of Title 2 of the Official Code of Georgia, relating to seeds and plants generally,
 685 is amended by adding a new Code section to read as follows:

686 "2-11-36.

687 This article shall not apply to seeds used for the production of low THC oil in accordance
 688 with Article 9 of Chapter 12 of Title 16 and no person shall be subject to regulation or
 689 penalties pursuant to this article for growing, selling, offering for sale, exposing for sale,
 690 or transporting in this state any seed used for the lawful production of low THC oil
 691 pursuant to Article 9 of Chapter 12 of Title 16."

692 **SECTION 6.**

693 Code Section 31-2A-18 of the Official Code of Georgia Annotated, relating to establishment
 694 of the Low THC Oil Patient Registry, is amended by revising subsection (e) as follows:

695 "(e) The board shall require physicians to issue semiannual reports to the board. Such
696 reports shall require physicians to provide information, including, but not limited to,
697 dosages recommended for a particular condition, patient clinical responses, levels of
698 tetrahydrocannabinol or tetrahydrocannabinolic acid present in test results, compliance,
699 responses to treatment, side effects, and drug interactions. Such reports shall be used for
700 research purposes to determine the efficacy of the use of low THC oil as a treatment for
701 conditions."

702 **SECTION 7.**

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