

The Senate Committee on Regulated Industries and Utilities offered the following substitute to HB 324:

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 provide for the creation of the
6 Georgia Access to Medical Cannabis Commission; to provide for its membership, powers,
7 and duties; to provide for the issuance of production licenses; to authorize the University
8 System of Georgia to obtain cannabis through the National Institute on Drug Abuse or from
9 any available legal source; to provide for the dispensing of low THC oil by pharmacies; to
10 provide for dispensing licenses by the State Board of Pharmacy; to provide for Class 1
11 production licenses; to provide for Class 2 production licenses; to provide for safe access
12 retail licenses; to provide for seed-to-sale tracking systems; to provide for retrospective
13 study; to provide requirements for safe access retail outlets; to provide for state-wide
14 distribution of safe access retail outlets; to provide for enforcement by the Georgia Bureau
15 of Investigation; to provide for facility inspections and product sample testing; to prohibit
16 certain convicted felons from working as employees for licensees; to provide for
17 confidentiality of records; to provide for transfer of licenses; to provide for revocation of
18 licenses; to prohibit ownership by certain physicians in low THC oil manufacturers or
19 distributors; to provide for violations and penalties; to provide for contingent effectiveness;
20 to provide for immunity; to provide for reimbursement of legal expenses for state employees;
21 to provide for contracts; to prohibit ingesting low THC oil through vaping; to prohibit
22 regulation by the Department of Agriculture; to amend Chapter 11 of Title 2 of the Official
23 Code of Georgia, relating to seeds and plants generally, so as to provide for an exception; to
24 amend Code Section 31-2A-18 of the Official Code of Georgia Annotated, relating to
25 establishment of the Low THC Oil Patient Registry, so as to require a physician to review
26 information in the prescription drug monitoring program data base; to provide for research
27 to determine the efficacy of low THC oil for treatment of conditions; to provide for related

28 matters; to provide for a short title; to provide for legislative findings; to repeal conflicting
29 laws; and for other purposes.

30 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

31 **SECTION 1.**

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

33 **SECTION 2.**

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

44 (b) The General Assembly further finds that:

45 (1) Low THC oil can offer significant medical benefits to patients;

46 (2) Low THC oil can only be derived from the cannabis plant;

47 (3) A carefully constructed system of in-state cultivation to benefit only those patients
48 authorized by Georgia law and approved by their physician would benefit patients within
49 the State of Georgia;

50 (4) The State of Georgia is deeply opposed to any recreational or nonmedical use of
51 marijuana, and any system to help patients access low THC oil should be as limited in
52 scope as possible;

53 (5) Business opportunities resulting from a system of in-state cultivation should be
54 inclusive of minority, women, and veteran owned businesses;

55 (6) Businesses resulting from this Act should include at least 20 percent participation by
56 minority, women, and veteran owned businesses as licensees, suppliers, and partners of
57 businesses licensed under this Act; and

58 (7) The State of Georgia should encourage active participation by minority, women, and
59 veteran owned businesses, as well as take any steps necessary to ensure there is no
60 discrimination in the issuance of licenses or participation in business activities resulting
61 from this Act.

62

SECTION 3.

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

66 "16-12-191.

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

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

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

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

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

84 (A) Such person is involved in a clinical research program being conducted by the
85 Board of Regents of the University System of Georgia or any authorized clinical trial
86 or research study in this state or their authorized agent pursuant to Chapter 51 of
87 Title 31 as:

88 (i) A program participant;

89 (ii) A parent, guardian, or legal custodian of a program participant;

90 (iii) An employee of the board of regents designated to participate in the research
91 program;

92 (iv) A program agent;

93 (v) A program collaborator and their designated employees;

94 (vi) A program supplier and their designated employees;

95 (vii) A program physician;

96 (viii) A program clinical researcher;

97 (ix) Program pharmacy personnel; or

98 (x) Other program medical personnel;

99 (B) Such person has in his or her possession a permit issued as provided in Code
100 Section 31-51-7; and

101 (C) Such substance is in a pharmaceutical container labeled by the manufacturer
102 indicating the percentage of tetrahydrocannabinol therein.

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

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

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

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

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

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

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

134 (f) Subsections (c) and (d) of this Code section shall not apply to a designated university,
135 pharmacy, or licensee under Article 9 of Chapter 12 of Title 16, provided that such

136 possession, purchase, control, sale, manufacturing, distribution, or dispensing is solely
 137 conducted in accordance with the provisions of Article 9 of Chapter 12 of Title 16.
 138 (f)(g) Nothing in this article shall require an employer to permit or accommodate the use,
 139 consumption, possession, transfer, display, transportation, purchase, sale, or growing of
 140 marijuana in any form, or to affect the ability of an employer to have a written zero
 141 tolerance policy prohibiting the on-duty, and off-duty, use of marijuana, or prohibiting any
 142 employee from having a detectable amount of marijuana in such employee's system while
 143 at work."

144 **SECTION 4.**

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

146 "ARTICLE 9

147 Part 1

148 16-12-200.

149 As used in this article, the term:

150 (1) 'Applicant' means an individual or corporate entity applying for a license pursuant
 151 to Part 2 of this article.

152 (2) 'Available capital' means corporate assets that are available to fund business
 153 operations in the event a license is awarded pursuant to Part 2 of this article.

154 (3) 'Class 1 production license' means a license to produce, manufacture, and dispense
 155 low THC oil issued pursuant to Code Section 16-12-211.

156 (4) 'Class 2 production license' means a license to produce, manufacture, and dispense
 157 low THC oil issued pursuant to Code Section 16-12-212.

158 (5) 'Commission' means the Georgia Access to Medical Cannabis Commission created
 159 pursuant to Code Section 16-12-202.

160 (6) 'Designated universities' means the University of Georgia and Fort Valley State
 161 University.

162 (7) 'Dispense' means the sale or provision of low THC oil to registered patients through
 163 a safe access retail outlet or pharmacy with a dispensing license.

164 (8) 'Dispensing license' means a specialty license issued by the State Board of Pharmacy
 165 pursuant to Code Section 16-12-206 to a pharmacy to dispense low THC oil to registered
 166 patients.

167 (9) 'Grow' means cultivating and harvesting cannabis for use in producing low THC oil.

168 (10) 'Licensee' means any business, or owner of such business, with a valid license
 169 issued pursuant to Part 2 of this article.

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

171 (12) 'Manufacture' means to process cannabis to produce low THC oil.

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

177 (14) 'Product' means low THC oil delivered through an oil, tincture, transdermal patch,
 178 lotion, capsule, or other delivery mechanism specifically recommended in writing by a
 179 physician for a registered patient, except as prohibited by Code Section 16-12-234.

180 (15) 'Production license' means a license issued by the commission pursuant to Code
 181 Section 16-12-204 to produce low THC oil.

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

184 (17) 'Safe access retail license' means a license issued pursuant to Code
 185 Section 16-12-213 to operate retail outlets for the sale of low THC oil to registered
 186 patients and also means the authority granted to Class 1 production licensees and Class 2
 187 production licensees to operate retail outlets for the sale of low THC oil to registered
 188 patients.

189 (18) 'Safe access retail outlet' means a retail outlet operated by a licensee for the sale of
 190 low THC oil to registered patients.

191 (19) 'Tracking system' means a seed-to-sale tracking system to track marijuana that is
 192 grown, processed, manufactured, transferred, stored, or disposed of and low THC oil that
 193 is transferred, stored, sold, dispensed, or disposed of pursuant to this article.

194 16-12-201.

195 Except as otherwise provided in this article, it shall be unlawful for any person in this state
 196 to produce, grow, manufacture, or dispense low THC oil or any products related to its
 197 production in this state.

198 16-12-202.

199 (a) There is created the Georgia Access to Medical Cannabis Commission which is
 200 assigned to the Department of Public Health for administrative purposes only, as prescribed
 201 in Code Section 50-4-3. The commission shall consist of five members who shall be
 202 appointed as follows:

203 (1) Three members appointed by the Governor;

204 (2) One member appointed by the Lieutenant Governor; and

- 205 (3) One member appointed by the Speaker of the House of Representatives.
206 (b) Members shall serve four-year terms of office. The Governor shall designate one of
207 his or her appointees as the chairperson.
208 (c) The commission shall meet upon the call of the chairperson or upon the request of two
209 members. The commission shall organize itself as it deems appropriate and may elect
210 additional officers from among its members.
211 (d) Any vacancy on the commission shall be filled for the unexpired term by appointment
212 by the original appointing authority.
213 (e) Members of the commission shall serve without compensation but shall receive the
214 same expense allowance per day as that received by a member of the General Assembly
215 for each day such member of the commission is in attendance at a meeting of such
216 commission, plus either reimbursement for actual transportation costs while traveling by
217 public carrier or the same mileage allowance for use of a personal car in connection with
218 such attendance as members of the General Assembly receive. Such expense and travel
219 allowance shall be paid in lieu of any per diem, allowance, or other remuneration now
220 received by any such member for such attendance.

221 16-12-203.

222 The commission shall have the following powers, duties, and responsibilities:

- 223 (1) To apply for, receive, and administer state funds appropriated to the commission,
224 private grants and donations, and other funds and donations. The commission's annual
225 distributions shall be capped and limited to funds received from the sources specified in
226 this paragraph. The commission shall ensure that its funds are not used as a supplement
227 or secondary payor to any other third-party payor;
228 (2) To execute a contract or contracts to purchase or obtain low THC oil, cannabis,
229 cannabinoids, or any other derivative, compound, or substantially similar products from
230 any available legal source and to provide logistics related thereto in accordance with this
231 article. Such contract or contracts may be executed with one or more qualified
232 corporations or with one or more governmental entities. Purchases made pursuant to this
233 paragraph shall not be subject to state purchasing laws contained in Article 3 of Chapter 5
234 of Title 50 or in other provisions of the Official Code of Georgia Annotated;
235 (3) To utilize funds appropriated or collected by the commission as may be necessary to
236 purchase and transport low THC oil to the State of Georgia for use by registered patients;
237 (4) To develop, establish, maintain, and administer a low THC oil distribution network
238 to obtain and distribute low THC oil to registered patients in this state and to coordinate
239 the best use of facilities and resources to operate such distribution network;

- 240 (5) To establish procedures for inspecting production facilities operated by designated
 241 universities;
- 242 (6) To establish requirements and procedures to ensure quality control, security, and
 243 oversight of low THC oil production in this state, including, but not limited to, testing for
 244 purity and dosage levels and verification that product labels accurately reflect product
 245 content;
- 246 (7) To provide for oversight of tracking systems;
- 247 (8) To coordinate and assist in the collection of data to evaluate the provision of low
 248 THC oil in this state;
- 249 (9) To study the provision of low THC oil in this state to determine the best practices and
 250 methods of providing such services, to determine what changes are needed to improve
 251 the provision of low THC oil, and to report any proposed legislative changes to the
 252 General Assembly each year;
- 253 (10) To coordinate its activities with the Department of Public Health;
- 254 (11) To employ an executive director and other staff and to establish duties and
 255 responsibilities of such persons; and
- 256 (12) To employ and manage consultants, as deemed necessary, in order to fulfill its
 257 duties and responsibilities under this article.

258 16-12-204.

259 (a)(1) The commission shall develop rules and regulations regarding the extraction,
 260 processing, and production of low THC oil. The rules and regulations shall include but
 261 not be limited to the following minimum standards:

262 (A) In order to mitigate the risk of bacterial contamination, food-grade ethanol
 263 extraction shall be used; and

264 (B) The extraction and refining process shall produce a product that is food safe and
 265 capable of producing pharmaceutical-grade products.

266 (2) The rules and regulations shall also include but not be limited to the procedures for
 267 application, qualifications, eligibility, background checks, and standards for suitability
 268 for a production license and penalties for violations of the rules and regulations.

269 (b)(1) The commission shall develop an annual, nontransferable specialty production
 270 license for the production of low THC oil. Other than the licenses granted to designated
 271 universities pursuant to this Code section, the commission shall limit the number of such
 272 licenses granted in the state to no more than one Class 1 and one Class 2 license pursuant
 273 to this part. The designated universities shall have the right of first refusal to be licensed
 274 as the production facility, either separately or jointly. The designated universities shall
 275 be authorized to contract with private entities to fulfill the terms of the license, including

276 contracting for the production of low THC oil. All contracts shall be approved by the
277 Commission. If neither of the designated universities exercises such option, up to one
278 Class 1 and one Class 2 licenses shall be awarded pursuant to the requirements provided
279 for in subsection (c) of this Code section.

280 (2) Prior to September 1, 2019, each designated university shall provide written notice
281 to the commission of its intent to be licensed as a production facility, either separately or
282 jointly.

283 (3) Each designated university may conduct research on marijuana for therapeutic use
284 if such university is licensed as a production facility pursuant to this Code section.
285 Effective January 1, 2020, and annually thereafter, the designated universities shall
286 submit a report to the Senate Health and Human Services Committee and the House
287 Committee on Health and Human Services, to include data and outcomes of the research
288 conducted pursuant to this paragraph.

289 (c)(1) In the event that neither of the designated universities exercises the option
290 contained in subsection (b) of this Code section, the commission shall award up to one
291 Class 1 and one Class 2 licenses pursuant to this subsection. The licenses shall be limited
292 to one geographic location each as provided for in rules and regulations of the
293 commission. The geographic location shall be subject to Article 4 of Chapter 18 of Title
294 50, relating to open records. The licensees shall permit inspection of the production
295 facility by any elected member of the General Assembly upon request after receipt of
296 reasonable notice.

297 (2)(A) The commission shall grant the licenses pursuant to contracts awarded through
298 a competitive sealed bid or a competitive sealed proposal as provided for in Article 3
299 of Chapter 5 of Title 50.

300 (B) Any contract for a license awarded pursuant to this subsection shall not exceed five
301 years.

302 (C) Any contract, memorandum of understanding, or cooperative endeavor agreement
303 entered into pursuant to this subsection shall be subject to Article 4 of Chapter 18 of
304 Title 50, relating to open records.

305 (D) Any contract, memorandum of understanding, or cooperative endeavor agreement
306 entered into for services for the cultivation or processing in any way of marijuana
307 pursuant to this subsection shall be subject to Article 4 of Chapter 18 of Title 50,
308 relating to open records.

309 (E) No person licensed pursuant to this subsection shall subcontract for services for the
310 cultivation or processing in any way of marijuana if the subcontractor, or any of the
311 service providers in the chain of subcontractors, is owned wholly or in part by any state
312 employee or member of a state employee's immediate family, including but not limited

313 to any legislator, state-wide public official, or employee of a designated university. For
 314 purposes of this subparagraph, the term 'immediate family member' means a spouse,
 315 child, sibling, or parent or the spouse of a child, sibling, or parent.

316 (F) Any proposal submitted for a contract or a license awarded pursuant to this
 317 subsection shall include proof of the financial capability of the bidder to operate a
 318 production facility, including but not limited to a net worth of at least \$1 million.

319 (3) No person licensed pursuant to this subsection shall give or receive anything of value
 320 in connection with any contract, memorandum of understanding, or cooperative endeavor
 321 agreement executed pursuant to this subsection except the value that is expressed in the
 322 contract, memorandum of understanding, or cooperative endeavor agreement.

323 (d)(1) The commission shall collect the following information from each licensee:

324 (A) The amount of low THC oil produced by the licensee during each calendar year;

325 (B) The details of all production costs, including but not limited to seed, fertilizer,
 326 labor, advisory services, construction, and irrigation;

327 (C) The details of any items or services for which the licensee subcontracted and the
 328 costs of each subcontractor directly or indirectly working for the licensee;

329 (D) The amount of therapeutic chemicals produced resulting from the low THC oil
 330 manufactured pursuant to this article;

331 (E) The amounts paid each year to the licensee related to the licensee's production of
 332 low THC oil manufactured pursuant to this article; and

333 (F) The amount of low THC oil distributed to each pharmacy licensed to dispense low
 334 THC oil in this state during each calendar year.

335 (2) The commission shall provide the information collected pursuant to this subsection
 336 for the previous calendar year in the form of a written report to the Senate Health and
 337 Human Services Committee and the House Committee on Health and Human Services
 338 no later than February 1 of each year. The commission shall also make a copy of such
 339 report available to the public by posting such report on the commission's website.

340 (e) No company that has made a contribution to a candidate for any state or local office
 341 in this state within the five years prior to bidding for a license, or is controlled wholly or
 342 in part by a person who made such a contribution within the five years prior to the
 343 company bidding for a license, may be eligible for a license.

344 (f)(1) The commission shall:

345 (A) Establish and collect an annual license fee of \$100,000.00 and an annual permit
 346 fee of \$100.00 for administrative and inspection costs;

347 (B) Collect a nonrefundable application fee of \$10,000.00; and

348 (C) Receive an amount not to exceed 7 percent of the gross sales of low THC oil.

349 (2) All fees collected by the commission shall be remitted to the general fund of the state
350 treasury.

351 (g) The commission may revoke the license of a designated university if it is found by the
352 commission to have violated any of the requirements established pursuant to this article.

353 16-12-205.

354 (a) The University System of Georgia shall:

355 (1) Apply to contract with the National Institute on Drug Abuse for receipt of cannabis
356 pursuant to regulations promulgated by the National Institute on Drug Abuse, the United
357 States Food and Drug Administration, and the United States Drug Enforcement
358 Administration; or

359 (2) Obtain cannabis, cannabinoids, or any other derivative, compound, or substantially
360 similar products from any available legal source.

361 (b) A designated university may obtain cannabis, cannabinoids, or any other derivative,
362 compound, or substantially similar products from the University System of Georgia.

363 (c) Upon receipt of any cannabis, cannabinoids, or its extracts, compounds, or derivatives,
364 or any other substantially similar product, regardless of its source, including any product
365 produced pursuant to Code Section 16-12-204, a designated university shall test the
366 specifications of such product.

367 16-12-206.

368 (a) The State Board of Pharmacy shall develop an annual, nontransferable specialty
369 dispensing license for a pharmacy to dispense low THC oil to registered patients. The
370 State Board of Pharmacy shall develop rules and regulations regarding dispensing
371 pharmacies in this state.

372 (b) The State Board of Pharmacy shall adopt rules relating to the dispensing of low THC
373 oil by pharmacies. Such rules shall include but not be limited to:

374 (1) Standards, procedures, and protocols for the effective use of low THC oil as
375 authorized by state law and related rules and regulations;

376 (2) Standards, procedures, and protocols for the dispensing of low THC oil by a
377 pharmacy with a dispensing license and for the utilization of a tracking system;

378 (3) Procedures and protocols to provide that no low THC oil may be sold to or
379 transferred to a location outside of this state;

380 (4) The establishment of standards, procedures, and protocols for determining the
381 amount of usable low THC oil that is necessary to constitute an adequate supply for
382 registered patients in this state to ensure uninterrupted availability for a period of one
383 month, including amounts for topical treatments;

- 384 (5) The establishment of standards, procedures, and protocols to ensure that all low THC
385 oil dispensed is consistently pharmaceutical grade;
- 386 (6) The establishment of standards and procedures for the revocation, suspension, and
387 nonrenewal of dispensing licenses;
- 388 (7) The establishment of other licensing, renewal, and operational standards which are
389 deemed necessary by the State Board of Pharmacy;
- 390 (8) The establishment of standards and procedures for testing low THC oil for levels of
391 tetrahydrocannabinol or other testing parameters deemed appropriate by the State Board
392 of Pharmacy;
- 393 (9) The establishment of health, safety, and security requirements for pharmacies
394 dispensing low THC oil; and
- 395 (10) Requirements for the issuance of dispensing licenses to pharmacies.

396 Part 2

397 16-12-210.

- 398 (a) The commission shall have the following powers, duties, and responsibilities to
399 implement the provisions of this part:
- 400 (1) Issue licenses related to the production, growing, manufacturing, and dispensing of
401 low THC oil in accordance with the provisions of this part;
- 402 (2) Coordinate with the Georgia Bureau of Investigation to implement security plans and
403 enforce the provisions of this part;
- 404 (3) Establish procedures for granting licenses, testing products, and inspecting facilities;
- 405 (4) Establish requirements and procedures to ensure quality control, security, and
406 oversight of all low THC oil production in this state, including, but not limited to,
407 conducting testing for purity and dosage levels and verifying that product labels
408 accurately reflect product content. The commission is authorized to contract with private
409 laboratories to perform the functions described in this paragraph;
- 410 (5) Establish procedures and ensure sufficient resources are available to receive and
411 resolve complaints from registered patients;
- 412 (6) Establish applications and forms necessary to carry out the provisions of this part;
- 413 (7) Establish criteria for applicants and licensees as necessary to ensure market stability
414 and adequate supply;
- 415 (8) Provide for the selection, implementation, and oversight of tracking systems;
- 416 (9) Provide oversight of licensee reporting, data collection, and analysis;
- 417 (10) Establish requirements and procedures for marketing and signage; and

418 (11) Promulgate rules and regulations and adopt policies and procedures necessary to
419 carry out the provisions of this part.

420 (b) The commission shall not promulgate any rules or regulations that would unduly
421 burden access to low THC oil by registered patients.

422 16-12-211.

423 (a) The commission may issue up to one Class 1 production license, providing it receives
424 at least two qualified applications. A Class 1 production licensee shall be authorized to:

425 (1) Grow cannabis only in indoor facilities for use in producing low THC oil, limited to
426 450,000 square feet of cultivation space;

427 (2) Manufacture low THC oil; and

428 (3) Operate up to five safe access retail outlets state wide for the sale of low THC oil to
429 registered patients.

430 (b) Class 1 production licenses shall be issued to applicants selected by the commission
431 following a competitive application and review process in accordance with the
432 requirements set forth in this part. An applicant for a Class 1 production license shall
433 submit an application on a form established by the commission, together with the following
434 information:

435 (1) Proof of available capital to make the investments needed to safely, securely, and
436 promptly perform all required functions of a licensee. Prior to issuance of a Class 1
437 production license, the applicant shall provide written documentation showing that on the
438 date of application and award such applicant holds at least \$5 million in available cash
439 reserves to invest in operations in this state;

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

445 (3) A comprehensive security plan that ensures compliance with the applicable laws of
446 this state. At a minimum, a security plan shall include a 24 hours per day, seven days per
447 week interior and exterior video monitoring and intrusion detection monitoring system,
448 recording and video storage capabilities for all facilities, and licensed security personnel.
449 The entire premises of licensees shall be equipped with a centralized access control
450 system capable of generating detailed reports of access logs for a minimum of one year.
451 All videos, access logs, and any other monitoring data shall be available to the Georgia
452 Bureau of Investigation upon request. The commission is authorized to set requirements

453 for the minimum technology, resolution, and storage capacity of at least 45 days for the
454 video recording capabilities of licensees;
455 (4) A written plan detailing specific security measures to ensure secured transportation
456 and tracking of delivered products for intrafacility transportation;
457 (5) A detailed employment plan specifying the jobs and salaries of employees and
458 demonstrating the expected economic impact of proposed activities in Georgia;
459 (6) A written plan to ensure that no pesticides are used at any point in the production
460 process other than those certified organic by the Organic Materials Review Institute or
461 another similar standards organization;
462 (7) Detailed designs of all production and retail facilities;
463 (8) Letters of support from one or more local governmental entities where the primary
464 facilities will be located;
465 (9) A demonstration of significant involvement in the business by one or more minority
466 business enterprises as defined in Code Section 50-5-131, either as co-owners of the
467 business or as significant suppliers of goods and services for the business. Such
468 applicants shall be encouraged to form business relationships with Georgia agricultural
469 businesses and military veterans;
470 (10) Documentation of the applicant's industry capabilities and management experience.
471 The commission shall consider the relevant industry experience and strength of the
472 applicant's management team and board of directors when considering its merits;
473 (11) Sufficient documentation to prove that a \$2.5 million cash bond payable to the State
474 of Georgia or an irrevocable letter of credit can be obtained within 30 days of license
475 award. Failure to provide the requisite bond or letter of credit within 30 days of the
476 license award date shall be cause for revocation of the license;
477 (12) Documentation to satisfactorily demonstrate that the applicant will successfully
478 open and begin operation of its first retail outlet within 12 months of the award date.
479 Failure to meet this requirement within 12 months of the award date shall be cause for
480 revocation of the license;
481 (13) Copies of recent fingerprint-based, criminal background checks performed by the
482 Georgia Crime Information Center and the National Crime Information Center for all
483 owners, officers, and employees of the applicant demonstrating a lack of felony
484 convictions, except for felony convictions that are greater than ten years old and are not
485 drug related; and
486 (14) A description of any efforts made by the applicant to create jobs or locate facilities
487 in tier one or tier two counties as defined in Code Section 48-7-40.
488 (c) An applicant for a Class 1 production license shall submit a nonrefundable application
489 fee in the amount of \$25,000.00 concurrent with submission of the application.

490 (d) Upon award of a Class 1 production license, an applicant shall be required to submit
491 an initial license fee of \$250,000.00, and upon annual renewal, a license renewal fee of
492 \$100,000.00.

493 (e) Upon award of a Class 1 production license, the licensee shall be required to hire or
494 contract with a licensed Georgia pharmacist to provide professional consultation and
495 counseling, including drug regimen review, for registered patients or other licensed health
496 care professionals; provided, however, that nothing in this subsection shall be construed
497 to require a pharmacist to be physically present at a safe access retail outlet.

498 (f) A Class 1 production license shall be revoked if the licensee is not operational
499 within 12 months of the award date.

500 (g)(1) No person or entity holding an ownership interest in a license issued under this
501 Code section may hold an ownership interest in any other type of license issued under
502 this part.

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

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

507 (h) In the event a license issued pursuant to this Code section is revoked by the
508 commission or surrendered by the licensee, the commission shall be authorized to issue a
509 replacement license through a competitive application and review process conducted in
510 accordance with this Code section.

511 16-12-212.

512 (a) The commission may issue one Class 2 production license, providing it receives at least
513 two qualified applications. A Class 2 production licensee shall be authorized to:

514 (1) Grow cannabis only in indoor facilities for use in producing low THC oil, limited to
515 40,000 square feet of cultivation space;

516 (2) Manufacture low THC oil; and

517 (3) Operate up to three safe access retail outlets for the sale of low THC oil to registered
518 patients.

519 (b) Class 2 production licenses shall be issued to applicants selected by the commission
520 following a competitive application and review process in accordance with the
521 requirements set forth in this part. An applicant for a Class 2 production license shall
522 submit an application on a form established by the commission, together with the following
523 information:

524 (1) Proof of available capital to make the investments needed to safely, securely, and
525 promptly perform all required functions of a licensee. Prior to issuance of a Class 2

526 production license, the applicant shall provide written documentation showing that on the
527 date of application and award such applicant holds at least \$500,000.00 in available cash
528 reserves to invest in operations in this state;

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

534 (3) A comprehensive security plan that ensures compliance with the applicable laws of
535 this state. At a minimum, a security plan shall include a 24 hours per day, seven days per
536 week interior and exterior video monitoring and intrusion detection monitoring system,
537 recording and video storage capabilities for all facilities, and licensed security personnel.
538 The entire premises of licensees shall be equipped with a centralized access control
539 system capable of generating detailed reports of access logs for a minimum of one year.
540 All videos, access logs, and any other monitoring data shall be available to the Georgia
541 Bureau of Investigation upon request. The commission is authorized to set requirements
542 for the minimum technology, resolution, and storage capacity of at least 45 days for the
543 video recording capabilities of licensees;

544 (4) A written plan detailing specific security measures to ensure secured transportation
545 and tracking of delivered products for intrafacility transportation;

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

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

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

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

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

559 (10) Documentation of the applicant's industry capabilities and management experience.
560 The commission shall consider the relevant industry experience and strength of the
561 applicant's management team and board of directors when considering its merits;

562 (11) Sufficient documentation to prove that a \$100,000.00 cash bond payable to the State
563 of Georgia or an irrevocable letter of credit can be obtained within 30 days of license
564 award. Failure to provide the requisite bond or letter of credit within 30 days of the
565 license award date shall be cause for revocation of the license;

566 (12) Documentation to satisfactorily demonstrate that the applicant will successfully
567 open and begin operation of its first retail outlet within 12 months of the award date.
568 Failure to meet this requirement within 12 months of the award date shall be cause for
569 revocation of the license;

570 (13) Copies of recent fingerprint-based, criminal background checks performed by the
571 Georgia Crime Information Center and the National Crime Information Center for all
572 owners, officers, and employees of the applicant demonstrating a lack of felony
573 convictions, except for felony convictions that are greater than ten years old and are not
574 drug related; and

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

577 (c) An applicant for a Class 2 production license shall submit a nonrefundable application
578 fee in the amount of \$5,000.00 concurrent with submission of the application.

579 (d) Upon award of a Class 2 production license, an applicant shall be required to submit
580 an initial license fee of \$25,000.00, and upon annual renewal, a license renewal fee of
581 \$12,500.00.

582 (e) Upon award of a Class 2 production license, the licensee shall be required to hire or
583 contract with a licensed Georgia pharmacist to provide professional consultation and
584 counseling, including drug regimen review, for registered patients or other licensed health
585 care professionals; provided, however, that nothing in this subsection shall be construed
586 to require a pharmacist to be physically present at a safe access retail outlet.

587 (f) A Class 2 production license shall be revoked if the licensee is not operational within
588 12 months of the award date.

589 (g)(1) No person or entity holding an ownership interest in a license issued under this
590 Code section may hold an ownership interest in any other type of license issued under
591 this part.

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

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

596 (h) In the event a license issued pursuant to this Code section is revoked by the
597 commission or surrendered by the licensee, the commission shall be authorized to issue a

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

600 16-12-213.

601 (a) The commission may issue ten safe access retail licenses, providing it receives at least
602 ten qualified applications. A safe access retail licensee shall be authorized to operate up
603 to two safe access retail outlets to make low THC oil available to registered patients on a
604 retail basis.

605 (b) Safe access retail licenses shall be issued to applicants selected by the commission
606 following a competitive application and review process in accordance with the
607 requirements set forth in this part. An applicant for a safe access retail license shall submit
608 an application on a form established by the commission, together with the following
609 information:

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

615 (2) A comprehensive security plan that ensures compliance with the applicable laws of
616 this state. At a minimum, a security plan shall include a 24 hours per day, seven days per
617 week interior and exterior video monitoring and intrusion detection monitoring system,
618 recording and video storage capabilities for all facilities, and licensed security personnel.
619 The entire premises of licensees shall be equipped with a centralized access control
620 system capable of generating detailed reports of access logs for a minimum of one year.
621 All videos, access logs, and any other monitoring data shall be available to the Georgia
622 Bureau of Investigation upon request. The commission is authorized to set requirements
623 for the minimum technology, resolution, and storage capacity of at least 45 days for the
624 video recording capabilities of licensees;

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

627 (4) Detailed designs of all retail facilities;

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

630 (6) A demonstration of significant involvement in the business by one or more minority
631 business enterprises as defined in Code Section 50-5-131, either as co-owners of the
632 business or as significant suppliers of goods and services for the business. Such

633 applicants shall be encouraged to form business relationships with Georgia agricultural
634 businesses and military veterans; and

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

639 (c) An applicant for a safe access retail license shall submit a nonrefundable application
640 fee in the amount of \$5,000.00 concurrent with submission of the application.

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

644 (e) Upon award of a safe access retail license, the licensee shall be required to hire or
645 contract with a licensed Georgia pharmacist to provide professional consultation and
646 counseling, including drug regimen review, for registered patients or other licensed health
647 care professionals; provided, however, that nothing in this subsection shall be construed
648 to require a pharmacist to be physically present at a safe access retail outlet.

649 (f) A safe access retail license shall be revoked if the licensee is not operational within 12
650 months of the award date.

651 (g)(1) No person or entity holding an ownership interest in a license issued under this
652 Code section may hold an ownership interest in any other type of license issued under
653 this part.

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

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

658 (h) In the event a license issued pursuant to this Code section is revoked by the
659 commission or surrendered by the licensee, the commission shall be authorized to issue a
660 replacement license through a competitive application and review process conducted in
661 accordance with this Code section.

662 16-12-214.

663 Reserved.

664 16-12-215.

665 Reserved.

666 16-12-215.1.

667 The State Board of Pharmacy shall be authorized to establish rules and regulations for the
668 retail sale of low THC oil through licensed pharmacies in this state. A licensed pharmacy
669 shall not be required to obtain a safe access retail license in order to dispense low THC oil.
670 Low THC oil shall only be sold in a pharmacy in a manner which is in strict compliance
671 with the rules and regulations of the State Board of Pharmacy. Such rules and regulations
672 shall establish safety and security procedures. A licensed pharmacy shall maintain a record
673 of information required by the State Board of Pharmacy for each sale of low THC oil and
674 shall electronically track all such sales and submit the required information to an electronic
675 logging system. It shall be unlawful for a pharmacy to purchase any product containing
676 low THC oil from any person or entity other than a licensee under this article.

677 16-12-216.

678 (a) The commission shall require that each Class 1 production licensee and Class 2
679 production licensee establish, maintain, and utilize, directly or by contract, a tracking
680 system. The commission shall approve one or more vendors to provide or operate tracking
681 systems.

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

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

686 (1) Dynamic allocation of resources;

687 (2) Data redundancy; and

688 (3) Recovery from natural disaster within 12 hours.

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

690 (1) Tracking all plants, products, packages, and registered patients' purchase totals,
691 waste, transfers, conversions, sales, and returns that, if practicable, are linked to unique
692 identification numbers;

693 (2) Tracking lot and batch information throughout the entire chain of custody;

694 (3) Tracking all marijuana and low THC oil throughout the entire chain of custody;

695 (4) Tracking plant, batch, and marijuana and low THC oil destruction;

696 (5) Tracking transportation of marijuana and low THC oil;

697 (6) Performing complete batch recall tracking that clearly identifies all of the following
698 details relating to the specific batch subject to the recall:

699 (A) Amount of low THC oil sold;

700 (B) Amount of low THC oil inventory that is finished and available for sale;

701 (C) Amount of low THC oil that is in the process of transfer;

- 702 (D) Amount of low THC oil being processed into another form; and
 703 (E) Amount of postharvest raw marijuana, such as marijuana that is in the drying,
 704 trimming, or curing process;
 705 (7) Reporting and tracking loss, theft, or diversion of marijuana or low THC oil;
 706 (8) Reporting and tracking all inventory discrepancies;
 707 (9) Reporting and tracking adverse patient responses or dose related efficacy issues;
 708 (10) Reporting and tracking all sales and refunds;
 709 (11) Tracking purchase limits and flagging purchases in excess of authorized limits;
 710 (12) Receiving electronically submitted information required to be reported under this
 711 Code section;
 712 (13) Receiving testing results electronically from a laboratory via a secured application
 713 program interface into the tracking system and directly linking the testing results to each
 714 applicable source batch and sample;
 715 (14) Flagging test results that have characteristics indicating that they may have been
 716 altered;
 717 (15) Providing information to cross-check that low THC oil sales are made to a
 718 registered patient, caregiver, or designated caregiver and that the low THC oil received
 719 the required testing;
 720 (16) Providing the commission with real-time access to information in the tracking
 721 system; and
 722 (17) Providing real-time information to the commission regarding key performance
 723 indicators, including:
 724 (A) Total low THC oil daily sales;
 725 (B) Total marijuana plants in production;
 726 (C) Total marijuana plants destroyed; and
 727 (D) Total inventory adjustments.
 728 (e) A Class 1 production licensee or Class 2 production licensee shall supply the relevant
 729 tracking or testing information regarding each plant, product, package, batch, test, transfer,
 730 conversion, sale, recall, or disposition of marijuana or low THC oil in or from such
 731 licensee's possession or control on forms created by the commission.
- 732 16-12-217.
 733 (a) Beginning January 1, 2022, the commission shall undertake a retrospective study of the
 734 participation of minority and women owned businesses as licensees under this part for the
 735 period from January 1, 2020, through December 31, 2021. Thereafter, the commission
 736 shall conduct such study every four years for the immediately preceding four-year period.

737 (b) The initial and subsequent studies conducted pursuant to subsection (a) of this Code
 738 section shall identify any proof of discrimination based on race or gender in the issuance
 739 of licenses under this part.

740 (c) In the event that any proof of discrimination based on race or gender in the issuance
 741 of licenses under this part is identified, the commission shall be authorized to address such
 742 proof of discrimination by:

743 (1) Issuing one additional Class I production license, one additional Class 2 production
 744 license, and two additional safe access retail licenses to minority and women owned
 745 businesses;

746 (2) Reissuing any licenses that have been surrendered or revoked to minority or women
 747 owned businesses; or

748 (3) A combination of the above.

749 (d) This Code section shall not require the commission to issue a license to any applicant
 750 unless such applicant otherwise meets all requirements for licensure under this part.

751 16-12-218.

752 (a) No person may enter a safe access retail outlet unless he or she is an employee of the
 753 retail outlet, an employee of a licensee, or a registered patient or caregiver who presents
 754 a valid registration card in accordance with Code Section 31-2A-18. A registered patient
 755 or caregiver who presents such a valid registration card may obtain low THC oil from any
 756 safe access retail outlet in this state regardless of where he or she resides within this state.

757 (b) Prior to dispensing any low THC oil to a registered patient, a safe access retail outlet
 758 shall:

759 (1) Verify that the individual requesting the low THC oil is a registered patient or
 760 designated caregiver as set forth in Code Section 31-2A-18 and presents a valid
 761 registration card;

762 (2) Assign a tracking number to any low THC oil distributed;

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

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

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

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

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

771 (4) Ensure that the low THC oil distributed contains a maximum of a 60 day supply of
 772 the dosage determined for such registered patient; and

773 (5) Offer access to a licensed Georgia pharmacist to provide professional consultation
774 and counseling, including drug regimen review, for the registered patient.

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

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

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

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

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

783 16-12-219.

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

790 (b) No licensee shall advertise or market low THC oil or any safe access retail outlets to
791 registered patients or the public; provided, however, that a licensee shall be authorized to
792 provide information regarding its low THC oil directly to physicians.

793 16-12-220.

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

800 16-12-221.

801 (a) All licensees shall provide on-demand access to facilities for inspection when requested
802 by the Georgia Bureau of Investigation, the commission, or the local law enforcement
803 agency for the jurisdiction in which the facility is located. The commission and the
804 Georgia Drugs and Narcotics Agency may each conduct one annual inspection. Upon
805 request by the Georgia Bureau of Investigation, the commission, the Georgia Drugs and
806 Narcotics Agency, or the local law enforcement agency for the jurisdiction in which the

807 facility is located, a licensee shall immediately provide product samples for the purposes
 808 of laboratory testing.

809 (b) All Class 1 production licensees and Class 2 production licensees shall contract with
 810 a laboratory on the commission's approved list of independent laboratories, subject to any
 811 requirements set by the commission, for purposes of testing low THC oil manufactured by
 812 such licensees. Low THC oil shall be analyzed for potency, foreign matter, microbial
 813 presence, pesticides, heavy metals, and residual solvents. The commission shall establish
 814 limits for each item tested to verify that such low THC oil meets the requirements of this
 815 part. The commission shall promulgate rules and regulations governing the operations of
 816 laboratories for the testing of low THC oil. The costs of laboratory testing shall be paid by
 817 the licensees. Each low THC oil product shall be required to pass all requirements
 818 established by the commission before being distributed. Products that do not pass the
 819 commission's requirements shall be destroyed by the licensee and proof of such destruction
 820 shall be sent to the commission upon request.

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

824 16-12-221.1.

825 A licensee shall not be eligible for any tax credit allowed pursuant to any of the following
 826 Code Sections: 48-7-29.8, 48-7-29.11, 48-7-40, 48-7-40.1, 48-7-40.2, 48-7-40.3, 48-7-40.4,
 827 48-7-40.5, 48-7-40.7, 48-7-40.8, 48-7-40.9, 48-7-40.12, 48-7-40.17, 48-7-40.18,
 828 48-7-40.20, 48-7-40.21, 48-7-40.22, 48-7-40.24, 48-7-40.25, 48-7-40.26, 48-7-40.26A,
 829 48-7-40.27, 48-7-40.28, 48-7-40.29, 48-7-40.30, 48-7-40.31, 48-7-40.32, 48-7-40.33, or
 830 48-7-40.35.

831 16-12-222.

832 (a) No person convicted of a drug related felony shall be eligible to work as an employee
 833 of a licensee or otherwise participate in the business activities of a licensee conducted
 834 pursuant to this part.

835 (b) No person convicted of a nondrug related felony shall be eligible to work as an
 836 employee of a licensee or otherwise participate in the business activities of a licensee
 837 conducted pursuant to this part unless:

838 (1) The date of conviction is greater than ten years old; and

839 (2) The person:

840 (A) Has been released from incarceration for at least five years; or

841 (B) Agrees to submit to weekly drug screenings.

842 16-12-223.

843 (a) All working papers, recorded information, documents, and copies produced by,
844 obtained by, or disclosed to the commission pursuant to the activities conducted pursuant
845 to this part, other than information published in an official commission report regarding the
846 activities conducted pursuant to this article, shall be confidential data and shall not be
847 subject to Article 4 of Chapter 18 of Title 50; provided, however, that any contract,
848 memorandum of understanding, or cooperative endeavor agreement entered into pursuant
849 to this part or for services for the cultivation or processing in any way of marijuana
850 pursuant to this part shall be subject to Article 4 of Chapter 18 of Title 50.

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

854 16-12-223.1.

855 (a) The commission shall grant licenses under this part pursuant to a contract awarded
856 through a competitive sealed bid or a competitive sealed proposal as provided for in
857 Article 3 of Chapter 5 of Title 50.

858 (b) Any contract for a license awarded pursuant to this part shall not exceed five years.

859 (c) No licensee shall subcontract for services for the cultivation or processing in any way
860 of marijuana if the subcontractor, or any of the service providers in the chain of
861 subcontractors, is owned wholly or in part by any state employee or member of a state
862 employee's immediate family, including but not limited to any legislator, state-wide public
863 official, or employee of a designated university. For purposes of this subsection, the term
864 'immediate family member' means a spouse, child, sibling, or parent or the spouse of a
865 child, sibling, or parent.

866 (d) No licensee shall give or receive anything of value in connection with any contract,
867 memorandum of understanding, or cooperative endeavor agreement executed pursuant to
868 this part except the value that is expressed in the contract, memorandum of understanding,
869 or cooperative endeavor agreement.

870 (e) No company that has made a contribution to a candidate for any state or local office
871 in this state within the five years prior to bidding for a license, or that is controlled wholly
872 or in part by a person who made such a contribution within the five years prior to the
873 company bidding for a license, may be eligible for a license.

874 16-12-224.

875 (a) No license issued under this part shall transfer ownership within five years of issuance.

876 (b) All subsequent transfers of license ownership shall be approved by the commission to
877 become valid. The commission shall not unreasonably withhold approval of a license
878 transfer when the parties adequately demonstrate that a proposed new owner satisfies all
879 requirements necessary to obtain a license and that the transfer is in the best interest of
880 registered patients in this state.

881 (c) A licensee who has been denied transfer approval by the commission may file an
882 appeal in the Superior Court of Fulton County in accordance with Chapter 13 of Title 50,
883 the 'Georgia Administrative Procedure Act.'

884 16-12-225.

885 (a) A license shall be revoked by the commission if the licensee:

886 (1) Holds ownership interest in more than one category of license issued under this part;

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

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

891 (4) Fails to comply with inspection and access requirements in accordance with this part;

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

893 (6) Fails to comply with any other provision or requirement of this part.

894 (b) A licensee whose license has been revoked by the commission may file an appeal in
895 the Superior Court of Fulton County in accordance with Chapter 13 of Title 50, the
896 'Georgia Administrative Procedure Act.'

897 16-12-226.

898 (a) No current member of the commission, or former member of the commission for a
899 period of five years from the date such individual ceased to be a member, shall own,
900 operate, have a financial interest in, or be employed by a low THC oil manufacturer or
901 distributor, including any licensee under this part.

902 (a.1) No person or entity that owns, operates, or has any ownership interest in a company
903 or entity that produces, grows, processes, manufactures, cultivates, distributes, or sells
904 recreational marijuana shall be eligible for a license under this article.

905 (b) No physician who certifies individuals to the commission pursuant to Code
906 Section 31-2A-18 for the use of low THC oil to treat certain conditions shall own, operate,
907 have a financial interest in, or be employed by a low THC oil manufacturer or distributor,
908 including any licensee under this part. This subsection shall not prohibit a physician from
909 furnishing a registered patient or his or her caregiver, upon request, with the names of low

910 THC oil manufacturers or distributors. Any physician violating this Code section shall be
 911 guilty of a misdemeanor.

912 (c) A licensee that makes a campaign contribution pursuant to Article 2 of Chapter 5 of
 913 Title 21 shall identify itself as a licensee under this part to the recipient of such campaign
 914 contribution.

915 16-12-227.

916 (a) A licensee or licensee's employee who knowingly or willfully encourages, causes,
 917 abets, connives, conspires, or aids in the endangerment of patients, trafficking of low THC
 918 oil or its manufacturing by-products, or criminal distribution of raw materials and
 919 agricultural inputs, including but not limited to seeds, under this part shall be guilty of a
 920 felony and, upon conviction thereof, be punished by a fine not to exceed \$100,000.00,
 921 imprisonment for not less than five nor more than ten years, or both.

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

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

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

934 16-12-228.

935 This part shall become effective only upon the effective date of a specific appropriation of
 936 funds for purposes of this part, as expressed in a line item making specific reference to this
 937 part in a General Appropriations Act enacted by the General Assembly.

938 Part 3

939 16-12-230.

940 (a) Low THC oil shall only be dispensed to registered patients in this state from a
 941 pharmacy with a dispensing license, directly from the commission, or from a safe access
 942 retail outlet pursuant to this article.

943 (b) A pharmacist who dispenses low THC oil shall seek and review information on a
944 registered patient from the prescription drug monitoring program data base established
945 pursuant to Code Section 16-13-57 prior to dispensing low THC oil to the registered
946 patient.

947 16-12-231.

948 The following persons and entities, when acting in accordance with the provisions of this
949 article, shall not be subject to arrest, prosecution, or any civil or administrative penalty,
950 including a civil penalty or disciplinary action by a professional licensing board, or be
951 denied any right or privilege, for the medical use, prescription, administration,
952 manufacture, or distribution of low THC oil:

953 (1) A registered patient who is in possession of an amount of low THC oil authorized
954 under Code Section 16-12-191 or such patient's caregiver, parent, or guardian;

955 (2) A physician who certifies a patient to the Department of Public Health as being
956 diagnosed with a condition or in a hospice program and authorized to use low THC oil
957 for treatment pursuant to Code Section 31-2A-18;

958 (3) A pharmacist or pharmacy that dispenses or provides low THC oil to a registered
959 patient;

960 (4) The commission or its employees or contractors associated with the production of
961 low THC oil in accordance with this article; and

962 (5) A designated university, an employee of a designated university, or any other person
963 associated with the production of low THC oil in accordance with this article.

964 16-12-232.

965 A state employee is eligible for reimbursement for incurred counsel fees under Code
966 Section 45-12-26 in the event of a federal criminal investigation or prosecution solely
967 related to the employee's good faith discharge of public responsibilities under this article.

968 16-12-233.

969 It is the intent of the General Assembly that contracts related to the cultivation, harvesting,
970 manufacturing, production, and distribution of cannabis solely for the manufacture of low
971 THC oil pursuant to this article are not deemed contracts against public policy pursuant to
972 Code Section 13-8-2 and shall be enforceable. No such contract shall be unenforceable on
973 the basis that activities related to cannabis are prohibited by federal law.

974 16-12-234.

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

982 16-12-235.

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

989 **SECTION 5.**

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

992 "2-11-36.

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

998 **SECTION 6.**

999 Code Section 31-2A-18 of the Official Code of Georgia Annotated, relating to establishment
 1000 of the Low THC Oil Patient Registry, is amended by revising subsections (d), (e), and (h) as
 1001 follows:

1002 "(d) The department shall issue a registration card to individuals who have been certified
 1003 to the department by his or her physician as being diagnosed with a condition or is an
 1004 inpatient or outpatient in a hospice program and have been authorized by such physician
 1005 to use low THC oil as treatment. The department shall issue a registration card to a
 1006 caregiver when the circumstances warrant the issuance of such card. The board shall
 1007 establish procedures and promulgate rules and regulations to assist physicians in providing

1008 required uniform information relating to certification and any other matter relating to the
1009 issuance of certifications. In promulgating such rules and regulations, the board shall
1010 require that physicians have a doctor-patient relationship when certifying an individual as
1011 needing low THC oil and physicians shall be required to be treating such individual for the
1012 specific condition requiring such treatment or be treating such individual in a hospice
1013 program. A physician shall seek and review information about a patient from the
1014 prescription drug monitoring program data base established pursuant to Code Section
1015 16-13-57 prior to certifying such patient to the department as being diagnosed with a
1016 specific condition that requires the use of low THC oil as treatment.

1017 (e) The board shall require physicians to issue semiannual reports to the board. Such
1018 reports shall require physicians to provide information, including, but not limited to,
1019 dosages recommended for a particular condition, patient clinical responses, levels of
1020 tetrahydrocannabinol or tetrahydrocannabinolic acid present in test results, compliance,
1021 responses to treatment, side effects, and drug interactions. Such reports shall be used for
1022 research purposes to determine the efficacy of the use of low THC oil as a treatment for
1023 conditions."

1024 "(h) The board, in coordination with the Department of Public Health, shall annually
1025 review the conditions included in paragraph (3) of subsection (a) of this Code section and
1026 recommend additional conditions that have been shown through medical research to be
1027 effectively treated with low THC oil. Such recommendations shall include recommended
1028 dosages for a particular condition, patient responses to treatment with respect to the
1029 particular condition, and drug interactions with other drugs commonly taken by patients
1030 with the particular condition. Such recommendations shall be made jointly by the board
1031 and the Department of Public Health to the General Assembly no later than December 1
1032 of each year."

1033

SECTION 7.

1034 All laws and parts of laws in conflict with this Act are repealed.