

The House Committee on Agriculture and Consumer Affairs offers the following substitute to HB 847:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 23 of Title 2 of the Official Code of Georgia Annotated, relating to hemp
2 farming, so as to provide definitions; to provide for penalties; to provide for criminal
3 background checks; to provide for compliance with federal laws and regulations; to provide
4 for license and permit fees; to provide for transportation of hemp; to provide for testing of
5 hemp samples; to provide for destruction of noncompliant hemp and excess THC; to provide
6 for violations of the state hemp plan; to provide for related matters; to provide for an
7 effective date; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Chapter 23 of Title 2 of the Official Code of Georgia Annotated, relating to hemp farming,
11 is amended in Code Section 2-23-3, relating to definitions, by revising paragraphs (3)
12 through (11) and by adding a new paragraph to read as follows:

13 "(3) 'Federally defined THC level for hemp' means a delta-9-THC concentration of not
14 more than 0.3 percent on a dry weight basis, or ~~the THC concentration for hemp as~~
15 defined in 7 U.S.C. Section ~~5940~~ 16390, whichever is greater.

16 (4) 'Handle' means to possess or store hemp plants for any period of time on premises
17 owned, operated, or controlled by a person licensed to cultivate or permitted to process
18 hemp, or to possess or store hemp plants in a vehicle for any period of time other than
19 during the actual transport of such plants from the premises of a person licensed to
20 cultivate or permitted to process hemp or a college or university authorized to conduct
21 research pursuant to Code Section 2-23-4 to the premises of another licensed or permitted
22 person or to a college or university authorized to conduct research pursuant to Code
23 Section 2-23-4; provided, however, that ~~such~~ this term shall not include possessing or
24 storing finished hemp products.

25 (5) 'Hemp' means the Cannabis sativa L. plant and any part of such plant, including the
26 seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts

27 of isomers, whether growing or not, with the federally defined THC level for hemp or a
28 lower level.

29 (6) 'Hemp products' means all products with the federally defined THC level for hemp
30 derived from, or made by, processing hemp plants or plant parts that are prepared in a
31 form available for legal commercial sale, but not including food products infused with
32 THC unless approved by the United States Food and Drug Administration. In addition,
33 this term shall not include any part of the plant of the genus Cannabis, except for the
34 completely defoliated mature stalks of such plant, fiber produced from such stalks, or
35 completely sterilized seeds of the plant which are incapable of germination.

36 (7) 'Key participant' means a sole proprietor, a partner in a partnership, or a person with
37 executive managerial control in a corporation when such sole proprietor, partnership, or
38 corporation is an applicant to be a licensee or a permittee. A person with executive
39 managerial control in a corporation includes persons serving as a chief executive officer,
40 chief operating officer, chief financial officer, or any other individual identified in
41 regulations promulgated by the department. This term shall not include nonexecutive
42 managers, such as farm, field, or shift managers.

43 (8) 'Licensee' means an individual or business entity possessing a hemp grower license
44 issued by the department under the authority of this chapter to handle and cultivate hemp
45 in the State of Georgia.

46 ~~(8)~~(9) 'Permittee' means an individual or business entity possessing a hemp processor
47 permit issued by the department under the authority of this chapter to handle and process
48 hemp in the State of Georgia.

49 ~~(9)~~(10) 'Process' or 'processing' means converting an agricultural commodity into a
50 legally marketable form. This term does not include merely placing raw or dried material
51 into another container or packaging raw or dried material for resale.

52 ~~(10)~~(11) 'Research' or 'researching' means experimental field, greenhouse, or laboratory
53 activity for the ultimate purpose of developing new hemp varieties and products,
54 improving existing hemp products, developing new uses for existing hemp products, or
55 developing or improving methods for producing hemp products.

56 ~~(11)~~(12) 'THC' means tetrahydrocannabinol, tetrahydrocannabinolic acid, or a
57 combination of tetrahydrocannabinol and tetrahydrocannabinolic acid."

58 SECTION 2.

59 Said chapter is further amended in Code Section 2-23-4, relating to required licenses,
60 research by colleges and universities, and processing of other products, by revising
61 paragraphs (2), (3), and (6) of subsection (a), by revising subsection (b), and by adding a new
62 subsection to read as follows:

98 "(2) Unless the licensee is also a permittee or a licensee who will only provide or sell
 99 hemp to other licensees, the name of the permittee with whom the applicant has entered
 100 into or intends to enter into an agreement pursuant to Code Section 2-23-7 and the
 101 affidavit required by Code Section 2-23-6;"

102 "(4)(A) A criminal background check, as described in subparagraph (B) of this
 103 paragraph, of all key participants conducted by local law enforcement within 60 days
 104 prior to the application submission date. No license shall be issued to any applicant
 105 who has been convicted of a misdemeanor involving sale of or trafficking in a
 106 controlled substance or a felony or materially falsifies any information contained in a
 107 license application.

108 (B) At least one set of classifiable electronically recorded fingerprints of each key
 109 participant shall be submitted to the department in accordance with the fingerprint
 110 system of identification established by the director of the Federal Bureau of
 111 Investigation. The department shall transmit the fingerprints to the Georgia Crime
 112 Information Center, which shall submit the fingerprints to the Federal Bureau of
 113 Investigation for a search of bureau records and an appropriate report and shall
 114 promptly conduct a search of state records based upon the fingerprints. After receiving
 115 the report from the Georgia Crime Information Center and the Federal Bureau of
 116 Investigation, the department shall review the record for all key participants."

117 **SECTION 4.**

118 Said chapter is further amended in Code Section 2-23-6, relating to procedure for permitting,
 119 and limitations on permits and interests, by revising paragraph (5) of subsection (b) and
 120 subsection (d) as follows:

121 "(5)(A) A criminal background check, as described in subparagraph (B) of this
 122 paragraph, of all key participants conducted by local law enforcement within 60 days
 123 prior to the application submission date. No permit shall be issued to any applicant
 124 who has been convicted of a misdemeanor involving sale of or trafficking in a
 125 controlled substance or a felony or materially falsifies any information contained in a
 126 permit application.

127 (B) At least one set of classifiable electronically recorded fingerprints of each key
 128 participant shall be submitted to the department in accordance with the fingerprint
 129 system of identification established by the director of the Federal Bureau of
 130 Investigation. The department shall transmit the fingerprints to the Georgia Crime
 131 Information Center, which shall submit the fingerprints to the Federal Bureau of
 132 Investigation for a search of bureau records and an appropriate report and shall
 133 promptly conduct a search of state records based upon the fingerprints. After receiving

134 the report from the Georgia Crime Information Center and the Federal Bureau of
 135 Investigation, the department shall review the record for all key participants."

136 "(d) Hemp processor permits shall be issued for one calendar year at an annual permit fee
 137 of \$25,000.00, provided that after the first calendar year, a permittee shall be entitled to
 138 automatic permit renewals annually for a permit fee of ~~\$10,000.00~~ \$50,000.00 per year, so
 139 long as no administrative action has been taken by the department regarding such permittee
 140 under this chapter."

141 **SECTION 5.**

142 Said chapter is further amended in Code Section 2-23-7, relating to business agreements,
 143 transportation, and reimbursement for crop destruction by revising subsection (b) as follows:

144 ~~"(b)(1)(A) Transportation of hemp from each licensee's facilities to the permittee's~~
 145 ~~facilities shall be conducted in conformance with minimum standards to be~~
 146 ~~promulgated by the department~~ All hemp being shipped, transported, or otherwise
 147 delivered into, within, or through this state must be accompanied by documentation
 148 sufficient to prove that the hemp being shipped, transported, or delivered:

149 (i) Was lawfully produced under a state or tribal hemp plan approved by the United
 150 States Department of Agriculture, under a hemp license issued by the United States
 151 Department of Agriculture, or under 7 U.S.C. Section 5940 or otherwise in
 152 accordance with federal regulations through the state or territory of the Indian tribe,
 153 as applicable; and

154 (ii) Does not exceed the federally defined THC level for hemp.

155 (B) Any person shipping, transporting, or delivering hemp must also carry a bill of
 156 lading that includes:

157 (i) Name and address of the owner of the hemp;

158 (ii) Point of origin;

159 (iii) Point of delivery, including name and address;

160 (iv) Kind and quantity of packages or, if in bulk, the total quantity of hemp in the
 161 shipment; and

162 (v) Date of shipment.

163 (C) The person shipping, transporting, or delivering hemp must act in compliance with
 164 all state and federal laws and regulations.

165 (2)(A) All hemp products being shipped into or transported within or through this state
 166 must be accompanied by documentation sufficient to prove that the hemp products
 167 being shipped or transported were produced from hemp that was lawfully produced
 168 under a state or tribal hemp plan approved by the United States Department of
 169 Agriculture, under a hemp license issued by the United States Department of

170 Agriculture, or under 7 U.S.C. Section 5940 or otherwise in accordance with federal
 171 regulations through the state or territory of the Indian tribe, as applicable.

172 (B) Any person transporting hemp products must also carry a bill of lading that
 173 includes:

174 (i) Name and address of the owner of the hemp products;

175 (ii) Point of origin;

176 (iii) Point of delivery, including name and address;

177 (iv) Kind and quantity of packages or, if in bulk, the total quantity of hemp products
 178 in the shipment; and

179 (v) Date of shipment.

180 (C) The person transporting hemp products must act in compliance with all state and
 181 federal laws and regulations."

182 **SECTION 6.**

183 Said chapter is further amended by revising Code Section 2-23-8, relating to random testing
 184 of hemp, as follows:

185 "2-23-8.

186 (a)(1) The department shall have the right, either through its own personnel or through
 187 an independent contractor as provided for in Code Section 2-23-9, to ~~randomly test~~
 188 collect samples of hemp at for testing as provided for in this chapter from the fields and
 189 greenhouses of all licensees. Samples shall be representative of each crop with the same
 190 global positioning coordinates. No hemp shall be harvested until such samples are
 191 collected. Such testing, and the harvesting of the hemp tested, shall be conducted in
 192 compliance with this chapter and with regulations promulgated by the department.

193 (2) In the event that a test sample reveals a delta-9-THC concentration of more than
 194 ~~0.330 percent on a dry weight basis~~ the federally defined THC level for hemp, the
 195 licensee's entire crop with the same global positioning coordinates shall be destroyed in
 196 compliance with this chapter and with regulations promulgated by the department.

197 ~~(3) In the event that a test sample reveals a delta-9-THC concentration of more than 0.3~~
 198 ~~percent but not more than 0.330 percent on a dry weight basis, the licensee's crop shall~~
 199 ~~be retested and if upon such retesting, the delta-9-THC concentration exceeds 0.3 percent,~~
 200 ~~the entire crop with the same global positioning coordinates shall be destroyed in~~
 201 ~~compliance with regulations promulgated by the department.~~

202 (b)(1) The department shall, ~~have the right, either through its own personnel or through~~
 203 ~~an independent contractor~~ as provided for in Code Section 2-23-9, to randomly test hemp
 204 products at of the facilities of all permittees. Such testing shall be conducted in
 205 compliance with this chapter and with regulations promulgated by the department.

206 (2) In the event that a test sample reveals a delta-9-THC concentration of more
 207 than ~~0.3 percent the federally defined THC level for hemp~~, all related hemp products shall
 208 be destroyed ~~by the permittee under the supervision of local law enforcement in~~
 209 compliance with this chapter and with regulations promulgated by the department.

210 (3) In the event that THC is removed from hemp during processing and not subsequently
 211 returned to hemp products produced from such hemp, such THC shall be destroyed in
 212 compliance with this chapter and with regulations promulgated by the department."

213 **SECTION 7.**

214 Said chapter is further amended by revising Code Section 2-23-9, relating to contracting for
 215 testing, certification, regulatory, and grading functions, as follows:

216 "2-23-9.

217 The department shall be authorized to enter into a contract or contracts with one or more
 218 entities to conduct the testing provided for in Code Section 2-23-8 as well as to include the
 219 certification, regulatory, and grading functions pursuant to this chapter and regulations
 220 promulgated by the department. The department shall additionally comply with all federal
 221 inspection, reporting, and auditing requirements."

222 **SECTION 8.**

223 Said chapter is further amended in Code Section 2-23-10, relating to enforcement, corrective
 224 action plan, revocation of licenses, and reporting of licensees and permittees to Attorney
 225 General, by revising subsection (a) as follows:

226 "(a) ~~A violation of this chapter or the rules and regulations promulgated by the department~~
 227 ~~pursuant to this chapter~~ a plan authorized by Code Section 2-23-11 and approved by the
 228 secretary of agriculture of the United States by a licensee or permittee shall be subject to
 229 enforcement solely in accordance with this Code section."

230 **SECTION 9.**

231 This Act shall become effective upon its approval by the Governor or upon its becoming law
 232 without such approval.

233 **SECTION 10.**

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