

## House Bill 336

By: Representatives Corbett of the 174<sup>th</sup>, Dickey of the 140<sup>th</sup>, Pirkle of the 155<sup>th</sup>, Jasperse of the 11<sup>th</sup>, and Watson of the 172<sup>nd</sup>

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 for compliance with federal laws and regulations; to provide for  
3 history reports; to provide for disposal of lots of hemp; to provide for sampling and random  
4 testing of hemp; to provide for related matters; to provide for an effective date; to repeal  
5 conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 23 of Title 2 of the Official Code of Georgia Annotated, relating to hemp farming,  
9 is amended by revising Code Section 2-23-5, relating to procedure for licensing, fees,  
10 qualified agricultural producer requirements, and limitations on licenses, as follows:

11 "2-23-5.

12 (a)(1) Except as otherwise provided in this chapter, application for, consideration and  
13 issuance of, and revocation of hemp grower licenses issued by the department pursuant  
14 to this Code section shall be accomplished in accordance with Chapter 5 of this title, and  
15 such licenses shall otherwise be governed by such chapter. No such license shall be valid

16 unless the licensee has and maintains in effect an agreement with a permittee pursuant to  
17 Code Section 2-23-7.

18 (2) Hemp grower licenses shall be issued for one calendar year at an annual license fee  
19 of \$50.00 per acre cultivated up to a maximum license fee of \$5,000.00.

20 (b) Any person applying for a hemp grower license ~~shall be a qualified agricultural~~  
21 ~~producer, as defined in Code Section 48-8-3.3, and shall provide with such application to~~  
22 the department:

23 (1) A legal description and global positioning coordinates sufficient for locating fields  
24 and greenhouses to be used to cultivate and harvest hemp;

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

29 (3) Written consent, allowing representatives of the department, the Georgia Bureau of  
30 Investigation, and other affected state and local law enforcement agencies to enter all  
31 premises where hemp is being cultivated, harvested, or handled for the purpose of  
32 conducting physical inspections and ensuring compliance with the requirements of this  
33 chapter; and

34 (4)(A) (3)(A) A criminal ~~background check~~ history report, as described in  
35 subparagraph (B) of this paragraph, ~~of all key participants for an individual, or if the~~  
36 ~~applicant is a business entity, all key participants conducted dated~~ within 60 days prior  
37 ~~to the application submission date of the application submission date. A license~~  
38 ~~application will not be considered complete without all required criminal history~~  
39 ~~reports.~~ No license shall be issued to any applicant who has been convicted of a  
40 misdemeanor involving sale of or trafficking in a controlled substance or a felony or  
41 materially falsifies any information contained in a license application.

42 (B) At least one set of classifiable electronically recorded fingerprints of each key  
43 participant shall be submitted to the department in accordance with the fingerprint  
44 system of identification established by the director of the Federal Bureau of  
45 Investigation. The department shall transmit the fingerprints to the Georgia Crime  
46 Information Center, which shall submit the fingerprints to the Federal Bureau of  
47 Investigation for a search of bureau records and an appropriate report and shall  
48 promptly conduct a search of state records based upon the fingerprints. After receiving  
49 the report from the Georgia Crime Information Center and the Federal Bureau of  
50 Investigation, the department shall review the record for all key participants.

51 (c)(1) No person shall be issued more than one hemp grower license, nor shall any  
52 person be permitted to have a beneficial interest in more than one hemp grower license  
53 issued under this chapter, regardless of the degree of such interest.

54 (2) Nothing contained in this subsection shall prohibit the reissuance of a valid hemp  
55 grower license if the license has been held by marriage prior to the creation of any of the  
56 relationships defined in paragraph (3) of this subsection.

57 (3) For purposes of this subsection:

58 (A) The term 'person' shall include all members of a licensee's family and all  
59 corporations, limited partnerships, limited liability companies, and other business  
60 entities in which a licensee holds more than a 50 percent ownership interest; the term  
61 'family' shall include any person related to the holder of the hemp grower license within  
62 the first degree of consanguinity and affinity as computed according to the canon law  
63 and who is claimed as a dependent by the licensee for income tax purposes; and

64 (B) The beneficiaries of a trust shall be considered to have a beneficial interest in any  
65 business forming a part of the trust estate."

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## SECTION 2.

Said chapter is further amended by revising Code Section 2-23-6, relating to procedure for permitting and limitations on permits and interests, as follows:

"2-23-6.

(a) Except as otherwise provided in this chapter, consideration, issuance, and revocation of hemp processor permits issued by the department pursuant to this Code section shall be accomplished in accordance with Chapter 5 of this title, and such permits shall otherwise be governed by such chapter. No such permit shall be valid unless the permittee has and maintains in effect an agreement with a licensee pursuant to Code Section 2-23-7.

(b) Any person applying for a hemp processor permit pursuant to this Code section shall provide to the department:

(1) A legal description and global positioning coordinates sufficient for locating facilities for processing hemp;

~~(2) Affidavits of such applicant and every licensee with whom such applicant has entered into a written agreement pursuant to Code Section 2-23-7 in which both parties swear that they have entered into or intend to enter into such an agreement. Such affidavits shall be in a form to be provided by the department;~~

~~(3)~~ Written consent allowing representatives of the department, the Georgia Bureau of Investigation, and other affected state and local law enforcement agencies to enter all premises where hemp is being processed or handled for the purpose of conducting physical inspections and ensuring compliance with the requirements of this chapter;

~~(4)~~ (3) A surety bond in the amount of \$100,000.00 issued by a surety company authorized by law to do business in this state pursuant to a current certificate of authority to transact surety business by the Commissioner of Insurance. If any party is aggrieved or adversely affected by the permittee's failure to comply with the requirements of this chapter, the Commissioner may commence and maintain an action against the principal and surety on the bond; and

93 ~~(5)(A)~~ (4)(A) A criminal ~~background check~~ history report, as described in  
94 subparagraph (B) of this paragraph, ~~of all key participants for an individual, or if the~~  
95 applicant is a business entity, all key participants conducted dated within 60 days prior  
96 ~~to the application submission date~~ of the application submission date. A permit  
97 application will not be considered complete without all required criminal history  
98 reports. No permit shall be issued to any applicant who has been convicted of a  
99 misdemeanor involving sale of or trafficking in a controlled substance or a felony or  
100 materially falsifies any information contained in a permit application.

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

110 (c) The department shall annually accept applications for hemp processor permits to be  
111 issued by the department.

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

117 (e) Issuance of any hemp processor permit shall be conditioned upon the permittee's  
118 compliance with Code Section 2-23-7 prior to initiating hemp processing activities.

119 (f) A permittee may also apply for and be issued no more than one hemp grower license.

120 (g)(1) No person shall be issued more than one hemp processor permit, nor shall any  
121 person be permitted to have a beneficial interest in more than one hemp processor permit  
122 issued under this chapter, regardless of the degree of such interest.

123 (2) Nothing contained in this subsection shall prohibit the reissuance of a valid hemp  
124 processor permit if the permit has been held by marriage prior to the creation of any of  
125 the relationships defined in paragraph (3) of this subsection.

126 (3) For purposes of this subsection:

127 (A) The term 'person' shall include all members of a licensee's family and all  
128 corporations, limited partnerships, limited liability companies, and other business  
129 entities in which a licensee holds more than a 50 percent ownership interest; the term  
130 'family' shall include any person related to the holder of the hemp processor permit  
131 within the first degree of consanguinity and affinity as computed according to the canon  
132 law and who is claimed as a dependent by the licensee for income tax purposes; and

133 (B) The beneficiaries of a trust shall be considered to have a beneficial interest in any  
134 business forming a part of the trust estate."

### 135 SECTION 3.

136 Said chapter is further amended by revising Code Section 2-23-7, relating to business  
137 agreements, transportation, and reimbursement for crop destruction, as follows:

138 "2-23-7.

139 (a) Every permittee shall at all times have in place written agreements with each licensee  
140 governing their business relationship. Each permittee shall provide a copy of each such  
141 agreement, and any amendments thereto, to the department within ten days of execution  
142 of each such agreement or amendment thereto.

143 (b)(1)(A) All hemp being shipped, transported, or otherwise delivered into, within, or  
144 through this state must be accompanied by documentation sufficient to prove that the  
145 hemp being shipped, transported, or delivered:

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

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

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

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

155 (ii) Point of origin;

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

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

159 (v) Date of shipment.

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

162 (2)(A) All hemp products being shipped into or transported within or through this state  
163 must be accompanied by documentation sufficient to prove that the hemp products  
164 being shipped or transported were produced from hemp that was lawfully produced  
165 under a state or tribal hemp plan approved by the United States Department of  
166 Agriculture, under a hemp license issued by the United States Department of  
167 Agriculture, or under 7 U.S.C. Section 5940 or otherwise in accordance with federal  
168 regulations through the state or territory of the Indian tribe, as applicable.

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

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

172 (ii) Point of origin;

- 173 (iii) Point of delivery, including name and address;
- 174 (iv) Kind and quantity of packages or, if in bulk, the total quantity of hemp products  
175 in the shipment; and
- 176 (v) Date of shipment.
- 177 (C) The person transporting hemp products must act in compliance with all state and  
178 federal laws and regulations.
- 179 (c) Until December 31, 2022, when a licensee ~~destroys~~ disposes of a ~~crop lot~~ pursuant to  
180 Code Section 2-23-8, the permittee with whom the licensee has entered into an agreement  
181 pursuant to this Code section shall reimburse the licensee for half of the amount of the  
182 combined value of the seed, fertilizer, labor costs, and any other reasonable and customary  
183 input expenses incurred with such ~~destroyed~~ disposed of ~~crop lot~~."

184 **SECTION 4.**

185 Said chapter is further amended by revising Code Section 2-23-8, relating to sampling and  
186 random testing of hemp, as follows:

187 "2-23-8.

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

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



199 (b)(1) The department shall, as provided for in Code Section 2-23-9, randomly test hemp  
200 products of the facilities of all permittees. Such testing shall be conducted in compliance  
201 with this chapter and with regulations promulgated by the department.

202 (2) In the event that a test sample reveals a delta-9-THC concentration of more than the  
203 federally defined THC level for hemp, all related hemp products shall be ~~destroyed~~  
204 disposed of in compliance with this chapter and with regulations promulgated by the  
205 department.

206 (3) In the event that THC is removed from hemp during processing and not subsequently  
207 returned to hemp products produced from such hemp, such THC shall be ~~destroyed~~  
208 disposed of in compliance with this chapter and with regulations promulgated by the  
209 department."

210 **SECTION 5.**

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

213 **SECTION 6.**

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