

House Bill 336 (COMMITTEE SUBSTITUTE)

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 revise a  
3 definition; to provide for history reports; to provide for disposal of lots of hemp; to provide  
4 for sampling and random testing of hemp; to provide for related matters; to provide for an  
5 effective date; to repeal 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 in Code Section 2-23-3, relating to definitions regarding hemp farming, by  
10 revising paragraph (10) as follows:

11 "(10)(A) 'Process' or '~~processing~~' 'processing.' except as otherwise provided in  
12 subparagraph (B) of this paragraph, means converting an agricultural commodity into  
13 a legally marketable form.

14 (B) This ~~Such~~ term ~~does~~ shall not include:

15 (i) ~~merely~~ Merely placing raw or dried material into another container or packaging  
16 raw or dried material for resale; ~~or~~

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17 (ii) Traditional farming practices such as those commonly known as drying, shucking  
18 and bucking, storing, trimming, and curing."

19 **SECTION 2.**

20 Said chapter is further amended in Code Section 2-23-4, relating to required licenses,  
21 research by colleges and universities, and processing of other products, by revising  
22 subsection (a) as follows:

23 "(a) Except as otherwise provided in subsection (b) of this Code section, it shall be  
24 unlawful for:

25 (1) Any person to cultivate, handle, or process hemp in this state unless such person  
26 holds a hemp grower license or a hemp processor permit issued by the department  
27 pursuant to this chapter or is employed by a licensee or permittee;

28 (2) A permittee to accept hemp for processing from any person other than a licensee or  
29 a college or university authorized to conduct research pursuant to subsection (b) of this  
30 Code section, except as otherwise provided in paragraph (4) of this subsection;

31 (3) A licensee to provide or sell hemp to any person other than another licensee, a  
32 college or university authorized to conduct research pursuant to subsection (b) of this  
33 Code section, or a permittee with whom the licensee enters into an agreement pursuant  
34 to Code Section 2-23-7, unless such person is located in a state with a plan to regulate  
35 hemp production that is approved by the Secretary of Agriculture of the United States,  
36 or under 7 U.S.C. Section 5940, or otherwise in accordance with regulations promulgated  
37 by the United States Department of Agriculture, and such person is authorized to grow  
38 or process hemp in that state;

39 (4) A permittee to accept for processing any hemp grown outside of the State of Georgia,  
40 unless such hemp is grown in a state with a plan to regulate hemp production that is  
41 approved by the Secretary of Agriculture of the United States or otherwise in accordance  
42 with regulations promulgated by the United States Department of Agriculture;

- 43 (5) A permittee to process hemp pursuant to a hemp processor permit outside of the State  
 44 of Georgia, unless such processing occurs in a state with a plan to regulate hemp  
 45 production that is approved by the Secretary of Agriculture of the United States or  
 46 otherwise in accordance with regulations promulgated by the United States Department  
 47 of Agriculture;
- 48 (6) Any licensee or permittee to otherwise fail to comply with the requirements of this  
 49 chapter or any applicable state or federal law or regulation; ~~or~~
- 50 (7) ~~Offer~~ Any person to offer for sale at retail the unprocessed flower or leaves of the  
 51 hemp plant; or
- 52 (8) Any person to cultivate or handle hemp in any structure that is used for residential  
 53 purposes."

54

**SECTION 3.**

55 Said chapter is further amended by revising Code Section 2-23-5, relating to procedure for  
 56 licensing, fees, qualified agricultural producer requirements, and limitations on licenses, as  
 57 follows:

58 "2-23-5.

59 (a)(1) Except as otherwise provided in this chapter, application for, consideration and  
 60 issuance of, and revocation of hemp grower licenses issued by the department pursuant  
 61 to this Code section shall be accomplished in accordance with Chapter 5 of this title, and  
 62 such licenses shall otherwise be governed by such chapter. ~~No such license shall be valid  
 63 unless the licensee has and maintains in effect an agreement with a permittee pursuant to  
 64 Code Section 2-23-7.~~

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

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

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

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

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

81 ~~(4)(A) A criminal background check, as described in subparagraph (B) of this~~  
82 ~~paragraph, of all key participants conducted within 60 days prior to the application~~  
83 ~~submission date. No license shall be issued to any applicant who has been convicted~~  
84 ~~of a misdemeanor involving sale of or trafficking in a controlled substance or a felony~~  
85 ~~or materially falsifies any information contained in a license application.~~

86 ~~(B) At least one set of classifiable electronically recorded fingerprints of each key~~  
87 ~~participant shall be submitted to the department in accordance with the fingerprint system~~  
88 ~~of identification established by the director of the Federal Bureau of Investigation. The~~  
89 ~~department shall transmit the fingerprints to the Georgia Crime Information Center,~~  
90 ~~which shall submit the fingerprints to the Federal Bureau of Investigation for a search of~~  
91 ~~bureau records and an appropriate report and shall promptly conduct a search of state~~  
92 ~~records based upon the fingerprints. After receiving the report from the Georgia Crime~~

93 ~~Information Center and the Federal Bureau of Investigation, the department shall review~~  
94 ~~the record for all key participants.~~

95 (c)(1) Upon receipt of an application for a hemp grower license, the department shall  
96 conduct a criminal background check and is authorized to obtain a federal criminal  
97 history report in accordance with paragraph (2) of this subsection for an individual or, if  
98 the applicant is a business entity, all key participants seeking to obtain a hemp grower  
99 license.

100 (2) At least one set of classifiable electronically recorded fingerprints of the individual  
101 applicant or, if the applicant is a business entity, one set of classifiable electronically  
102 recorded fingerprints of each key participant shall be submitted to the department in  
103 accordance with the fingerprint system of identification established by the director of the  
104 Federal Bureau of Investigation. The department shall transmit the fingerprints to the  
105 Georgia Crime Information Center, which shall submit the fingerprints to the Federal  
106 Bureau of 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 individuals or key  
110 participants, as applicable.

111 (3) No license shall be issued to any applicant who has been convicted of a misdemeanor  
112 involving sale of or trafficking in a controlled substance or a felony or who materially  
113 falsifies any information contained in a license application.

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

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

120 (3) For purposes of this subsection:

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

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

129 **SECTION 4.**

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

132 "2-23-6.

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

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

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

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

146 ~~(3)~~ Written consent allowing representatives of the department, the Georgia Bureau of  
147 Investigation, and other affected state and local law enforcement agencies to enter all  
148 premises where hemp is being processed or handled for the purpose of conducting  
149 physical inspections and ensuring compliance with the requirements of this chapter; and  
150 ~~(4)~~ (3) A surety bond in the amount of ~~\$100,000.00~~ \$300,000.00 issued by a surety  
151 company authorized by law to do business in this state pursuant to a current certificate  
152 of authority to transact surety business by the Commissioner of Insurance. If any party  
153 is aggrieved or adversely affected by the permittee's failure to comply with the  
154 requirements of this chapter, the Commissioner may commence and maintain an action  
155 against the principal and surety on the bond; ~~and.~~

156 ~~(5)(A) A criminal background check, as described in subparagraph (B) of this~~  
157 ~~paragraph, of all key participants conducted within 60 days prior to the application~~  
158 ~~submission date. No permit shall be issued to any applicant who has been convicted~~  
159 ~~of a misdemeanor involving sale of or trafficking in a controlled substance or a felony~~  
160 ~~or materially falsifies any information contained in a permit application.~~

161 ~~(B) At least one set of classifiable electronically recorded fingerprints of each key~~  
162 ~~participant shall be submitted to the department in accordance with the fingerprint~~  
163 ~~system of identification established by the director of the Federal Bureau of~~  
164 ~~Investigation. The department shall transmit the fingerprints to the Georgia Crime~~  
165 ~~Information Center, which shall submit the fingerprints to the Federal Bureau of~~  
166 ~~Investigation for a search of bureau records and an appropriate report and shall~~  
167 ~~promptly conduct a search of state records based upon the fingerprints. After receiving~~  
168 ~~the report from the Georgia Crime Information Center and the Federal Bureau of~~  
169 ~~Investigation, the department shall review the record for all key participants.~~

170 (c)(1) Upon receipt of an application for a hemp processor permit, the department shall  
171 conduct a criminal background check and is authorized to obtain a federal criminal  
172 history report in accordance with paragraph (2) of this subsection for an individual or, if

173 the applicant is a business entity, all key participants seeking to obtain a hemp processor  
174 permit.

175 (2) At least one set of classifiable electronically recorded fingerprints of the individual  
176 applicant or, if the applicant is a business entity, one set of classifiable electronically  
177 recorded fingerprints of each key participant shall be submitted to the department in  
178 accordance with the fingerprint system of identification established by the director of the  
179 Federal Bureau of Investigation. The department shall transmit the fingerprints to the  
180 Georgia Crime Information Center, which shall submit the fingerprints to the Federal  
181 Bureau of Investigation for a search of bureau records and an appropriate report and shall  
182 promptly conduct a search of state records based upon the fingerprints. After receiving  
183 the report from the Georgia Crime Information Center and the Federal Bureau of  
184 Investigation, the department shall review the record for all individuals or key  
185 participants, as applicable.

186 (3) No permit shall be issued to any applicant who has been convicted of a misdemeanor  
187 involving sale of or trafficking in a controlled substance or a felony or who materially  
188 falsifies any information contained in a license application.

189 ~~(e)~~ (d) The department shall annually accept applications for hemp processor permits to  
190 be issued by the department.

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

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

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



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

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

206 (3) For purposes of this subsection:

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

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

## 215 **SECTION 5.**

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

218 "2-23-7.

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

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

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

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

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

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

235 (ii) Point of origin;

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

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

239 (v) Date of shipment.

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

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

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

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

252 (ii) Point of origin;

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

264 **SECTION 6.**

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

267 "2-23-8.

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

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

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

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

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

290 **SECTION 7.**

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

293 **SECTION 8.**

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