

2020 Regular Session

HOUSE BILL NO. 843

BY REPRESENTATIVE SCHEXNAYDER

AGRICULTURAL COMMODITIES: To provide for the regulation of industrial hemp, industrial hemp products, and industrial hemp-derived cannabidiol (CBD) products

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AN ACT

To amend and reenact R.S. 3:1462(1) and (10), 1465(D)(1), 1467(A), 1468(A) and (B), 1471(A)(4), 1481(4), (5), and (6), and 1482 through 1484, and to enact R.S. 3:1462(16) through (19), 1472, 1481(7) through (9), and 1485, relative to the regulation of industrial hemp; to provide for definitions; to provide for the requirements for licensure; to provide for application and permit fees; to provide for testing and inspection of industrial hemp crops or products; to provide for civil and criminal penalties; to authorize the Department of Agriculture and Forestry to issue stop orders; to authorize the commissioner of alcohol and tobacco control to issue civil fines for certain violations; to authorize the sale of hemp rolling papers; to provide for labeling of CBD products; to provide for the application of the State Food, Drug, and Cosmetic Law; to provide with respect to remote retailers of CBD products; to provide with respect to the authority of the office of alcohol and tobacco control relative to the sale of CBD products; to provide with respect to issuance of special event permits; to provide for applicability; to provide with respect to access to criminal history record and identification files; to create the Industrial Hemp Advisory Committee; to provide for the powers and duties of the committee; to provide for the membership of the committee; and to provide for related matters.

1 Be it enacted by the Legislature of Louisiana:

2 Section 1. R.S. 3:1462(1) and (10), 1465(D)(1), 1467(A), 1468(A) and (B),
3 1471(A)(4), 1481(4), (5), and (6), and 1482 through 1484 are hereby amended and reenacted
4 and R.S. 3:1462(16) through (19), 1472, 1481(7) through (9), and 1485 are hereby enacted
5 to read as follows:

6 §1462. Definitions

7 As used in this Part, the following terms shall have the following meanings:

8 (1) "Applicant" means a natural person or any individual; who applies on
9 behalf of a partnership, corporation, cooperative association, limited liability
10 company, joint stock association, sole proprietorship, joint venture, business
11 association, professional corporation, or any other legal entity or organization
12 through which business is conducted ~~or other business entity applying~~ for a grower,
13 processor, contract carrier, or industrial hemp seed producer license. ~~For purposes~~
14 ~~of a business entity, "applicant" shall mean the person designated by the business as~~
15 ~~being responsible for daily business operations.~~

16 * * *

17 (10) "Industrial hemp" means the plant Cannabis sativa L. and any part of
18 ~~that~~ such plant, including the seeds thereof and all derivatives, extracts,
19 cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not,
20 ~~with a delta-9 tetrahydrocannabinol (THC) concentration of not more than 0.3 percent on~~
21 ~~a dry weight basis~~ with no more than the federally defined THC level for hemp.

22 * * *

23 (16) "Federally defined THC level for hemp" means the greater of the
24 following:

25 (a) A delta-9-THC concentration of not more than three-tenths of a percent
26 (0.3%) on a dry weight basis.

27 (b) The THC concentration for hemp defined in 7 U.S.C. Section 5940.

28 (17) "Key participant" means a sole proprietor, a partner in a partnership, or
29 a person with executive managerial control in a corporation. A person with

1 executive managerial control includes persons such as a chief executive officer, chief
2 operating officer, and chief financial officer. "Key participant" does not include non-
3 executive managers such as farm, field, or shift managers.

4 (18) "Licensure" means any license that the department is authorized to issue
5 to a grower, seed producer, contract carrier, and processor of industrial hemp.

6 (19) "THC" means tetrahydrocannabinol, tetrahydrocannabinolic acid, or a
7 combination of both.

8 * * *

9 §1465. Licensure

10 * * *

11 D.(1) Upon application for initial licensure or annual license renewal, the
12 applicant, each key participant, and designated responsible party shall be required
13 to submit to a criminal background check. The applicant, each key participant, and
14 designated responsible party shall submit fingerprints and other identifying
15 information to the Louisiana Bureau of Criminal Identification and Information. The
16 costs of providing the criminal background check shall be assessed by the bureau,
17 as specified in R.S. 15:587(B), and paid by the applicant, key participant, or
18 designated responsible party. The department is entitled to the criminal history
19 record and identification files of the bureau for those persons seeking licensure or
20 license renewal pursuant to this Section.

21 * * *

22 §1467. Fees; disposition of funds

23 A. The commissioner may establish annual application, license, and testing
24 fees to be paid to the department. The amount of the fees shall be based on the cost
25 of the regulatory functions performed and services provided. The combined total of
26 the annual application fee and license fee shall not exceed five hundred dollars, and
27 the testing fee shall not exceed two hundred fifty dollars.

28 * * *

1 §1468. Testing; inspections

2 A.(1) The department shall collect samples to test all industrial hemp crops
3 prior to harvest to ensure the THC concentration does not exceed ~~0.3 percent~~ the
4 federally defined THC level for hemp. The grower shall harvest his approved
5 industrial hemp plants not more than fifteen days following the date of sample
6 collection by the department, unless specifically authorized in writing by the
7 department.

8 (2) The department may enter into contracts, cooperative endeavor
9 agreements, memoranda of understanding, or other agreements with any public
10 postsecondary education institution for the testing of THC levels in industrial hemp
11 crops or industrial hemp products deemed necessary by the commissioner.

12 B. In addition to any scheduled testing, the department may randomly
13 inspect any industrial hemp crop or industrial hemp product in the possession of any
14 person or entity with a grower license, contract carrier license, or processor license
15 and take a representative composite sample for field analysis if the department has
16 reason to believe a violation of this Part has occurred. If ~~a crop of an~~ an industrial hemp
17 crop or industrial hemp product contains a THC concentration that exceeds ~~0.3~~
18 ~~percent~~ the federally defined THC level for hemp, the department may detain, seize,
19 destroy, or embargo ~~an~~ the industrial hemp crop or industrial hemp product.

20 * * *

21 §1471. Criminal penalties

22 A. It shall be unlawful for any person or entity to cultivate, handle, process,
23 or transport industrial hemp in any of the following circumstances:

24 * * *

25 (4) If the Cannabis sativa L. plant or any part of that plant would otherwise
26 be industrial hemp as defined by this Part except that it has a ~~delta-9~~
27 ~~tetrahydrocannabinol (THC)~~ THC concentration that exceeds ~~0.3 percent~~ the
28 federally defined THC level for hemp. This shall not include handling the plant for
29 destruction as required by the department pursuant to this Part.

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§1472. Stop order

A stop order issued by the department shall prohibit further sale, exchange, movement, processing, or distribution of all Cannabis plants or plant parts included in the order until the commissioner is satisfied that this Part and rules and regulations of the commissioner and commission have been complied with and the commissioner has issued a written release to the person with such material. After a stop order is issued, the person receiving the stop order shall have thirty days within which to comply and to obtain a written release of the order or be subject to the penalties provided by this Part. This Section does not prevent the commissioner from otherwise proceeding in accordance with this Part.

* * *

§1481. Definitions

As used in this Part:

* * *

(4) "Federally defined THC level for hemp" means the greater of the following:

(a) A delta-9-THC concentration of not more than three-tenths of a percent (0.3%) on a dry weight basis.

(b) The THC concentration for hemp defined in 7 U.S.C. 5940.

~~(4) (5) "Industrial hemp" or "hemp" means the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol (THC) concentration of not more 0.3 percent on a dry weight basis~~ with no more than the federally defined THC level for hemp.

~~(5) (6) "Industrial hemp-derived CBD product" means any industrial hemp-derived product or hemp-derived product that contains CBD intended for consumption or topical use.~~

1 (7) "Remote retailer" means a person or entity who offers any industrial
 2 hemp-derived CBD product for sale at retail, or for any transaction of products in
 3 lieu of a sale, through a digital application, catalog, or the internet, that can be
 4 purchased and delivered directly to a consumer in Louisiana.

5 (8) "Retail sale" or "sale at retail" means the sale or any transaction in lieu
 6 of a sale of products to the public for use or consumption but does not include the
 7 sale or any transaction in lieu of a sale of products for resale.

8 ~~(6)~~ (9) "State plan" means a plan required for approval by the United States
 9 Secretary of Agriculture to monitor and regulate the production of hemp.

10 §1482. CBD products; prohibitions; ~~Louisiana Department of Health~~

11 A. No person shall process or sell:

12 (1) Any part of hemp for inhalation, except for hemp rolling papers.

13 (2) Any alcoholic beverage containing CBD.

14 (3) Any food product or beverage containing CBD unless the United States
 15 Food and Drug Administration approves CBD as a food additive.

16 B. ~~Any CBD product that is manufactured, distributed, imported, or sold for~~
 17 ~~use in Louisiana shall:~~

18 ~~(1) Be produced from hemp grown by a licensee authorized to grow hemp~~
 19 ~~by the United States Department of Agriculture or under an approved state plan~~
 20 ~~pursuant to the Agriculture Improvement Act of 2018, P.L. 115-334, or under an~~
 21 ~~authorized state pilot program pursuant to the Agriculture Act of 2014, P.L. 113-79.~~

22 ~~(2) Be registered with the department in accordance with the State Food,~~
 23 ~~Drug, and Cosmetic Law, R.S. 40:601 et seq.~~

24 ~~(3) Be labeled in accordance with the State Food, Drug, and Cosmetic Law,~~
 25 ~~R.S. 40:601 et seq.~~

26 ~~(4) Not be marketed as a dietary supplement.~~

27 It shall be unlawful for any person to knowingly, willfully, or intentionally
 28 violate the provisions of this Section. Whoever knowingly, willfully, or intentionally
 29 violates the provisions of this Section shall be penalized as follows:

1 (1) On a first conviction, the offender shall be fined not more than three
2 hundred dollars.

3 (2) On a second conviction, the offender shall be fined not more than one
4 thousand dollars.

5 (3) On a third or subsequent conviction, the offender shall be fined not more
6 than five thousand dollars.

7 ~~C. All labels shall meet the following criteria in order to receive approval~~
8 ~~from the department:~~

9 ~~(1) Have the following words printed clearly on the label: "This product has~~
10 ~~not been evaluated by the Food and Drug Administration and is not intended to~~
11 ~~diagnose, treat, cure, or prevent any disease."~~

12 ~~(2) Contain no medical claims.~~

13 ~~(3) Have a scannable bar code, QR code, or web address linked to a~~
14 ~~document or website that contains a certificate of analysis as provided in Subsection~~
15 ~~D of this Section.~~

16 ~~D. In addition to the registration requirements established by the department,~~
17 ~~the application for registration shall include a certificate of analysis containing the~~
18 ~~following information:~~

19 ~~(1) The batch identification number, date received, date of completion, and~~
20 ~~the method of analysis for each test conducted.~~

21 ~~(2) Test results identifying the cannabinoid profile by percentage of dry~~
22 ~~weight, solvents, pesticides, microbials, and heavy metals.~~

23 ~~E. The certificate of analysis required by Subsection D of this Section shall~~
24 ~~be completed by an independent laboratory that meets the following criteria:~~

25 ~~(1) Is accredited as a testing laboratory approved by the department.~~

26 ~~(2) Has no direct or indirect interest in a grower, processor, or distributor of~~
27 ~~hemp or hemp products.~~

1 ~~F. The department shall provide a list of registered products to the office of~~
2 ~~alcohol and tobacco control, law enforcement, and other necessary entities as~~
3 ~~determined by the department.~~

4 ~~G. The provisions of this Section do not authorize any person to~~
5 ~~manufacture, distribute, import, or sell any CBD product derived from any source~~
6 ~~that is not hemp.~~

7 ~~H. The provisions of this Part shall not apply to any CBD product approved~~
8 ~~by the United States Food and Drug Administration or produced in accordance with~~
9 ~~R.S. 40:1046.~~

10 ~~I. The department shall charge and collect from the manufacturers or packers~~
11 ~~of industrial hemp-derived CBD products an annual examination and investigation~~
12 ~~charge of not more than fifty dollars for any one separate and distinct product~~
13 ~~registered. This charge shall be in lieu of the charge pursuant to R.S. 40:628.~~

14 ~~J. The department shall promulgate rules and regulations in accordance with~~
15 ~~the Administrative Procedure Act to implement the provisions of this Section by~~
16 ~~November 1, 2019.~~

17 ~~§1483. Permit to sell; office of alcohol and tobacco control~~ Product approval;

18 Louisiana Department of Health

19 ~~A.(1) Each person who sells or is about to engage in the business of selling~~
20 ~~at retail, any industrial hemp-derived CBD product shall first apply for and obtain~~
21 ~~a permit for each place of business from the office of alcohol and tobacco control.~~

22 ~~(2) The permit shall not authorize the permittee to sell or offer for sale any~~
23 ~~CBD product derived from any source that is not hemp.~~

24 ~~B. The commissioner may establish and collect an annual permit fee. The~~
25 ~~amount of the permit fee shall be based on the cost of the regulatory functions~~
26 ~~performed and shall not exceed one hundred seventy-five dollars per year.~~

27 ~~C. The commissioner shall adopt rules and regulations in accordance with~~
28 ~~the Administrative Procedure Act to implement the provisions of this Section by~~
29 ~~November 1, 2019.~~

1 A. Any CBD product that is manufactured, distributed, imported, or sold for
2 use in Louisiana shall:

3 (1) Be produced from hemp grown by a licensee authorized to grow hemp
4 by the United States Department of Agriculture or under an approved state plan
5 pursuant to the Agriculture Improvement Act of 2018, P.L. 115-334, or under an
6 authorized state pilot program pursuant to the Agriculture Act of 2014, P.L. 113-79.

7 (2) Be registered with the department in accordance with the State Food,
8 Drug, and Cosmetic Law.

9 (3) Receive label approval from the department.

10 (4) Not be marketed as dietary.

11 (5) Not contain any active pharmaceutical ingredient (API) recognized by
12 the United States Food and Drug Administration other than cannabidiol.

13 B. All labels shall meet the following criteria in order to receive approval
14 from the department:

15 (1) Contain no medical claims.

16 (2) Have a scannable bar code, QR code, or web address linked to a
17 document or website that contains a certificate of analysis as provided in Subsection
18 C of this Section.

19 C. In addition to the registration requirements established by the department,
20 the application for registration shall include a certificate of analysis containing the
21 following information:

22 (1) The batch identification number, date received, date of completion, and
23 the method of analysis for each test conducted.

24 (2) Test results identifying the cannabinoid profile by percentage of dry
25 weight, solvents, pesticides, microbials, and heavy metals.

26 D. The certificate of analysis required by Subsection C of this Section shall
27 be completed by an independent laboratory that meets the following criteria:

28 (1) Is accredited as a testing laboratory approved by the department.

1 (2) Has no direct or indirect interest in a grower, processor, or distributor of
2 hemp or hemp products.

3 E. The department shall provide a list of registered products to the office of
4 alcohol and tobacco control, law enforcement, and other necessary entities as
5 determined by the department.

6 F. The provisions of this Section do not authorize any person to manufacture,
7 distribute, import, or sell any CBD product derived from any source other than hemp.

8 G. The provisions of this Part shall not apply to any CBD product approved
9 by the United States Food and Drug Administration or produced in accordance with
10 R.S. 40:1046.

11 H. The department shall charge and collect from the manufacturers or
12 packers of industrial hemp-derived CBD products an annual examination and
13 investigation charge of not more than fifty dollars for any one separate and distinct
14 product registered. This charge shall be in lieu of the charge pursuant to R.S.
15 40:628.

16 I. Any wholesale seller, manufacturer, distributor, or packer of industrial
17 hemp-derived CBD products shall be regulated by the department in accordance with
18 the State Food, Drug, and Cosmetic Law.

19 J. The department shall promulgate rules and regulations in accordance with
20 the Administrative Procedure Act to implement the provisions of this Section. The
21 rules shall specify standards for product labels, procedures for label approval,
22 requirements for accreditation for laboratories, and any prohibited dosage vehicles
23 as determined by the department.

24 §1484. ~~Criminal penalties~~ Permit to sell; office of alcohol and tobacco control
25 ~~Whoever violates the provisions of this Part shall be penalized as follows:~~

26 ~~(1) On a first conviction, the offender shall be fined not more than three~~
27 ~~hundred dollars.~~

28 ~~(2) On a second conviction, the offender shall be fined not more than one~~
29 ~~thousand dollars.~~

1 ~~(3) On a third or subsequent conviction, the offender shall be sentenced to~~
2 ~~imprisonment, with or without hard labor, for not more than two years and shall be~~
3 ~~fined not more than five thousand dollars.~~

4 A.(1) Each person who sells or is about to engage in the business of selling
5 at retail any industrial hemp-derived CBD product shall first apply for and obtain a
6 permit for each place of business from the office of alcohol and tobacco control.

7 (a) For purposes of this Section, each individually registered domain name
8 owned or leased by or on behalf of a remote retailer shall be considered a place of
9 business. No person or entity shall be required to have a physical place of business
10 in the state of Louisiana in order to sell industrial hemp-derived CBD products at
11 retail.

12 (b) The office of alcohol and tobacco control has no authority to permit or
13 otherwise regulate any wholesale seller, manufacturer, distributor, or packer of
14 industrial hemp-derived CBD products.

15 (2) Prior to selling industrial hemp-derived CBD products at a special event,
16 the retailer shall request and promptly receive an annual special event permit from
17 the commissioner. For purposes of this Section, a special event shall be defined as
18 any event held at any location, other than a permitted place of business, where
19 industrial hemp-derived CBD products are sold. The permittee shall notify the
20 commissioner in writing of any special event the permittee will be attending prior to
21 the event. Failure to notify the commissioner shall be grounds for revocation of the
22 permit.

23 (3) No permit issued pursuant to this Section shall authorize the permittee
24 to sell or offer for sale any CBD product derived from any source other than hemp.

25 (4) No industrial hemp-derived CBD product shall be sold to any person
26 under the age of eighteen years.

27 B. The commissioner may establish and collect an annual retail permit fee
28 and an annual special event permit fee. The amount of each permit fee shall be

1 based on the cost of the regulatory functions performed and shall not exceed one
2 hundred seventy-five dollars per year.

3 C. The commissioner may, in addition to revocation or suspension of a
4 permit issued under the authority of this Section, impose the following fines for
5 selling at retail hemp-derived CBD products without a permit:

6 (1) For a first offense, not more than three hundred dollars.

7 (2) For a second offense, not more than one thousand dollars.

8 (3) For a third or subsequent offense, not less than five hundred dollars but
9 not more than three thousand dollars.

10 D. Any fine imposed pursuant to this Part or the revocation or suspension of
11 a permit is in addition to and is not in lieu of or a limitation on the imposition of any
12 other penalty provided by law.

13 E. In addition to the commissioner's authority to revoke or suspend a permit
14 pursuant to this Section, the secretary of the Department of Revenue shall order the
15 commissioner to immediately suspend the retailer's permit if the secretary determines
16 that an industrial hemp-derived CBD retailer has failed to timely file returns or pay
17 taxes as required by R.S. 47:1693. The secretary shall order the commissioner to
18 suspend the retailer's permit until the returns have been filed and the taxes are paid.
19 No permit shall be suspended for taxes which have been properly protested or
20 appealed by the retailer pursuant to R.S. 47:1565 or 1567.

21 F. The commissioner shall adopt rules and regulations in accordance with
22 the Administrative Procedure Act to implement the provisions of this Section. The
23 rules shall not include any fees or penalties for any permit not provided for in this
24 Section, or any requirements for proof of Louisiana residency, criminal background
25 checks, diagrams of retail premises, or proof of lease or ownership of any retail
26 establishment.

27 §1485. Industrial Hemp Advisory Committee

28 A. The Industrial Hemp Advisory Committee is hereby created and
29 established and for the purposes of this Section shall be referred to as the committee.

1 B. The committee is hereby authorized to receive and review information
2 and requests and make recommendations for future legislation relative to the
3 regulation of industrial hemp, industrial hemp products, and industrial hemp-derived
4 CBD products.

5 C. The committee shall be composed of the following members:

6 (1) The speaker of the House of Representatives or his designee.

7 (2) The president of the Senate or his designee.

8 (3) The chairman of the House Committee on Agriculture, Forestry,
9 Aquaculture, and Rural Development or his designee.

10 (4) The chairman of the Senate Committee on Agriculture, Forestry,
11 Aquaculture and Rural Development or his designee.

12 (5) The chairman of the House Committee on Health and Welfare or his
13 designee.

14 (6) The chairman of the Senate Committee on Health and Welfare or his
15 designee.

16 (7) The chairman of the House Committee on Judiciary or his designee.

17 (8) The chairman of the Senate Committee on Judiciary B or his designee.

18 (9) The chairman of the House Committee on Commerce or his designee.

19 (10) The chairman of the Senate Committee on Commerce, Consumer
20 Protection and Internal Affairs or his designee.

21 (11) The chairman of the House Committee on Administration of Criminal
22 Justice or his designee.

23 (12) The chairman of the Senate Committee on Judiciary C or his designee.

24 D. The chairman of the House Committee on Agriculture, Forestry,
25 Aquaculture, and Rural Development or his designee shall serve as chairman of the
26 committee and shall fix a time and place for its regular meeting.

27 E. The committee shall receive staff support from the committee staff of the
28 House Committee on Agriculture, Forestry, Aquaculture, and Rural Development

1 and the Senate Committee on Agriculture, Forestry, Aquaculture and Rural
2 Development.

3 F. The committee may call upon the staff of any department, agency, or
4 official of the state, particularly the Department of Agriculture and Forestry, the
5 office of alcohol and tobacco control, and the Department of Health for data and
6 assistance, and all such departments, agencies, and officials shall cooperate with the
7 advisory committee.

8 G. The committee may call upon and utilize the assistance and
9 recommendations of those market participants directly involved with the industrial
10 hemp industry including but not limited to seed distributors, growers, processors,
11 manufacturers, wholesalers, and retailers of industrial hemp, industrial hemp
12 products, and industrial hemp-derived CBD products, and any other private sources
13 as deemed necessary by the committee.

14 H. The committee shall have the power to hold hearings, require the
15 production of books and records, and do all other things necessary to discharge its
16 duties.

17 I. The committee shall regularly conduct meetings to fulfill its functions and
18 duties and, no later than January thirty-first of every year, shall report all of its
19 activities and recommendations to the presiding officer of each house, the governor,
20 the standing committees of each house represented on the committee, the
21 commissioner of the Department of Agriculture and Forestry, the commissioner of
22 the office of alcohol and tobacco control, and the secretary of the Department of
23 Health.

24 J. The Department of Agriculture and Forestry, the office of alcohol and
25 tobacco control, and the Department of Health are hereby directed to make reports
26 and to provide assistance as requested by the committee.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 843 Reengrossed

2020 Regular Session

Schexnayder

Abstract: Provides relative to hemp and industrial hemp-derived CBD.

Applicable to industrial hemp.

Present law defines "applicant" to be an individual, partnership, corporation, cooperative association or other business entity applying for a grower, processor, contract carrier, or industrial hemp seed producer license. Proposed law adds limited liability company, joint stock association, sole proprietorship, joint venture, business association, professional corporation, or other legal entity or organization. Also for purposes of a business entity, removes a person designated by the business as being responsible for daily business operations from the definition of applicant.

Present law defines "industrial hemp" to be Cannabis sativa L. and any part of the plant, all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers with a delta-9-THC concentration of not more than 0.3 percent. Proposed law changes the THC level to no more than the federally defined level for hemp.

Proposed law defines "federally defined level for hemp" as the greater of the following:

- (1) A delta-9-THC concentration of not more than 0.3% on a dry weight basis.
- (2) The THC concentration for hemp defined in 7 U.S.C. 5940.

Proposed law adds the definitions for "key participant", "licensure", and "THC".

Present law provides that each applicant is required to submit to a criminal background check and submit fingerprints and other identifying information to the La. Bureau of Criminal Identification and Information. Proposed law requires the same for each key participant and designated responsible party applying for a license. Proposed law further provides that the department is entitled to the criminal history and identification files for applicants.

Present law authorizes the commissioner to establish an annual license fee and requires that the annual amount of the license fee not exceed \$500. Proposed law adds an application fee and requires that the combined annual total amount of the application fee and license fee shall not exceed \$500.

Present law requires the Dept. of Agriculture to test the THC levels of all industrial hemp crops prior to harvest. Proposed law authorizes the department to contract with any public postsecondary education institution for THC testing.

Present law authorizes the department to randomly inspect industrial hemp crops and products. Proposed law specifies this random inspection may be for crops or products in the possession of any person or entity with a grower license, contract carrier license, or processor license.

Proposed law authorizes the department to issue stop orders until the commissioner is satisfied that all laws, rules, and regulations have been complied with. Specifies that the

person receiving the stop order has 30 days within which to comply and obtain a written release of the order.

Applicable to industrial hemp-derived CBD.

Proposed law adds definitions for "remote retailer" and "retail sale" or "sale at retail".

Present law prohibits the sale of any part of hemp for inhalation. Proposed law authorizes the sale of hemp rolling papers as an exception to present law.

Present law requires criminal penalties for those in violation of present law, including imprisonment for not more than two years on a third or subsequent offense. Proposed law modifies present law by specifying that the violation must be committed knowingly, willfully, or intentionally for monetary penalties to apply and removes the criminal penalty of imprisonment from present law.

Present law requires labels on CBD products to be in accordance with the State Food, Drug, and Cosmetics Law and clearly state that the product has not been evaluated by the Food and Drug Administration and is not intended to treat, cure, or prevent disease. Proposed law requires that the label be approved by the department and repeals the requirement for the statement regarding FDA evaluation and medical disclaimer.

Proposed law adds that CBD products cannot contain any active pharmaceutical ingredient recognized by the U.S. Food and Drug Administration.

Proposed law provides that any wholesale seller, manufacturer, distributor, or packer of industrial hemp-derived CBD products are regulated in accordance with the State Food, Drug, and Cosmetic Law.

Present law requires the Dept. of Health to promulgate rules by Nov. 1, 2019. Proposed law removes the deadline and further requires that the rules specify standards for product labels, procedures for label approval, requirements for accreditation of laboratories, and any prohibited dosage vehicles.

Proposed law provides that each registered domain is considered a place of business and specifies that a person selling industrial hemp-derived CBD is not required to have a physical location in La.

Proposed law specifies that the office of alcohol and tobacco control has no authority to permit or otherwise regulate a wholesale seller, manufacturer, distributor, or packer of industrial hemp-derived CBD products. Further requires a special event permit prior to selling industrial hemp-derived CBD at a special event which is defined as an event held at a location other than the permitted place of business. Further prohibits the sale of industrial hemp-derived CBD products to anyone under 18 years of age.

Proposed law authorizes the commissioner to impose the following fines:

- | | |
|----------------------------------|--|
| (1) First offense | not more than \$300. |
| (2) Second offense | not more than \$1,000. |
| (3) Third and subsequent offense | not less than \$500 nor more than \$3,000. |

Provides that fines are in addition to other penalties contained in law.

Proposed law provides for suspension of retailer permits for nonpayment of taxes.

Present law requires the office of alcohol and tobacco control to promulgate rules by Nov. 1, 2019. Proposed law removes the deadline and further provides that the rules not include fees or penalties for any permit not provided for in the law nor requirements for proof of residence, criminal background checks, diagrams of retail premises, or proof of lease or ownership of a retail establishment.

Proposed law creates the Industrial Hemp Advisory Committee to receive and review information and requests and make recommendations for future legislation relative to the regulation of industrial hemp, industrial hemp products, and industrial hemp-derived CBD products.

Proposed law provides for the membership of the Industrial Hemp Advisory Committee.

(Amends R.S. 3:1462(1) and (10), 1465(D)(1), 1467(A), 1468(A) and (B), 1471(A)(4), 1481(4), (5), and (6), and 1482-1484; Adds R.S. 3:1462(16)-(19), 1472, 1481(7)-(9), and 1485)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Agriculture, Forestry, Aquaculture, and Rural Development to the original bill:

1. Remove proposed law introductory language contained in the provision creating the Industrial Hemp Advisory Committee relevant to industry background information and a summary of powers and duties granted to the regulatory agencies under Part V and Part VI of present law.
2. Remove the proposed law authorizations granted to the Industrial Hemp Advisory Committee enabling the committee to receive and study information and make recommendations for future legislation relative to the following: (a) the sustainability of the industrial hemp industry; (b) industrial hemp-derived CBD products not approved for sale in the state; and (c) labeling requirements of all industrial hemp-derived CBD products.
3. Add a provision that authorizes the Industrial Hemp Advisory Committee to receive and review information and requests and make recommendations for future legislation relative to the regulation of industrial hemp, industrial hemp products, and industrial hemp-derived CBD products.
4. Make technical changes

The House Floor Amendments to the engrossed bill:

1. Authorize the Dept. of Agriculture to contract with any public postsecondary education institution for THC testing.