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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Mary Frances Aucoin.

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DIGEST

SB 495 Original 2024 Regular Session Talbot

Present law provides for definitions related to industrial and consumable hemp.

Proposed law retains present law and further provides that the department will charge and collect an annual license fee due each year on December 31st. The annual license fee being \$500 for a seed producer, \$250 for a grower, and \$500 for a processor.

Proposed law (R.S. 3:1474) provides that contrary to any other law, industrial hemp products must:

- (1) Be distributed to a licensed wholesaler or retailer by a consumable food manufacturing distributor that has a pending hemp product "Good Manufacturing Practices" certification as of December 31, 2023.
- (2) The consumable food manufacturing distributor must have the pending hemp Good Manufacturing Practices certification issued by an entity that is certified by the American National Standards Institute as of December 31, 2023.
- (3) The consumable food manufacturing distributor's facility must have been inspected and approved by the Louisiana Department of Health, as of December 31, 2021, and carry a food manufacturing license with specialization in industrial hemp products.
- (4) Inhalable hemp products that naturally occur in industrial hemp must only be manufactured and distributed by a consumable food manufacturing distributor.
- (5) Inhalable hemp products manufactured by a consumable food manufacturing distributor can only sell directly to wholesalers, retailers, and consumers by the consumable food manufacturing distributor or an authorized agent.
- (6) Consumable food manufacturing distributor can sell to the general public.
- (7) Wholesalers and retailers can only purchase hemp products from a consumable food manufacturing distributor or an authorized agent.

Present law (R.S. 3:1482) provides for prohibitions on selling or offering for sale consumable hemp products.

Proposed law provides that no person can sell or offer for sale any part of hemp for inhalation unless it is manufactured and distributed by a consumable food manufacturing distributor.

Proposed law provides that no person can process, sell, or offer for sale any of the following:

- (1) Any alcoholic beverage that contains any form of CBD or THC.
- (2) Any hemp product without a license or permit required.
- (3) Any single serving bottled beverage, single serving canned beverage, or kegged beverage containing any form of CBD or THC, not to apply to tinctures.
- (4) Any hemp product if a retail business sells any type of petroleum product such as gasoline or diesel.

Present law provides that no retailer can add any consumable hemp product to any food or beverage sold at retail to a consumer.

Proposed law provides that no retailer can add any industrial hemp derived product to any food or beverage sold at retail to a consumer, not to include liquid concentrates that are diluted with water and can be approved by the department of Health.

Proposed law requires all persons and entities to have a physical place of business in the state of Louisiana and be licensed by the department of Health in order to sell any hemp products at wholesale or retail.

Proposed law provides that the department of Health has the sole authority to license and regulate consumable food manufacturing distributors.

Proposed law (R.S. 3:1483) provides that a consumable hemp processor must do the following:

- (1) Produce consumable hemp products or adult use consumable products in a facility approved by the Louisiana Department of Health or a current food manufacturing facility licensed by the state health department.
- (2) Cannot distribute any hemp product directly to Louisiana licensed wholesalers, retailers, or directly to the public by any means.
- (3) Can only sell products, for purposes of distribution, that are registered and listed on the department of Health's hemp registry.

Proposed law (R.S. 3:1483.1) requires a consumable food manufacturing distributor to obtain an annual consumable food manufacturing distributor license, for an annual license fee of \$500, due each year on December 31st and collected by the department.

Proposed law provides that a consumable food manufacturing license can be obtained by doing the following:

- (1) Have a minimum of a pending hemp "Good Manufacturing Practices" certification as of December 31, 2023, with a physical licensed food manufacturing location within Louisiana.
- (2) Have and maintained a current food manufacturing license with the Department of Health as of December 31, 2021.
- (3) Have a state approved and current food manufacturing license with a facility located within Louisiana, specializing in a key specialty crop.
- (4) Have the authority to designate duly authorized agents for the purposes of wholesaling consumable hemp products to Louisiana licensed wholesalers and retailers.
- (5) Notify the Department of Health and the office of alcohol and tobacco control of any designated agents.
- (6) Obtain and offer for sale directly to the manufacturer, anti-counterfeiting scan codes for distribution for any industrial hemp product approved by the Department of Health.
- (7) Be the only licensee approved to manufacture and distribute any hemp product for inhalation to wholesalers, retailers, and consumers.

Proposed law (R.S. 3:1486) requires an entity registered with the Department of Health or the office of alcohol and tobacco control to submit a report to the commissioner on a monthly basis due by the 20th of the following month detailing any hemp product distributed, purchased, sold at wholesale, or sold at retail.

Proposed law provides that any wholesaler, consumable hemp processor, processor, remote retailer, or retailer must pay a fine of \$1,000 per item for purchasing or selling any unlawful hemp products and a fine of \$1,000 for failing to report by the 20th of the following month.

Proposed law provides that any wholesaler or retailer that intentionally falsifies an accountability report to the office of alcohol and tobacco control will be fined a minimum of \$10,000 and serve a maximum of five years at hard labor.

Proposed law provides that an electronic reporting system must be implemented and maintained by the office of alcohol and tobacco control, with all data being submitted to the Department of Revenue.

Effective August 1, 2024.

(Amends R.S. 3:1462, 1467(B), 1481, and 1482; adds R.S. 3:1462(20)-(22), 1467(C), 1474, 1481(15)-(19), 1483(A)(3), 1483.1, and 1486)

