

2021 Regular Session

HOUSE BILL NO. 640

BY REPRESENTATIVES SCHEXNAYDER, TRAVIS JOHNSON, AND MCFARLAND
AND SENATOR CATHEY

1 AN ACT

2 To amend and reenact R.S. 3:1402, 1461, 1462, 1464(8), 1465(A), (C)(1), (D)(1), and (F),
3 1466(A) and (B)(2), 1468, 1471(A)(4), 1481, 1482, 1483, 1484, and 1485(B) and (G)
4 and R.S. 47:1692 and 1693(A) and to enact R.S. 3:1469(C) and (D) and 1473,
5 relative to industrial hemp; to provide for the regulation of industrial hemp; to
6 provide for exemptions from commercial feed regulations; to provide for definitions;
7 to provide for licensure; to provide relative to criminal background checks; to
8 provide for testing; to provide relative to research entities; to provide for a
9 centralized website; to provide a definition for consumable hemp products; to
10 provide for regulation of consumable hemp products; to provide for license and
11 permit fees; to provide for criminal penalties; to provide for civil penalties; to
12 provide relative to the tax on hemp products; and to provide for related matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 3:1402, 1461, 1462, 1464(8), 1465(A), (C)(1), (D)(1), and (F),
15 1466(A) and (B)(2), 1468, 1471(A)(4), 1481, 1482, 1483, 1484, and 1485(B) and (G) are
16 hereby amended and reenacted and R.S. 3:1469(C) and D and 1473 are hereby enacted to
17 read as follows:

18 §1402. Exemptions

19 The provisions of this Part shall not apply to any commercial feeds that have
20 been manufactured or produced by any person for the purpose of feeding his own
21 livestock or manufactured or registered in accordance with Part VI of this Chapter.

22 * * *

23 §1461. Purpose

24 It is hereby the intent of the legislature to recognize industrial hemp as an
25 agricultural commodity and authorize the cultivation, processing, and ~~transportation~~

1 handling of industrial hemp as legal, agricultural activities in the state of Louisiana
 2 in accordance with the Agriculture Improvement Act of 2018, P.L. 115-334.

3 §1462. Definitions

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

5 (1) "Applicant" means a natural person or any individual who applies on
 6 behalf of a partnership, corporation, cooperative association, limited liability
 7 company, joint stock association, sole proprietorship, joint venture, business
 8 association, professional corporation, or any other legal entity or organization
 9 through which business is conducted for a grower, processor, ~~contract carrier,~~
 10 handler, or industrial hemp seed producer license.

11 (2) "Commission" means the Agricultural Chemistry and Seed Commission.

12 (3) "Commissioner" means the Louisiana commissioner of agriculture and
 13 forestry.

14 (4) ~~"Contract carrier" means an entity operating in intrastate commerce to~~
 15 ~~transport or deliver industrial hemp for compensation.~~

16 (5) "Cultivate" or "cultivating" means planting, growing, or harvesting
 17 industrial hemp.

18 (6)(5) "Department" means the Louisiana Department of Agriculture and
 19 Forestry.

20 (7)(6) "Designated responsible party" means a natural person designated by
 21 the applicant or licensee as responsible for facility operations of the applicant or
 22 licensee facility.

23 (8) ~~"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. 1639e.~~

28 (9)(7) "Grower" means any individual, partnership, corporation, cooperative
 29 association, or other business entity that is licensed by the department to cultivate
 30 industrial hemp.

1 ~~(10)~~(8) "Handle" or "handling" means ~~possessing or storing industrial hemp~~
 2 ~~for any period of time on premises owned, operated, or controlled by a person~~
 3 ~~licensed by the Department of Agriculture and Forestry to cultivate or process~~
 4 ~~industrial hemp.~~ any of the following:

5 (a) Transporting or delivering industrial hemp material in intrastate
 6 commerce for compensation.

7 (b) Commercially harvesting, storing, or grinding industrial hemp material
 8 received from a grower.

9 (c) Cleaning or packaging industrial hemp seed received from a seed
 10 producer.

11 (d) Brokering industrial hemp material.

12 (e) Receiving industrial hemp material for testing.

13 (9) "Handler" means any individual, partnership, corporation, cooperative
 14 association, or other business entity that handles industrial hemp.

15 ~~(11)~~(10) "Industrial hemp" means the plant Cannabis sativa L. and any part
 16 of such plant, including the seeds thereof and all derivatives, extracts, cannabinoids,
 17 isomers, acids, salts, and salts of isomers, whether growing or not, with ~~no more than~~
 18 ~~the federally defined THC level for hemp.~~ a total delta-9 THC concentration of not
 19 more than 0.3 percent on a dry weight basis.

20 ~~(12)~~(11) "Industrial hemp seed" means Cannabis sativa L. seed or other
 21 propagating stock which have been inspected and sampled during their period of
 22 growth and preparation for market by the commissioner, or by the inspection official
 23 of the state in which the seeds or propagating stock were grown, and which have
 24 been found to conform to the regulations issued by the commission pursuant to this
 25 Part.

26 (13) "Key participant" means a sole proprietor, a partner in a partnership, or
 27 ~~a person with executive managerial control in a corporation.~~ ~~A person with~~
 28 ~~executive managerial control includes persons such as a chief executive officer, chief~~
 29 ~~operating officer, and chief financial officer.~~ ~~"Key participant" does not include non-~~
 30 ~~executive managers such as farm, field, or shift managers.~~

1 ~~(14)~~(12) "Licensure" means any license that the department is authorized to
2 issue to a grower, seed producer, ~~contract carrier,~~ and processor, or handler of
3 industrial hemp.

4 ~~(15)~~(13) "Process" means converting industrial hemp into a marketable form.

5 ~~(16)~~(14)(a) "Processor" means any individual, partnership, corporation,
6 cooperative association, or other business entity that receives industrial hemp for
7 ~~storage or processing into commodities;~~ or products; ~~or industrial hemp seed.~~

8 (b) "Processor" shall not include a consumable hemp processor as defined
9 in R.S. 3:1481.

10 (15) "Seed producer" means a person licensed by the department to obtain,
11 produce, transport, and sell industrial hemp seed in the state.

12 ~~(17)~~(16) "State plan" means a plan required for approval by the United States
13 Secretary of Agriculture to monitor and regulate the production of industrial hemp.

14 ~~(18)~~(17) "THC" means a combination of tetrahydrocannabinol; and
15 tetrahydrocannabinolic acid, ~~or a combination of both.~~

16 ~~(19)~~(18) "Transport" or "transporting" means the movement of industrial
17 hemp from the premises of a licensee to the premises of another licensee or from the
18 premises of a licensee to the premises of a permit holder pursuant to R.S. 3:1483 by
19 means of a vehicle.

20 * * *

21 §1464. Powers and duties of the commissioner

22 The commissioner shall:

23 * * *

24 (8) Create a state plan, in consultation with the governor and attorney
25 general, to monitor and regulate the production of industrial hemp. The state plan
26 shall include all requirements specified in the Agriculture Improvement Act of 2018,
27 P.L. 115-334.

28 ~~(a) Submit the state plan to the House and Senate committees on agriculture~~
29 ~~for approval no later than October 15, 2019.~~

1 (b) ~~Submit the state plan for approval by the United States Secretary of~~
 2 ~~Agriculture no later than November 1, 2019.~~

3 * * *

4 §1465. Licensure

5 A.(1)(a) Each ~~industrial hemp~~ seed producer shall obtain an annual license
 6 issued by the department. The license shall authorize the licensee to produce,
 7 transport, and sell approved seeds to licensed industrial hemp growers, seed
 8 producers, handlers, and processors.

9 (a)(b) A licensed ~~industrial hemp~~ seed producer shall ensure that the seed
 10 complies with the standards set by the commission.

11 (b)(c) The department shall provide information that identifies sellers of
 12 industrial hemp seed to growers.

13 (2) A grower of industrial hemp shall obtain an annual license issued by the
 14 department. The license shall authorize the licensee to possess, store, cultivate, trim,
 15 dry, cure, handle, and transport industrial hemp in this state.

16 (3) A processor of industrial hemp shall obtain an annual license issued by
 17 the department. The license shall authorize the licensee to ~~handle,~~ possess, store,
 18 process, and transport industrial hemp in this state.

19 (4) A ~~contract carrier~~ handler of industrial hemp shall obtain an annual
 20 license issued by the department. The license shall authorize the licensee to
 21 ~~transport~~ handle industrial hemp in this state.

22 * * *

23 C.(1) The application for any grower, processor, ~~contract carrier,~~ handler, or
 24 ~~industrial hemp~~ seed producer license shall include the following information:

25 (a) The name and address of the applicant.

26 (b) The name and address of the designated responsible party, if the
 27 applicant is a business entity.

1 (c) ~~Except for the contract carrier applicant,~~ If applicable, the legal
2 description and global positioning coordinates of the land area to be used to produce
3 or process industrial hemp.

4 * * *

5 D.(1) Upon application for initial licensure or annual license renewal, each
6 applicant shall be required to submit to a criminal background check pursuant to the
7 provisions of this Subsection. For purposes of this Subsection, "applicant" shall
8 mean an applicant,~~key participant,~~ or designated responsible party as defined in R.S.
9 3:1462.

10 * * *

11 F. The provisions of this Section shall not apply to the Louisiana State
12 University Agricultural Center, the Southern University Agricultural Center, the
13 University of Louisiana at Monroe Agribusiness Program, and the University of
14 Louisiana at Monroe College of Pharmacy when performing research and
15 development as provided for in R.S. 3:1469.

16 §1466. Records required

17 A. Every grower, processor, ~~contract carrier,~~ handler, and ~~industrial hemp~~
18 seed producer shall maintain full and accurate records as required by rules and
19 regulations of the department.

20 B. The department's rules and regulations on record keeping shall, at a
21 minimum, require the following:

22 * * *

23 (2) Growers and seed producers shall maintain documentation of traceability
24 from seed acquisition to harvest to crop termination.

25 * * *

26 §1468. Testing; inspections

27 A.(1) The department shall collect samples to test all industrial hemp crops
28 prior to harvest to ensure the THC concentration does not exceed ~~the federally~~
29 ~~defined THC level for hemp~~ a total delta-9 THC concentration of 0.3 percent on a
30 dry weight basis. The grower shall harvest his approved industrial hemp plants not

1 more than ~~fifteen~~ thirty days following the date of sample collection by the
2 department, unless specifically authorized in writing by the department.

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

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

16 ~~C. Any facility processing industrial hemp products for consumption shall~~
17 ~~be subject to inspection by the Louisiana Department of Health as provided for in~~
18 ~~R.S. 40:631.~~

19 §1469. Industrial hemp research

20 * * *

21 C. The University of Louisiana at Monroe Agribusiness Program is
22 authorized to cultivate, handle, and process industrial hemp for product research and
23 development.

24 D. Except for those entities exempted pursuant to this Part, all industrial
25 hemp licensees whose intent is to perform industrial hemp research shall submit an
26 annual industrial hemp research plan to the department. The department shall adopt
27 rules establishing the requirements of the industrial hemp research plan. Such rules
28 shall include performance-based sampling requirements.

29 * * *

1 §1471. Criminal penalties

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

4 * * *

5 (4) If the Cannabis sativa L. plant or any part of that plant would otherwise
6 be industrial hemp as defined by this Part except that it has a THC concentration that
7 exceeds the ~~federally defined THC level for hemp~~ THC concentration authorized in
8 this Part. This shall not include handling the plant for destruction as required by the
9 department pursuant to this Part.

10 * * *

11 §1473. Centralized website

12 The Louisiana State University Agricultural Center shall develop a
13 centralized industrial hemp website that provides to the public information,
14 resources, and educational opportunities concerning industrial hemp. The
15 agricultural center shall develop the website in collaboration with the Southern
16 University Agricultural Center, Louisiana Department of Agriculture and Forestry,
17 Louisiana Department of Health, the office of alcohol and tobacco control,
18 Department of Economic Development, and relevant industry associations.

19 PART VI. ~~INDUSTRIAL HEMP-DERIVED CANNABIDIOL~~ CONSUMABLE HEMP
20 PRODUCTS

21 §1481. Definitions

22 As used in this Part:

23 (1) ~~"CBD" means cannabidiol.~~

24 (2) "Commissioner" means the commissioner of alcohol and tobacco control.

25 (2) "Consumable hemp processor" means any individual, partnership,
26 corporation, cooperative association, or other business entity that receives industrial
27 hemp for the manufacturing or processing of a consumable hemp product.

28 (3)(a) "Consumable hemp product" means any product derived from
29 industrial hemp that contains any cannabinoid, including cannabidiol, and is intended
30 for consumption or topical use.

1 (b) "Consumable hemp product" shall include commercial feed, pet products,
 2 and hemp floral material.

3 ~~(3)~~(4) "Department" means the Louisiana Department of Health.

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

6 ~~(a)~~ A delta-9-THC concentration of not more than three-tenths of a percent
 7 ~~(0.3%) on a dry weight basis.~~

8 ~~(b)~~ The THC concentration for hemp defined in 7 U.S.C. 1639o.

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

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

16 ~~(7)~~(6) "Remote retailer" means a person or entity who offers any industrial
 17 ~~hemp-derived CBD~~ consumable hemp product for sale at retail, or for any
 18 transaction of products in lieu of a sale, through a digital application, catalog, or the
 19 internet, that can be purchased and delivered directly to a consumer in Louisiana.

20 ~~(8)~~(7) "Retail sale" or "sale at retail" means the sale or any transaction in lieu
 21 of a sale of products to the public for use or consumption but does not include the
 22 sale or any transaction in lieu of a sale of products for resale.

23 ~~(9)~~(8) "State plan" means a plan required for approval by the United States
 24 Secretary of Agriculture to monitor and regulate the production of hemp.

25 (9) "THC" means a combination of tetrahydrocannabinol and
 26 tetrahydrocannabinolic acid.

27 (10) "Wholesaler" means a wholesale seller, distributor, or packer of
 28 consumable hemp products.

29 §1482. ~~CBD~~ Consumable hemp products; prohibitions

30 A. No person shall ~~process or sell:~~

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

2 B. No person shall process or sell:

3 ~~(2)(1) Any alcoholic beverage containing ~~CBD~~ cannabidiol.~~

4 (2) Any consumable hemp product without a license or permit required
5 pursuant to this Part.

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

8 B.C. It shall be unlawful for any person to knowingly, willfully, or
9 intentionally violate the provisions of this Section. Whoever knowingly, willfully,
10 or intentionally violates the provisions of this Section shall be penalized as follows:

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

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

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

17 D. The provisions of this Part shall be preempted by any federal statute,
18 federal regulation, or guidance from a federal government agency that is less
19 restrictive than the provisions of this Part.

20 §1483. Product approval; consumable hemp processors; Louisiana Department of
21 Health

22 A.(1) Each consumable hemp processor shall obtain an annual consumable
23 hemp processor license issued by the department. The department shall charge and
24 collect an annual consumable hemp processor license fee. The fee shall be for each
25 separate processing facility and shall be based on the annual sales of such facility
26 according to the following schedule:

<u>Annual Sales</u>	<u>Annual Fee</u>
<u>Under \$500,000</u>	<u>\$175.00</u>
<u>\$500,001 - \$1,000,000</u>	<u>\$475.00</u>
<u>\$1,000,001 - \$2,500,000</u>	<u>\$775.00</u>

1 \$2,500,001 - \$5,000,000 \$1,075.00

2 Over \$5,000,000 \$1,375.00

3 (2) A consumable hemp processor shall adhere to any sanitary regulations
4 promulgated by the department.

5 ~~A.B.~~ Any ~~CBD~~ consumable hemp product that is manufactured, distributed,
6 imported, or sold for use in Louisiana shall:

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

11 (2) Be registered with the department in accordance with the ~~State Food,~~
12 ~~Drug, and Cosmetic Law.~~ provisions of this Section. The department shall charge
13 and collect a fee of not more than fifty dollars for each separate and distinct product
14 registered. This charge shall be in lieu of the charge collected pursuant to R.S.
15 40:628.

16 (3) Receive label approval from the department.

17 (4) Not be marketed as dietary.

18 (5) Not contain any active pharmaceutical ingredient (API) recognized by
19 the United States Food and Drug Administration other than cannabidiol. The
20 provisions of this Paragraph shall not apply to products intended for topical
21 application.

22 (6) Not contain a total delta-9 THC concentration of more than 0.3 percent
23 on a dry weight basis.

24 (7) Not contain a total THC concentration of more than one percent on a dry
25 weight basis.

26 (8) Not contain any cannabinoid that is not naturally occurring.

27 ~~B.C.~~ All labels shall meet the following criteria in order to receive approval
28 from the department:

29 (1) Contain no medical claims.

1 (2) Have a scannable bar code, QR code, or web address linked to a
2 document or website that contains a certificate of analysis as provided in Subsection
3 ~~€ E~~ of this Section.

4 D. In addition to the requirements provided in Subsections B and C of this
5 Section, floral hemp material shall:

6 (1) Be contained in tamper-evident packaging. A package shall be deemed
7 tamper-evident if it clearly indicates prior access to the container.

8 (2) Not be labeled or marketed for inhalation.

9 ~~C.~~ ~~In addition to the registration requirements established by the department,~~
10 ~~the~~ E. The application for registration shall include a certificate of analysis
11 containing the following information:

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

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

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

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

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

21 E.G. The department shall provide a list of registered products to the office
22 of alcohol and tobacco control, law enforcement, and other necessary entities as
23 determined by the department.

24 F.H. The provisions of this Section do not authorize any person to
25 manufacture, distribute, import, or sell any ~~CBD~~ cannabinoid product derived from
26 any source other than hemp.

27 I. Any facility processing industrial hemp products intended for human
28 consumption that do not meet the definition of consumable hemp product provided
29 in this Part shall be regulated in accordance with the State Food, Drug, and Cosmetic
30 Law.

1 J. Whoever processes consumable hemp products without a license shall be
 2 subject to imprisonment at hard labor for not less than one year nor more than twenty
 3 years and shall be fined not more than fifty thousand dollars.

4 ~~G.K.~~ The provisions of this Part shall not apply to any ~~CBD~~ cannabinoid
 5 product approved by the United States Food and Drug Administration or produced
 6 in accordance with R.S. 40:1046.

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

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

15 ~~J.L.~~ The department shall promulgate rules and regulations in accordance
 16 with the Administrative Procedure Act to implement the provisions of this Section.
 17 The rules shall specify standards for product labels, procedures for label approval,
 18 requirements for accreditation for laboratories, ~~and~~ any prohibited dosage vehicles
 19 as determined by the department, and sanitary requirements specific to consumable
 20 hemp processors.

21 §1484. Permit to sell; office of alcohol and tobacco control

22 A.(1) Each wholesaler of consumable hemp products shall apply for and
 23 obtain a permit from the office of alcohol and tobacco control.

24 (2) The commissioner may establish and collect an annual wholesaler permit
 25 fee. The amount of the wholesaler permit fee shall be based on the cost of the
 26 regulatory functions performed and shall not exceed five hundred dollars per year.

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

1 ~~(a)~~(b) For purposes of this Section, each individually registered domain
 2 name owned or leased by or on behalf of a remote retailer shall be considered a place
 3 of business. No person or entity shall be required to have a physical place of
 4 business in the state of Louisiana in order to sell ~~industrial hemp-derived CBD~~
 5 consumable hemp products at retail.

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

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

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

20 (4) No ~~industrial hemp-derived CBD~~ consumable hemp product shall be sold
 21 to any person under the age of eighteen years.

22 ~~B.C.~~ B.C. The commissioner may establish and collect an annual retail permit fee
 23 and an annual special event permit fee. The amount of each permit fee provided for
 24 in this Subsection shall be based on the cost of the regulatory functions performed
 25 and shall not exceed one hundred seventy-five dollars per year.

26 ~~C.D.~~ C.D. ~~The commissioner may, in addition to revocation or suspension of a~~
 27 ~~permit issued under the authority of this Section, impose the following fines for~~
 28 ~~selling at retail hemp-derived CBD products without a permit: Any person who~~
 29 ~~violates any of the provisions of this Part or rules adopted pursuant to this Part, who~~
 30 ~~alters, forges, or counterfeits, or uses without authority any permit or other document~~

1 provided for in this Part, who operates without a permit, or who fails to collect or to
 2 timely pay the assessments, fees, and penalties due or assessed pursuant to this Part,
 3 shall be subject, in addition to any unpaid assessments, late fees, or collection costs,
 4 to the civil penalties provided in this Section. Each day on which a violation occurs
 5 shall constitute a separate offense.

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

7 (2) For a second offense; that occurs within two years of the first offense, not
 8 more than one thousand dollars.

9 (3) For a third or subsequent offense; that occurs within two years of the first
 10 offense, not less than five hundred dollars but not more than three thousand dollars.

11 D.E. In addition to the penalties provided in Subsection D of this Section,
 12 any permittee who violates any provisions of this Part shall be subject to having his
 13 permit suspended or revoked. Any fine imposed pursuant to this Part or the
 14 revocation or suspension of a permit is in addition to and is not in lieu of or a
 15 limitation on the imposition of any other penalty provided by law.

16 E.F. In addition to the commissioner's authority to revoke or suspend a
 17 permit pursuant to this Section, the secretary of the Department of Revenue shall
 18 order the commissioner to immediately suspend the retailer's permit if the secretary
 19 determines that ~~an industrial hemp-derived CBD~~ a consumable hemp product retailer
 20 has failed to timely file returns or pay taxes as required by R.S. 47:1693. The
 21 secretary shall order the commissioner to suspend the retailer's permit until the
 22 returns have been filed and the taxes are paid. No permit shall be suspended for taxes
 23 which have been properly protested or appealed by the retailer pursuant to R.S.
 24 47:1565 or 1567.

25 G. The office of alcohol and tobacco control shall investigate any report of
 26 a violation of a provision of this Part and report any criminal violation to the
 27 appropriate law enforcement agency.

28 F.H. The commissioner shall adopt rules and regulations in accordance with
 29 the Administrative Procedure Act to implement the provisions of this Section. The
 30 rules shall not include any fees or penalties for any permit not provided for in this

1 Section, or any requirements for proof of Louisiana residency, criminal background
2 checks, diagrams of retail premises, or proof of lease or ownership of any retail
3 establishment.

4 §1485. Industrial Hemp Advisory Committee

5 * * *

6 B. The committee is hereby authorized to receive and review information
7 and requests and make recommendations for future legislation relative to the
8 regulation of industrial hemp; and industrial hemp products, ~~and industrial~~
9 ~~hemp-derived CBD products.~~

10 * * *

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

17 * * *

18 Section 2. R.S. 47:1692 and 1693(A) are hereby amended and reenacted to read as
19 follows:

20 CHAPTER 19. ~~INDUSTRIAL HEMP-DERIVED CBD~~ CONSUMABLE HEMP
21 PRODUCT TAX

22 §1692. Definitions

23 As used in this Chapter, the following terms shall have the meaning ascribed
24 to them in this Section unless the context clearly indicates otherwise:

25 (1) ~~"CBD" means cannabidiol.~~ "Consumable hemp product" shall have the
26 same definition as set forth in R.S. 3:1481.

27 (2) ~~Solely for purposes of the imposition of the industrial hemp-derived CBD~~
28 ~~tax,~~ ~~"consumer"~~ "Consumer" means either a business entity or a person who
29 purchases ~~industrial hemp-derived CBD products.~~ consumable hemp products.

1 ~~(3) Solely for purposes of the imposition of the industrial hemp-derived CBD~~
 2 ~~tax, "industrial hemp" means the plant Cannabis sativa and any part of that plant,~~
 3 ~~including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids,~~
 4 ~~salts, and salts of isomers, whether growing or not, with a delta-9~~
 5 ~~tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight~~
 6 ~~basis, and produced from hemp grown by a licensee authorized to grow hemp by the~~
 7 ~~United States Department of Agriculture, or under an approved state plan pursuant~~
 8 ~~to the Agriculture Improvement Act of 2018, P.L. 115-334, or under an authorized~~
 9 ~~state pilot program pursuant to the Agriculture Act of 2014, P.L. 113-79. Industrial~~
 10 ~~hemp shall not include plants of the Genus Cannabis that meet the definition of~~
 11 ~~"marijuana" as defined in R.S. 40:961.~~

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

14 ~~(5) Solely for purposes of the imposition of the industrial hemp-derived CBD~~
 15 ~~tax, "retail sale" (3) "Retail sale" means the sale or transfer of industrial hemp-~~
 16 ~~derived CBD consumable hemp products to a consumer for any purpose other than~~
 17 ~~for resale and shall include all transactions as the secretary, upon investigation, finds~~
 18 ~~to be in lieu of sales. Resale shall include but not be limited to the sale of industrial~~
 19 ~~hemp-derived CBD consumable hemp products for further processing into a product~~
 20 ~~produced in accordance with R.S. 40:1046.~~

21 ~~(6) Solely for purposes of the imposition of the industrial hemp-derived CBD~~
 22 ~~tax, "retailer" (4) "Retailer" means a person or entity that sells or offers for sale~~
 23 ~~industrial hemp-derived CBD consumable hemp products to a consumer. Retailer~~
 24 ~~shall also include any person or entity that imports or causes to be imported from any~~
 25 ~~other state industrial hemp-derived CBD consumable hemp products for use or~~
 26 ~~consumption.~~

27 ~~(7)~~(5) "Secretary" means the secretary of the Department of Revenue or his
 28 duly appointed representatives.

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§1693. Imposition of tax
 A. There is hereby levied an excise tax upon each retail sale of ~~industrial~~
~~hemp-derived CBD~~ consumable hemp products within the state of Louisiana. The
 tax levied in this Chapter shall be at the rate of three percent of the retail sales price
 of ~~industrial hemp-derived CBD products~~ the consumable hemp product. The excise
 tax shall be levied in addition to state and local sales and use tax or any other tax,
 and shall be reported monthly by the retailer on forms prescribed by the secretary
 and paid by the retailer on or before the twentieth day of the month following the
 month to which the tax is applicable.

* * *

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.