

2024 Regular Session

SENATE BILL NO. 495

BY SENATOR TALBOT

AGRICULTURAL COMMODITIES. Provides relative to industrial and consumable hemp products. (8/1/24)

1 AN ACT
2 To amend and reenact R.S. 3:1462, 1467(B), 1481, and 1482 and to enact R.S. 3:1462(20)
3 through (22), 1467(C), 1474, 1481(15) through (19), 1483(A)(3), 1483.1, and 1486,
4 relative to industrial and consumable hemp products; to provide for definitions; to
5 provide relative to licensure requirements; to provide for annual license and permit
6 fees; to provide relative to registry and accountability reports; to provide for
7 prohibitions to consumable hemp products; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 3:1462, 1467(B), 1481, and 1482 are hereby amended and reenacted
10 and R.S. 3:1462(20) through (22), 1467(C), 1474, 1481(15) through (19), 1483(A)(3),
11 1483.1, and 1486 are hereby enacted to read as follows:

12 §1462. Definitions

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

14 (1) "Applicant" means a natural person or any individual who applies on
15 behalf of a partnership, corporation, cooperative association, limited liability
16 company, joint stock association, sole proprietorship, joint venture, business
17 association, professional corporation, or any other legal entity or organization

1 through which business is conducted for a grower, processor, ~~handler~~ wholesaler,
 2 retailer, remote retailer, ~~or~~ industrial hemp seed producer, consumable hemp
 3 processor, or consumable food manufacturing distributor license.

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

5 (3) "Commissioner" means the Louisiana commissioner of agriculture and
 6 forestry.

7 (4) "Consume" means to take into the body through the mouth by eating,
 8 drinking or ingesting.

9 ~~(4)(5)~~ "Cultivate" or "cultivating" means planting, growing, or harvesting
 10 industrial hemp.

11 ~~(5)(6)~~ "Department" means the Louisiana Department of Agriculture and
 12 Forestry.

13 ~~(6)(7)~~ "Designated responsible party" means a natural person designated by
 14 the applicant or licensee as responsible for facility business or facilities operations
 15 of the applicant or licensee facility.

16 (8) "Dry Weight Basis" as applied to industrial hemp floral material,
 17 means the weight of plant material with not more than thirteen percent
 18 moisture content.

19 ~~(7)(9)~~ "Grower" means any individual, partnership, corporation, cooperative
 20 association, or other business entity that is licensed by the department to cultivate or
 21 grow industrial hemp.

22 ~~(8)(10)~~ "Handle" or "handling" means ~~any of the following:~~

23 (a) ~~Transporting~~ transporting or delivering any form of industrial hemp
 24 material in intrastate commerce for compensation.

25 (b) ~~Commercially harvesting, storing, or grinding industrial hemp material~~
 26 ~~received from a grower.~~

27 (c) ~~Cleaning or packaging industrial hemp seed received from a seed~~
 28 ~~producer.~~

29 (d) ~~Brokering industrial hemp material.~~

1 ~~(e)~~ Receiving industrial hemp material for testing.

2 ~~(9)~~(11) "Handler" means any individual, partnership, corporation, cooperative
3 association, or other business entity that handles industrial hemp.

4 ~~(10)~~(12) "Industrial hemp" means the plant Cannabis sativa L. and any part
5 of such plant, including the seeds thereof and all derivatives, extracts, cannabinoids,
6 isomers, acids, salts, and salts of isomers, whether growing or not, with a total delta-
7 9 THC concentration of not more than 0.3 percent on a dry weight basis.

8 ~~(11)~~(13) "Industrial hemp seed" means Cannabis sativa L. seed or other
9 propagating stock which have been inspected and sampled during their period of
10 growth and preparation for market by the commissioner, or by the inspection official
11 of the state in which the seeds or propagating stock were grown, and which have
12 been found to conform to the regulations issued by the commission pursuant to this
13 Part.

14 ~~(12)~~(14) "Licensure" means any license that the department is authorized to
15 issue to a grower, seed producer, processor, **consumable hemp manufacturer** or
16 **handler consumable food manufacturing distributor, as defined in R.S. 3:1481,**
17 of industrial hemp **or hemp products.**

18 ~~(13)~~(15) "Performance-based sampling" means an alternative sampling
19 method utilized by the department to ensure, at confidence level of 95%, that no
20 more than one percent of the industrial hemp plants in each lot subject to the
21 alternative sampling method will test above a total delta-9 THC concentration of 0.3
22 percent on a dry weight basis.

23 ~~(14)~~(16) "Process" means converting industrial hemp into a marketable form
24 **to be distributed by a Louisiana licensed consumable food manufacturing**
25 **distributor.**

26 ~~(15)(a)~~(17)(a) "Processor" means any individual, partnership, corporation,
27 cooperative association, or other business entity that **accepts the harvested**
28 **industrial hemp plant and dries, grinds, or separates the parts of the industrial**
29 **hemp plant and extracts cannabinoids from the industrial hemp plant and shall**

1 **be distributed only by a Louisiana licensed consumable food manufacturing**
2 **distributor specializing in a key specialty crop** ~~receives industrial hemp for~~
3 ~~processing into commodities or products.~~

4 (b) "Processor" shall not include **the capabilities or rights of**
5 **manufacturing** a consumable hemp processor ~~as defined in R.S. 3:1481~~ **finished**
6 **goods to be sold at retail.**

7 ~~(16)~~ **(18)** "Seed producer" means a person licensed by the department to
8 obtain, produce, transport, and sell industrial hemp seed to a licensed grower in the
9 state.

10 ~~(17)~~ **(19)** "State plan" means a plan required for approval by the United States
11 Secretary of Agriculture to monitor and regulate the production of industrial hemp.

12 **(20) "Synthetic Cannabinoid" means a man-made cannabinoid that does**
13 **not naturally occur in the industrial hemp plant or is not originally derived**
14 **from industrial hemp.**

15 ~~(18)~~ **(21)** "THC" means ~~a combination of tetrahydrocannabinol~~ **delta-9**
16 **tetrahydrocannabinol** and tetrahydrocannabinolic acid.

17 ~~(19)~~ **(22)** "Transport" or "transporting" means the movement of industrial
18 hemp from the premises of a licensee to the premises of another licensee or from the
19 premises of a licensee to the premises of a permit holder pursuant to R.S. 3:1483 by
20 means of a vehicle.

21 * * *

22 §1467. Fees; disposition of funds

23 * * *

24 **B. The department shall assess the following fees annually, which shall**
25 **be due each year on December thirty-first and not be refundable:**

26 **(1) Seed producer fee - \$500.00.**

27 **(2) Grower of industrial hemp fee - \$250.00.**

28 **(3) Processor of industrial hemp fee - \$500.00.**

29 **C.** All assessments, fees, penalties, and other funds received pursuant to this

1 Part shall be deposited in the Seed Fund provided for in R.S. 3:1449.

2 * * *

3 **§1474. Industrial hemp products; distribution**

4 **A. Notwithstanding any other provision of law to the contrary, any**
5 **industrial hemp product shall:**

6 **(1) Be distributed to a licensed wholesaler or licensed retailer by a**
7 **consumable food manufacturing distributor, specializing in a key specialty crop**
8 **and has a minimum of a pending hemp product "Good Manufacturing**
9 **Practices" certification as of December 31, 2023.**

10 **(2) The consumable food manufacturing distributor shall have a pending**
11 **hemp "Good Manufacturing Practices" certification, issued by an entity,**
12 **certified by the American National Standards Institute as of December 31, 2023.**

13 **(3) The consumable food manufacturing distributor's facility shall have**
14 **been inspected and approved by the department, as of December 31, 2021, and**
15 **carry a current food manufacturing license, with a specialization in industrial**
16 **hemp products, posted in the facility.**

17 **(4) Inhalable hemp products including extracts, distillates, and any other**
18 **cannabinoids that naturally occur in industrial hemp shall only be**
19 **manufactured and distributed by a consumable food manufacturing distributor**
20 **specializing in consumable hemp products and have a minimum of a pending**
21 **hemp "Good Manufacturing Practices" certification as of December 31, 2023.**

22 **(5) Inhalable hemp products manufactured and distributed by a**
23 **Louisiana licensed consumable food manufacturing distributor shall only be**
24 **sold directly to wholesalers, retailers, and consumers by a consumable food**
25 **manufacturing distributor or an authorized agent of a consumable food**
26 **manufacturing distributor.**

27 **(6) Consumable food manufacturing distributors may sell products**
28 **directly to the general public.**

29 **(7) Wholesalers and retailers shall only purchase hemp products from**

1 a consumable food manufacturing distributor or an authorized agent of a
2 consumable food manufacturing distributor.

3 * * *

4 §1481. Definitions

5 As used in this Part:

6 (1) "Adult-use consumable hemp product" means any ~~consumable~~ hemp
7 product that contains ~~more than 0.5 milligrams of total~~ any THC per package
8 including hemp floral material and cannot be sold to any individual under the
9 age of twenty-one.

10 (2) "CBD" means cannabidiol.

11 ~~(2)~~(3) "Commissioner" means the commissioner of the office of alcohol and
12 tobacco control.

13 (4) "Consumable Food Manufacturing Distributor" means any
14 individual, partnership, corporation, cooperative association, or other business
15 entity that receives raw industrial hemp, extracts, distillates, isolates or any
16 hemp products as long as it originates from industrial hemp for the
17 manufacturing, distribution, or processing of any industrial hemp product
18 including but not limited to edibles, tinctures, smokables, vapables, lubricants,
19 salves, lotions, concentrates, distillates, and/or liquids. Consumable food
20 manufacturing distributor may sell to licensed wholesalers, licensed retailers
21 and consumers.

22 ~~(3)~~(5) "Consumable hemp processor" means any individual, partnership,
23 corporation, cooperative association, or other business entity that receives industrial
24 hemp for the ~~manufacturing or processing of a consumable hemp product~~ and
25 produces any hemp products and shall only be distributed by a Louisiana
26 licensed consumable food manufacturing distributor or an authorized agent of
27 a consumable food manufacturing distributor.

28 ~~(4)~~(a)~~(6)~~(a) "Consumable hemp product" means any product derived from
29 industrial hemp that does not contain any THC, but shall ~~contains~~ contain any

1 cannabinoid, including cannabidiol, and is intended for consumption or topical use.

2 (b) "Consumable hemp product" shall include commercial feed; **and** pet
3 products, ~~and hemp floral material~~.

4 **(c) "Consumable hemp product" shall not be considered an adult-use**
5 **consumable hemp product since consumable hemp products contain no THC.**

6 **(7) "Consumer" means either a business entity or a person who**
7 **purchases consumable hemp products or any hemp product.**

8 ~~(5)~~**(8)** "Department" means the Louisiana Department of Health.

9 **(9) "Hemp floral material" means the product shall not exceed a total**
10 **delta-9 THC concentration of more than 0.3 percent on a dry weight basis.**

11 ~~(6)~~**(10)** "Industrial hemp" or "hemp" means the plant Cannabis sativa L. and
12 any part of that plant, including the seeds thereof and all derivatives, extracts,
13 cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not,
14 with a total delta-9 THC concentration of not more than 0.3 percent on a dry weight
15 basis.

16 ~~(7)~~**(11)** "Package" means a container or wrapping in which any consumer
17 commodity is enclosed for the purpose of delivery or display of that commodity to
18 retail purchasers and contains one or more servings.

19 ~~(8)~~**(12)** "Remote retailer" means a person or entity ~~who~~ **that has a physical**
20 **Louisiana licensed retail location and stores or ships from that location and**
21 offers any ~~consumable~~ hemp product for sale at retail, or for any transaction of
22 products in lieu of a sale, through a digital application, catalog, or the internet, that
23 can be purchased and delivered directly to a consumer in Louisiana.

24 ~~(9)~~**(13)** "Retail sale" or "sale at retail" means the sale or any transaction in
25 lieu of a sale of products to the public **from a Louisiana licensed physical retail**
26 **location** for use or consumption but does not include the sale or any transaction in
27 lieu of a sale of products for resale.

28 ~~(10)~~**(14)** "Retailer" means a person or entity ~~who~~ **that sells or offers for sale**
29 **any consumable hemp product sale at retail products or any hemp product to a**

1 consumer. Retailers shall only purchase hemp products from a consumable food
 2 manufacturing distributor or an authorized agent of a consumable food
 3 manufacturing distributor.

4 (15) "Secretary" means the secretary of the department of Revenue or
 5 his appointed representative.

6 ~~(14)~~(16) "Serving" means the total amount of individual units or amount of
 7 liquid of a product recommended by the manufacturer to be consumed at a single
 8 time.

9 ~~(12)~~(17) "State plan" means a plan required for approval by the United States
 10 Secretary of Agriculture to monitor and regulate the production of hemp.

11 ~~(13)~~(18) "THC" means ~~a combination of~~ delta-9 tetrahydrocannabinol ~~and~~
 12 tetrahydrocannabinolic acid.

13 ~~(14)~~(19) "Wholesaler" means a wholesale seller who purchases any hemp
 14 products for resale to a licensed retailer and shall only purchase from a
 15 Louisiana licensed consumable food manufacturing distributor, distributor, or
 16 packer of consumable hemp products.

17 §1482. Consumable hemp products; prohibitions

18 A. No person shall sell or offer for sale any part of hemp for inhalation,
 19 ~~except for hemp rolling papers~~ unless manufactured or distributed by a
 20 consumable food manufacturing distributor. All hemp products sold for
 21 inhalation shall not be required to have a serving requirement on the package
 22 and shall be manufactured with any and all derivatives as long as it is originally
 23 derived from industrial hemp.

24 B. No person shall process, sell, or offer for sale:

25 (1) Any alcoholic beverage containing ~~cannabidiol~~ any form of CBD or
 26 THC.

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

29 (3) Any single serving bottled beverage, single serving canned beverage,

1 or kegged beverage containing any form of CBD or THC. This prohibition shall
2 not apply to tinctures.

3 (4) No licensee shall sell at retail any hemp product if that place of
4 business sells any type of petroleum product such as gasoline or diesel.

5 C.(1) No retailer shall add any consumable industrial hemp derived product
6 to any food or beverage sold at retail to a consumer. This prohibition shall not
7 include liquid concentrates that are diluted with water and shall be approved
8 by the department.

9 (2) All persons and entities shall be required to have a physical place of
10 business in the state of Louisiana and be licensed by the department in order to
11 sell any hemp products at wholesale or retail.

12 (3) The department has the sole authority to license and regulate
13 consumable food manufacturing distributors.

14 * * *

15 §1483. Product approval; consumable hemp processors; Louisiana Department of
16 Health

17 * * *

18 (3) A consumable hemp processor shall:

19 (a) Produce consumable hemp products or adult use consumable
20 products in a facility approved by the department or a current food
21 manufacturing facility licensed by the department of which the facility resides.

22 (b) Not distribute any hemp product directly to Louisiana licensed
23 wholesalers, retailers, or directly to the public by any means of sale or
24 transaction.

25 (c) Only sell products, for purposes of distribution, that are registered
26 and listed on the department's hemp registry located on the official Louisiana
27 Department of Health's website to a consumable food manufacturing
28 distributor.

29 * * *

1 **§1483.1. Consumable food manufacturing distributor**

2 **A.(1) Each consumable food manufacturing distributor shall obtain an**
3 **annual consumable food manufacturing distributor license. The department**
4 **shall charge and collect an annual license fee of five hundred dollars, due each**
5 **year on December thirty-first.**

6 **(2) To obtain a consumable food manufacturing license, a consumable**
7 **food manufacturing distributor shall:**

8 **(a) Have a minimum of a pending hemp "Good Manufacturing**
9 **Practices" certification as of December 31, 2023, with a physical licensed food**
10 **manufacturing location within Louisiana, to receive a consumable food**
11 **manufacturing distributor license issued by the department.**

12 **(b) Have and maintain a current food manufacturing license with the**
13 **department as of December 31, 2021.**

14 **(c) Have a state approved and current food manufacturing license with**
15 **a facility located within Louisiana, specializing in a key specialty crop.**

16 **(d) Have the authority to designate duly authorized agents for the**
17 **purposes of wholesaling consumable hemp products to Louisiana licensed**
18 **wholesalers and retailers.**

19 **(e) Be responsible for notifying the department and the commissioner of**
20 **any designated agents.**

21 **(f) Obtain and offer for sale directly to the manufacturer, anti-**
22 **counterfeiting scan codes for distribution for any industrial hemp product**
23 **approved by the department.**

24 **(g) Be the only licensee approved to manufacture and distribute any**
25 **hemp product for inhalation to wholesalers, retailers, and consumers.**

26 * * *

27 **§1486. Registry and accountability report**

28 **A. Any entity registered with the department or the office of alcohol and**
29 **tobacco control must submit a report to the commissioner on a monthly basis**

1 due by the twentieth of the following month detailing any hemp product
2 distributed, purchased, sold at wholesale, or sold at retail.

3 B.(1) Any wholesaler, consumable hemp processor, processor, remote
4 retailer, or retailer shall pay a fine of not less than one thousand dollars per
5 item for purchasing or selling any unlawful hemp products.

6 (2) Any wholesaler, consumable hemp processor, processor, remote
7 retailer, or retailer shall pay a fine of not less than one thousand dollars for
8 failing to report hemp products purchased or sold in Louisiana to the
9 commissioner by the twentieth of the following month.

10 (3) Any wholesaler or retailer that intentionally falsifies an
11 accountability report to alcohol and tobacco control shall be fined not less than
12 ten thousand dollars and serve not more than five years at hard labor.

13 (4) All fines that are assessed pursuant to this Subsection shall be paid
14 to the office of alcohol and tobacco control.

15 C. An electronic reporting system shall be implemented and maintained
16 by the office of alcohol and tobacco control. All data submitted to the office of
17 alcohol and tobacco control's reporting system shall be submitted to the
18 Department of Revenue by the commissioner.

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

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)