CONFERENCE COMMITTEE REPORT

HB 952 2024 Regular Session Miller

June 3, 2024

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 952 by Representative Miller, recommend the following concerning the Reengrossed bill:

- 1. That Senate Floor Amendments Nos. 1 through 5, 15, 20, and 21 by Senator Coussan (#4257) be accepted.
- 2. That Senate Floor Amendments Nos. 6 through 14, 16 through 19, and 22 by Senator Coussan (#4257) be rejected.
- 3. That the set of Senate Floor Amendments by Senator Pressly (#4453) be rejected.
- 4. That the following amendments be adopted:

AMENDMENT NO. 1

In Senate Floor Amendment No. 2 by Senator Coussan (#4257), on page 1, line 11, change "enacted"" to "enacted to""

AMENDMENT NO. 2

In Senate Floor Amendment No. 4 by Senator Coussan (#4257), on page 2, at the end of line 32, after "R.S. 51:3211." add the following:

"A retailer shall maintain all consumable hemp products except for consumable hemp beverages in a location that is inaccessible to the public without the assistance of an employee of the retailer."

AMENDMENT NO. 3

In Senate Floor Amendment No. 20 by Senator Coussan (#4257), on page 6, on line 25, after "control." add the following:

"No retail permit to sell consumable hemp products shall be issued to an applicant whose primary business is marketed to or is to provide goods and services for minors as determined by the commissioner."

AMENDMENT NO. 4

In Senate Floor Amendment No. 20 by Senator Coussan (#4257), on page 6, delete lines 28 through 31 in their entirety and insert in lieu thereof the following:

(ii) An applicant to be a remote retailer of consumable hemp products in this state shall meet the same qualifications as permitted retailers with a physical presence in this state and shall be registered to do business in this state with the secretary of state.

AMENDMENT NO. 5

In Senate Floor Amendment No. 4 by Senator Coussan (#4257), on page 6, after line 57, add the following:

- "(5) No retail permit shall be issued pursuant to this Section to any applicant that also holds a Class A permit issued pursuant to Title 26 of the Louisiana Revised Statutes of 1950. Any restaurant or bar that holds both a Class A permit and a permit to sell consumable hemp products at retail prior to June 17, 2024, shall continue to be eligible to sell consumable hemp products at retail, and shall be eligible to renew the retail consumable hemp permit annually."
- 5. That the following amendments to the Reengrossed bill be adopted:

AMENDMENT NO. 1

On page 3, delete line 14 and insert the following:

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

Annual Sales	Annual Fee
Under \$500,000	\$175.00
\$500,001 - \$1,000,000	\$475.00
\$1,000,001 - \$2,500,000	\$775.00
\$2,500,001 - \$5,000,000	\$1,075.00
Over \$5,000,000	\$1,375.00

- (2) In addition to the qualifications required in R.S. 3:1485, an applicant for a consumable hemp processor permit shall meet any additional requirements for the physical consumable hemp processing facility and equipment as required by rules and regulations promulgated by the department.
- (3) A consumable hemp processor shall conduct a potency test of the distillate or concentrate used to produce a consumable hemp product.
- (4) A consumable hemp processor shall conduct a test on each batch of consumable hemp product that shall indicate all of the following:
- (a) Disaggregated THC components by percentage of the total THC contained in the product.
 - (b) The serving size of an individual unit of the product.
 - (c) The total THC milligrams per serving.
- (d) The presence and concentration of any solvents, pesticides, microbials, and heavy metals.
- (5) A consumable hemp processor shall retain the records of each test for a minimum of three years.
- (6) A consumable hemp processor shall adhere to any sanitary regulations promulgated by the department.
- (7) A permitted consumable hemp processor may produce consumable hemp products that exceed the allowable total THC per serving and package size required for product approval in Paragraph (6) of Subsection B of this Section if all of the following are met:
- (a) The permit holder completes a sworn statement in writing attesting to both of the following:
- (i) The product will be delivered or transported beyond the borders of the state.
- (ii) The product meets any statutory requirements of the receiving state or territory for product and label approval, THC concentration, THC per serving, and serving per package.
- (b) The permit holder conducts the same tests required on distillates and concentrates as provided for in this Subsection.
- (c) The permit holder agrees to maintain a copy of the sworn statement and the distribution records of each product delivered or transported beyond the

boundaries of the state, distinct from those delivered or transported within the state, including the batch identification number, name of the product, and the receiving state or territory, for a minimum of three years."

AMENDMENT NO. 2

On page 3, delete lines 18 through 27 and insert the following:

- "(3) Receive <u>product and</u> label approval from the department.
- (6)(a) For consumable hemp products, a product shall not exceed a total delta-9 THC concentration of more than 0.3 percent or a total THC concentration of more than one percent. The total THC in a product shall not exceed eight milligrams per serving. The provisions of this Subparagraph shall not apply to floral hemp material. Individual servings and packages of consumable hemp products shall meet the following criteria:
- (b) (a)(i) For floral hemp material, a product shall not exceed a total delta-9 THC concentration of more than 0.3 percent on a dry weight basis or a total THC concentration of more than one percent on a dry weight basis. For products other than beverages and tinctures for human consumption, each serving shall not exceed five milligrams and shall be distinct and separate from other servings contained in the same package. A package shall not contain more than forty milligrams of total THC per package.
 - (ii) A package for products other than beverages shall be child-resistant.
- (c) (b)(i) Any consumable hemp product that exceeds the THC limits provided in this Paragraph that was registered with the department prior to June 16, 2022 may be sold in Louisiana until January 1, 2023. A single serving of a consumable hemp beverage shall not exceed five milligrams and shall not be less than twelve ounces.
- (ii) Each serving shall be in an individual, tamper-evident container and distinct from other servings contained in the same package.
- (iii) A package of beverages shall not contain more than four individual containers.
- (c)(i) For tinctures for human consumption, a package shall contain no more than one ounce of an oil-based consumable hemp liquid.
- (ii) A serving shall be one milliliter and shall not exceed one milligram of total THC per serving.
- (iii) Each package shall have a dispensing dropper that is capable of dispensing not more than one serving of the oil-based consumable hemp liquid.
- (iv) A tincture for human consumption shall not include any concentrated water-soluble liquid containing consumable hemp that can be consumed directly or added to any food or beverage.
- (d) Nonedible consumable hemp products shall not be subject to the individual serving and package requirements of this Paragraph."

AMENDMENT NO. 3

On page 4, delete lines 1 through 16 in their entirety and insert in lieu thereof the following:

- "C.(1) All labels shall meet the following criteria in order to receive approval from the department:
 - (a) Contain no medical claims.
- (b) Have a scannable bar code, QR code, or web address linked to a document or website that contains a certificate of analysis as provided in Subsection E of this Section.
- (c) Clearly state the amount of <u>total</u> THC per serving, serving size, and servings per package.
- (d) Provide a warning that consumption of products with THC may result in a failed drug test.
- (e) Accurately reflect the contents of the packaging with a variance of no greater than fifteen percent.

- (2) Any adult-use consumable hemp product shall be identified as such on the label. The department shall not approve any of the following:
 - (a) Any floral hemp material for retail sale.
- (b) Any inhalable consumable hemp product, including but not limited to vapes. Placement of "not for inhalation", "do not inhale", or similar language on the label, packaging, or display area shall not prohibit a determination by the department that the product is designed or intended for inhalation.
- (c) Any alcoholic beverage regulated by the office of alcohol and tobacco control that contains consumable hemp.
- (d) Any other consumable hemp product packaged in a manner that makes the product more appealing to children, including the name of the product or any logo or mascot of the product that appears similar to that of a nonconsumable hemp candy or beverage product.
- (e) Any other consumable hemp product that does not comply with Subsection B of this Section.
- (3) Any label that does not meet the criteria provided in this Subsection that was approved by the department prior to June 16, 2022, may be used in Louisiana until July 1, 2023. The department shall extend existing approval of the label of products that are prohibited by this Part through December 31, 2024, provided that no additional fee shall apply.

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AMENDMENT NO. 4

On page 4, delete lines 22 through 26 and insert in lieu thereof the following:

- "F. The certificate of analysis required by Subsection E of this Section shall be completed by an independent laboratory that meets the following criteria:
- (1)(a) If the laboratory is located outside of Louisiana, it is accredited by the International Organization for Standardization or other accrediting entity approved by the department.
 - (b) If the laboratory is located in Louisiana, it shall:
 - (i) Pass an on-site facility inspection conducted by the department.
- (ii) Provide documentation that the owner has operated a state-approved, active medical marijuana or hemp laboratory in another state for at least the past twelve months.
- (iii) Be accredited by the International Organization for Standardization or other accrediting entity approved by the department or have an application pending for International Organization for Standardization accreditation. If the accreditation is not achieved within nine months of the department's inspection, the department shall not accept any additional certificates of analysis from the laboratory until such accreditation is received.
- (2) Has no direct or indirect interest in a grower, processor, or distributor of hemp or hemp products.
- (1) The certificate of analysis required by this Section shall be completed by an independent laboratory accredited by the International Organization for Standardization or other accrediting entity approved by the department. A laboratory testing consumable hemp products shall be approved by the department. The department shall not approve a laboratory that has a direct or indirect interest in a grower, processor, wholesaler, or retailer of hemp or hemp products.
- (2) Notwithstanding any provision of this Part to the contrary, the testing laboratory affiliated with the University of Louisiana at Monroe shall be the preferred laboratory for completing the certificates of analysis required by this Section once it meets all applicable requirements of this Section and of any rules promulgated thereunder, and commences operations for such testing. Processors may utilize any other testing laboratory meeting all applicable requirements of this Section and of any rules promulgated thereunder."

AMENDMENT NO. 5

On page 4, between lines 28 and 29, insert the following:

"(1) Conduct an initial review of any product submitted pursuant to this Section and notify the submitting party of any deficiencies existing which prevent the approval of the product within <u>fifteen sixty</u> business days of the date of submission. If the department fails to notify the submitting party within <u>fifteen sixty</u> business days of the date of submission, the product may be sold by a wholesaler or retailer permitted pursuant to R.S. 3:1484 from the day following the <u>fifteenth sixtieth</u> business day until the submitting party receives final approval or denial from the department for the product."

AMENDMENT NO. 6

On page 8, delete lines 9 through 11 in their entirety and insert the following:

"Section 2. R.S. 3:1483(B)(7), (D), and (E)(3) are hereby repealed in their entirety.

Section 3. The provisions of R.S. 3:1484(B)(5) as amended by Section 1 of this Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

Section 4. Except as provided in Section 3, this Section and Sections 1 and 2 shall become effective on January 1, 2025."

Respectfully submitted,	
Representative Dustin Miller	Senator Stewart Cathey Jr.
Representative Troy D. Romero	Senator Jean-Paul P. Coussan
Representative Debbie Villio	Senator Kirk Talbot

CONFERENCE COMMITTEE REPORT DIGEST

HB 952 2024 Regular Session Miller

Keyword and oneliner of the instrument as it left the House

HEALTH: Provides relative to consumable hemp products

Report adopts Senate amendments to:

- 1. Amend definitions of "consumable hemp processor", "consumable hemp product", "package", "retail sale", "retailer", "serving", "THC", and "wholesaler.
- 2. Remove provisions relative to penalties for violating present law.
- 3. Add provisions relative to certificates of analysis of consumable hemp products.
- 4. Add requirements and qualifications for remote, retail, and wholesaler permits to sell consumable hemp products.

Report rejects Senate amendments which would have:

- 1. Amended prohibited acts associated with the sale of consumable hemp products.
- 2. Added qualifications and requirements for permitted consumable hemp processors.
- 3. Clarified standards for products approved by the La. Dept. of Health.
- 4. Clarified standards for products that were not to be approved La. Dept. of Health.
- 5. Added qualifications for independent labs that issue certificates of analysis of consumable hemp products.

Report amends the bill to:

- 1. Amend prohibited acts associated with the sale of consumable hemp products.
- 2. Add qualifications and requirements for permitted consumable hemp processors.
- 3. Clarify standards for products approved by the La. Dept. of Health.
- 4. Clarify standards for products that were not to be approved La. Dept. of Health.
- 5. Add qualifications for independent labs that issue certificates of analysis of consumable hemp products.

Digest of the bill as proposed by the Conference Committee

<u>Present law</u> defines an "adult-use consumable hemp product" as any consumable hemp product that contains more than 0.5 mg of tetrahydrocannabinol.

Proposed law repeals present law.

<u>Present law</u> defines "consumable hemp processor", "consumable hemp product", "package", "retail sale", "retailer", "serving", "THC", and "wholesaler".

Proposed law modifies present law definitions.

Proposed law defines "THC component" and "total THC".

<u>Present law</u> provides that no consumable hemp product may be sold to anyone under the age of 18.

<u>Proposed law</u> states that no consumable hemp product may be sold to anyone under the age of 21.

<u>Proposed law</u> states that a retailer shall verify the age of any person attempting to purchase a consumable hemp product using a reliable means such as a government-issued documentation cared.

<u>Present law</u> provides that no person shall process, distribute, sell, or offer for sale any consumable hemp product without a license or permit.

Proposed law retains present law.

Present law prohibits the addition of cannabidiol to alcoholic beverages offered for sale.

<u>Proposed law</u> prohibits the addition of any consumable hemp product to alcoholic beverages offered for sale.

Present law allows the sale, production, and distribution of floral hemp material.

Proposed law prohibits the sale, production, and distribution of floral hemp material.

<u>Proposed law</u> adds that no person shall sell or offer to for sale at retail any consumable hemp products on the premises of any entity or other location which holds an alcohol beverage permit unless that entity obtained a permit to sell hemp on or before June 17, 2024.

<u>Proposed law</u> prohibits the sale of any consumable hemp product that has not received approval by the La. Dept. of Health (LDH) in accordance with <u>proposed law</u>.

<u>Proposed law</u> prohibits a consumable hemp processor from using any distillate or concentrate containing any derivative of a THC component that is not a naturally occurring cannabinoid to produce a consumable hemp product.

<u>Present law</u> provides that <u>present law</u> shall be preempted by any federal statute, federal regulation, or guidance from a federal government agency that is less restrictive than <u>present</u> law.

<u>Proposed law</u> provides that <u>present law</u> shall be preempted by any federal statute, federal regulation, or guidance from a federal government agency that is more restrictive than present law.

<u>Present law</u> prohibits consumable hemp products that exceed a total delta-9 THC concentration of greater than 0.3 percent and a total THC concentration of more than one percent.

Proposed law repeals present law.

<u>Present law</u> requires a consumable hemp processor to test consumable hemp products for harmful substances and THC concentration.

<u>Proposed law</u> retains <u>present law</u> and requires a consumable hemp processor to test the distillate or concentrate used to produce a consumable hemp product for harmful substances and total THC concentration.

<u>Proposed law</u> allows LDH to approve a consumable hemp product with a greater concentration of THC than permitted by <u>proposed law</u> if all of the following are met:

(1) The consumable hemp processor provides a sworn statement that the consumable hemp product will be sold out of this state and that the product complies with the destination state's laws.

- (2) The consumable hemp processor conducts tests on distillate required by <u>proposed</u> law.
- (3) The consumable hemp processor maintains the distribution records of any consumable hemp product delivered beyond the borders of this state for a minimum of 3 years.

<u>Present law</u> provides that a consumable hemp product that is manufactured, sold, or distributed in this state shall have a label approved by LDH.

Proposed law retains present law and adds that the product shall be approved by LDH.

<u>Present law</u> further requires that no consumable hemp product exceed 8 mgs of total THC.

<u>Proposed law modifies present law</u> to state that no consumable hemp product shall exceed a total concentration of THC of 5 mgs per serving.

<u>Proposed law</u> provides that for products other than consumable hemp beverages and tinctures for human consumption, each serving shall be distinct and separate from other servings contained in the same package and a package shall contain no more than 40 milligrams of total THC.

<u>Present law</u> establishes that a serving size shall be determinable by a measuring device capable of measuring one serving, or the consumable hemp product packaging shall enable a customer to determine when one serving has been consumed.

<u>Proposed law</u> repeals <u>present law</u> and establishes that for consumable hemp products other than beverages, each product shall contain a maximum of 8 servings.

<u>Proposed law</u> requires that the packaging for consumable hemp products other than beverages shall be child-resistant.

<u>Proposed law</u> provides that a single serving of a consumable hemp beverage shall not be less than 12 ounces, and that a package of consumable hemp beverages shall not contain more than 4 individual containers.

<u>Proposed law</u> provides that nonedible consumable hemp products shall not be subject to proposed law requirements.

<u>Proposed law</u> adds a warning to the packaging of consumable hemp products that states that consumption of products with THC may result in the failure of a drug test.

<u>Present law</u> tasks LDH with approving the label of a consumable hemp product before the product may be sold.

<u>Proposed law</u> tasks LDH with approving a consumable hemp product before the product may be sold

<u>Proposed law</u> adds that LDH shall not a approve any product that is prohibited by <u>proposed law</u> or is packaged in a manner that the makes the product more appealing to children.

<u>Present law</u> contains temporal references to deadlines that are outdated.

<u>Proposed law</u> repeals the outdated temporal references.

<u>Present law</u> requires hemp retailers to obtain a certificate of analysis for each product label approved by LDH.

Present law provides requirements for the laboratories reporting the certificate of analysis.

<u>Proposed law</u> provides that a laboratory shall be accredited by the International Organization for Standardization or other accredited entity approved by LDH.

<u>Proposed law</u> repeals requirements for a laboratory in this state and adds that LDH may promulgate rules to provide standards for all laboratories testing consumable hemp products.

<u>Proposed law</u> adds that the testing laboratory affiliated with the University of Louisiana and Monroe shall be the preferred laboratory for completing the certificates of analysis.

<u>Proposed law</u> adds that the department shall not approve a laboratory that has a direct or indirect interest in a grower, processor, wholesaler, or retailer of hemp or hemp products.

<u>Present law</u> requires LDH to conduct an initial review of any consumable hemp product submitted and notify the submitting party of any deficiencies which prevent the approval of the product within 15 days.

Proposed law changes present law and by increasing the time to respond from 15 to 60 days.

<u>Proposed law</u> provides that a wholesaler permitted in accordance with <u>present law</u> shall only sell consumable hemp products approved by LDH to permitted consumable hemp retailers.

<u>Present law</u> states that an individual must obtain a permit from the office of alcohol and tobacco to be allowed to sell consumable hemp products at retail.

<u>Proposed law</u> retains <u>present law</u> and adds that remote retailers shall obtain a permit to sell consumable hemp products at retail and comply with the same requirements as physical retailer.

<u>Proposed law</u> states that a permitted retailer may only obtain consumable hemp products to sell at retail from a wholesaler permitted in accordance with <u>present law</u>.

<u>Proposed law</u> states that the commissioner of the office of alcohol and tobacco control may adopt rules to restrict on premise outdoor advertising of consumable hemp products.

<u>Proposed law</u> adds that any permit holder found to be in violation of <u>proposed law</u> for a 3rd offense that occurs within 2 years of the 1st offense shall have his permit revoked and be ineligible to apply for or receive a consumable hemp permit for 5 years.

<u>Proposed law</u> states that an applicant for permit to sell consumable hemp shall meet all of the following requirements:

- (1) Be a person of good character and reputation over the age of 21.
- (2) Have not been convicted of distributing or possessing with the intent to distribute any illegal drug on any premises permitted to sell consumable hemp products.
- (3) Have not been convicted of a felony under the laws of the United States, the state of Louisiana, or any other state or country.
- (4) Have not been convicted of soliciting for prostitution, pandering, letting premises for prostitution, contributing to the delinquency of juveniles, keeping a disorderly place, letting a disorderly place, or illegally dealing in controlled dangerous substances.
- (5) Not owe the state or the local governmental subdivisions in which the application is made any delinquent sales taxes, penalties, or interest excluding items under formal appeal pursuant to applicable statutes.

<u>Present law</u> states that Louisiana Industrial Hemp Promotion and Research Advisory Board shall consist of 15 members where one member is appointed by the commissioner of the office of alcohol and tobacco control.

<u>Proposed law</u> changes <u>present law</u> to remove the commission and states that one member may be appointed by the Hemp Association of Louisiana.

Section 3 effective upon signature of governor or lapse of time for gubernatorial action.

Sections 1, 2, and 4 effective on Jan. 1, 2025.

(Amends R.S. 3:1481, 1482(A), (B), (C), and (E), 1483(A), (B)(3) and (6), (C), (E)(1) and (2) and (F), 1484(A), and 1493(B)(9); Adds R.S. 3:1483(G)(6), and 1485; Repeals R.S. 3:1483(B)(7) and (D))