The House Committee on Agriculture and Consumer Affairs offers the following substitute to SB 494:

## A BILL TO BE ENTITLED AN ACT

1 To amend Chapter 23 of Title 2 of the Official Code of Georgia Annotated, relating to the 2 'Georgia Hemp Farming Act,' so as to regulate hemp products; to provide for definitions; to 3 provide for determining THC levels; to prohibit persons from performing certain activities without licenses; to provide for penalties; to revise bonding requirements; to revise the 4 annual fee for processing permits; to provide for the issuance of retail consumable hemp 5 establishment licenses; to provide for the issuance of wholesale consumable hemp licenses; 6 to provide for the issuance of manufacturer licenses; to provide for the registration of 7 8 laboratories; to revise provisions concerning violations; to provide for the amendment of 9 regulatory plans submitted to the secretary of agriculture of the United States; to conform 10 terminology; to provide for related matters; to provide an effective date; to provide for the 11 payment of fees into the general fund of the state treasury; to repeal conflicting laws; and for 12 other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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	24 LC 55 0279S
14	SECTION 1.
15	Chapter 23 of Title 2 of the Official Code of Georgia Annotated, relating to the 'Georgia
16	Hemp Farming Act,' is amended in Code Section 2-23-2, relating to intent, by revising
17	paragraph (6) as follows:
18	"(6) Enable the department, <u>hemp grower</u> licensees, and universities to promote the
19	cultivation and processing of hemp and the commercial sale of hemp products."
20	SECTION 2.
21	Said chapter is further amended by revising Code Section 2-23-3, relating to definitions, as
22	follows:
23	"2-23-3.
24	As used in this chapter, the term:
25	(1) 'Commercial sale' means the sale of products in the stream of commerce at retail, at
26	wholesale, and online.
27	(1.2) 'Consumable hemp product' means a hemp product intended to be ingested,
28	absorbed, or inhaled by humans or animals.
29	(2) 'Cultivate' means to plant, water, grow, and harvest a plant or crop.
30	(3) 'Federally defined THC level for hemp' means a delta-9-THC concentration of not
31	more than 0.3 percent on a dry weight basis, or as defined in 7 U.S.C. Section 1639o,
32	whichever is greater less.
33	(4) 'Handle' means to possess or store hemp plants for any period of time on premises
34	owned, operated, or controlled by a person licensed to cultivate or permitted to process
35	hemp, or to possess or store hemp plants in a vehicle for any period of time other than
36	during the actual transport of such plants from the premises of a person licensed to
37	cultivate or permitted to process hemp or a college or university authorized to conduct
38	research pursuant to Code Section 2-23-4 to the premises of another licensed or permitted
39	person or to a college or university authorized to conduct research pursuant to Code

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40	Section 2-23-4; provided, however, that this term shall not include possessing or storing
41	finished hemp products.
42	(5) 'Hemp' means the Cannabis sativa L. plant and any part of such plant, including the
43	seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts
44	of isomers, whether growing or not, with the federally defined THC level for hemp or a
45	lower level.
46	(5.1) 'Hemp grower licensee' means an individual or business entity possessing a hemp
47	grower license issued by the department under the authority of this chapter to handle and
48	cultivate hemp in the State of Georgia.
49	(6) 'Hemp products' means all products with the federally defined THC level for hemp
50	derived from, or made by, processing hemp plants or plant parts that are prepared in a
51	form available for legal commercial sale, but not including food products infused with
52	THC unless approved by the United States Food and Drug Administration.
53	(6.1) 'Industrial hemp product' means any hemp product that is not a consumable hemp
54	product.
55	(7) 'Key participant' means a sole proprietor, a partner in a partnership, or a person with
56	executive managerial control in a corporation when such sole proprietor, partnership, or
57	corporation is an applicant to be a <u>hemp grower</u> licensee or a permittee. A person with
58	executive managerial control in a corporation includes persons serving as a chief
59	executive officer, chief operating officer, chief financial officer, or any other individual
60	identified in regulations promulgated by the department. This term shall not include
61	nonexecutive managers, such as farm, field, or shift managers.
62	(8) 'Licensee' means an individual or business entity possessing a hemp grower license
63	issued by the department under the authority of this chapter to handle and cultivate hemp
64	in the State of Georgia.
65	(8.1) 'Manufacture' means to create, produce, manipulate, combine, or package.

(8.1) 'Manufacture' means to create, produce, manipulate, combine, or package.

66	(8.2) 'Manufacturer license' means a license issued by the department under the authority
67	of this chapter to an individual or business entity that manufactures consumable hemp
68	products or industrial hemp products in this state.
69	(8.3) 'Measurement of uncertainty' means the parameter, associated with the result of a
70	measurement, that characterizes the dispersion of the values that could reasonably be
71	attributed to the particular quantity subject to measurement.
72	(9) 'Permittee' means an individual or business entity possessing a hemp processor permit
73	issued by the department under the authority of this chapter to handle and process hemp
74	in the State of Georgia.
75	(10)(A) 'Process' or 'processing,' except as otherwise provided in subparagraph (B) of
76	this paragraph, means converting an agricultural commodity into a legally marketable
77	form.
78	(B) Such term shall not include:
79	(i) Merely placing raw or dried material into another container or packaging raw or
80	dried material for resale; or
81	(ii) Traditional farming practices such as those commonly known as drying, shucking
82	and bucking, storing, trimming, and curing.
83	(10.1) 'Registered laboratory' means an individual or business entity that tests or analyzes
84	any plant within the genus Cannabis, including but not limited to hemp, and products
85	made from or derived from such plant, including but not limited to hemp products and
86	consumable hemp products, and that has registered with the department under this
87	<u>chapter.</u>
88	(11) 'Research' or 'researching' means experimental field, greenhouse, or laboratory
89	activity for the ultimate purpose of developing new hemp varieties and products,
90	improving existing hemp products, developing new uses for existing hemp products, or
91	developing or improving methods for producing hemp products.

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92	(11.1) 'Retail consumable hemp establishment license' means a license issued by the
93	department under the authority of this chapter to an individual or business entity that
94	prepares or sells prepackaged consumable hemp products to consumers.
95	(12) 'THC' means tetrahydrocannabinol, tetrahydrocannabinolic acid, or a combination
96	of tetrahydrocannabinol and tetrahydrocannabinolic acid.
97	(13) 'Wholesale consumable hemp license' means a license issued by the department
98	under the authority of this chapter to an individual or business entity that sells, in bulk,
99	prepackaged consumable hemp products to retail consumable hemp establishment
100	licensees or to other retail establishments located outside of the State of Georgia that are
101	authorized to sell consumable hemp products to consumers in the jurisdiction where such
102	establishments are located."
103	SECTION 3.
104	Said chapter is further amended by adding a new Code section to read as follows:
105	" <u>2-23-3.1</u>
106	For purposes of this chapter, when determining whether a tested sample of hemp or hemp
107	products exceeds or is within the federally defined THC level for hemp, such determination
108	shall take into account the applicable measurement of uncertainty for the test used to
109	measure the delta-9-THC levels in the sample. The department, by rules or regulations,
110	may specify the method and procedure for determining the applicable measurement of
111	uncertainty for a given test used to measure delta-9-THC levels in a sample."

Said chapter is further amended in Code Section 2-23-4, relating to required licenses,
research by colleges and universities, and processing of other products, by revising
subsection (a) as follows:

116 "(a) Except as otherwise provided in subsection (b) of this Code section, it shall be117 unlawful for:

(1) Any person to cultivate, handle, or process hemp in this state unless such person
holds a hemp grower license or a hemp processor permit issued by the department
pursuant to this chapter or is employed by a hemp grower licensee or permittee;

(2) A permittee to accept hemp for processing from any person other than a hemp grower
licensee or a college or university authorized to conduct research pursuant to
subsection (b) of this Code section, except as otherwise provided in paragraph (4) of this
subsection;

125 (3) A hemp grower licensee to provide or sell hemp to any person other than another 126 hemp grower licensee, a college or university authorized to conduct research pursuant to 127 subsection (b) of this Code section, or a permittee with whom the hemp grower licensee 128 enters into an agreement pursuant to Code Section 2-23-7, unless such person is located 129 in a state with a plan to regulate hemp production that is approved by the Secretary of Agriculture secretary of agriculture of the United States, or otherwise in accordance with 130 131 regulations promulgated by the United States Department of Agriculture, and such person 132 is authorized to grow or process hemp in that state;

(4) A permittee to accept for processing any hemp grown outside of the State of Georgia,
unless such hemp is grown in a state with a plan to regulate hemp production that is
approved by the Secretary of Agriculture secretary of agriculture of the United States or
otherwise in accordance with regulations promulgated by the United States Department
of Agriculture;

(5) A permittee to process hemp pursuant to a hemp processor permit outside of the State
of Georgia, unless such processing occurs in a state with a plan to regulate hemp
production that is approved by the Secretary of Agriculture secretary of agriculture of the
United States or otherwise in accordance with regulations promulgated by the United
States Department of Agriculture;

S. B. 494 (SUB) - 6 - 143 (6) Any <u>hemp grower</u> licensee or permittee to otherwise fail to comply with the
144 requirements of this chapter or any applicable state or federal law or regulation;

145 (7) Any person to offer for sale at retail the unprocessed flower or leaves of the hemp146 plant; or

147 (8) Any person to cultivate or handle hemp in any structure that is used for residential148 purposes."

149	SECTION 5.
150	Said chapter is further amended by adding a new Code section to read as follows:
151	" <u>2-23-4.1.</u>
152	(a) Except as provided in subsection (b) of this Code section, it shall be unlawful for any
153	person:
154	(1) To process hemp in this state unless such person holds a processing permit issued by
155	the department or is employed by a permittee;
156	(2) To handle hemp in this state unless such person holds a hemp grower license, a
157	processing permit, or a manufacturer license issued by the department or has registered
158	with the department as a registered laboratory or is employed by a person who holds such
159	a license or who has registered with the department as a registered laboratory;
160	(3) To sell or offer for sale any consumable hemp product in this state to consumers
161	unless such person holds a retail consumable hemp establishment license issued by the
162	department or is employed by a person who holds such a license;
163	(4) To sell or offer for sale any consumable hemp product in this state to retail
164	consumable hemp establishment licensees or other retail establishments unless such
165	person holds a wholesale consumable hemp license issued by the department or is
166	employed by a person who holds such a license;

167	(5) To manufacture hemp products in this state unless such person holds a manufacturer
168	license issued by the department or is employed by a person who holds such a license;
169	<u>or</u>
170	(6) Perform in this state tests or analyses of any plant within the genus Cannabis,
171	including but not limited to hemp, or any product made or derived from such plant,
172	including but not limited to hemp products and consumable hemp products, unless such
173	person has registered with the department as a registered laboratory or is employed by a
174	person who has registered with the department as a registered laboratory.
175	(b) The prohibitions contained in paragraphs (2) and (6) of subsection (a) of this Code
176	section shall not apply to a college or university authorized to conduct research pursuant
177	to Code Section 2-23-4 or a person assisting such college or university with such research
178	pursuant to Code Section 2-23-4.
179	(c)(1) Any person who violates any provision of subsection (a) of this Code section shall:
180	(A) Be guilty of a misdemeanor for a first offense; and
181	(B) For a second or subsequent offense, be guilty of a misdemeanor of a high and
182	aggravated nature.
183	(2) Each violation of any provision of subsection (a) of this Code section shall constitute
184	<u>a separate offense.</u>
185	(d) In addition to the criminal penalties provided for in subsection (c) of this Code section,
186	any person who violates any provision of subsection (a) of this Code section shall be
187	subject to a civil penalty of not more than \$5,000.00 for each violation. The amount of the
188	civil penalty imposed pursuant to this subsection shall be fixed by the Commissioner after
189	notice and hearing as provided in Chapter 13 of Title 50, the 'Georgia Administrative
190	Procedure Act,' for contested cases. For purposes of this subsection, each day a violation
191	of subsection (a) of this Code section occurs or continues shall constitute a separate
192	violation."

	24 LC 55 0279S
193	SECTION 6.
194	Said chapter is further amended in Code Section 2-23-5, relating to procedure for licensing,
195	fees, license requirements, and limitations on license, by revising paragraph (3) of
196	subsection (d) as follows:
197	"(3) For purposes of this subsection:
198	(A) The term 'person' shall include all members of a <u>hemp grower</u> licensee's family and
199	all corporations, limited partnerships, limited liability companies, and other business
200	entities in which a hemp grower licensee holds more than a 50 percent ownership
201	interest; the term 'family' shall include any person related to the holder of the hemp
202	grower license within the first degree of consanguinity and affinity as computed
203	according to the canon law and who is claimed as a dependent by the hemp grower
204	licensee for income tax purposes; and
205	(B) The beneficiaries of a trust shall be considered to have a beneficial interest in any
206	business forming a part of the trust estate."
207	SECTION 7.
208	Said chapter is further amended in Code Section 2-23-6, relating to procedure for permitting
209	and limitations on permits and interests, by revising subsection (e) and paragraph (3) of
210	subsection (h) as follows:
211	"(e) Hemp processor permits shall be issued for one calendar year at an annual permit fee
212	of \$25,000.00 \$10,000.00, so long as no administrative action has been taken by the
213	department regarding such permittee under this chapter."
214	"(3) For purposes of this subsection:
215	(A) The term 'person' shall include all members of a licensee's permittee's family and
216	all corporations, limited partnerships, limited liability companies, and other business
217	entities in which a licensee permittee holds more than a 50 percent ownership interest;
218	the term 'family' shall include any person related to the holder of the hemp processor

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- permit within the first degree of consanguinity and affinity as computed according to
  the canon law and who is claimed as a dependent by the licensee permittee for income
  tax purposes; and
- (B) The beneficiaries of a trust shall be considered to have a beneficial interest in any
  business forming a part of the trust estate."
- 224

## **SECTION 8.**

Said chapter is further amended in Code Section 2-23-6.1, relating to bond requirements,
breach of bond, hearing, enforcement, and insufficient bond funds, by revising
subsections (a), (d), and (e) as follows:

228 Any applicant for a hemp processor permit shall make and deliver to the "(a) Commissioner a surety bond executed by a surety corporation authorized to transact 229 230 business in this state and approved by the Commissioner. Any and all bond applications 231 shall be accompanied by a certificate of good standing issued by the Commissioner of Insurance. If any company issuing a bond shall be removed from doing business in this 232 233 state, it shall be the duty of the Commissioner of Insurance to notify the Commissioner 234 within 30 days. The bond shall be in such amount as the Commissioner may determine, 235 not exceeding an amount equal to 2 percent of the amount of hemp purchased from hemp 236 grower licensees by the permittee in the most recent calendar year; provided, however, that 237 the minimum amount of such bond shall be \$300,000.00 \$50,000.00 and the maximum 238 amount shall be \$1 million. Such bond shall be upon a form prescribed or approved by the 239 Commissioner and shall be conditioned to secure the faithful accounting for and payment 240 to hemp grower licensees for hemp purchased by such permittee as well as to secure the permittee's compliance with the requirements of this chapter. Whenever the Commissioner 241 242 shall determine that a previously approved bond has for any cause become insufficient, the 243 Commissioner may require an additional bond or bonds to be given in compliance with this 244 Code section. Unless the additional bond or bonds are given within the time fixed by

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written demand therefor, or if the bond of a permittee is canceled, the permit of such permittee shall be immediately revoked by operation of law without notice or hearing, and such permittee shall be ineligible to reapply for such permit for a period of four years after such revocation."

249 "(d) If such settlement is not effected within such time, the Commissioner or the <u>hemp</u> 250 grower licensee may bring an action to enforce the claim. If the <u>hemp grower</u> licensee is 251 not satisfied with the ruling of the Commissioner, he or she may commence and maintain 252 an action against the principal and surety on the bond of the parties complained of as in any 253 civil action.

(e) If the bond or collateral posted is insufficient to pay in full the valid claims of <u>hemp</u>
 <u>grower</u> licensees, the Commissioner may direct that the proceeds of such bond shall be
 divided pro rata among such hemp grower licensees."

- 257 **SECTION 9.** Said chapter is further amended by adding a new Code section to read as follows: 258 259 "2-23-6.2. 260 (a) Except as otherwise provided in this chapter, consideration, issuance, and revocation of retail consumable hemp establishment licenses issued by the department pursuant to this 261 262 Code section shall be accomplished in accordance with Chapter 5 of this title, and such licenses shall otherwise be governed by such chapter. 263 264 (b) Applications for a retail consumable hemp establishment license shall be made on a form furnished by the Commissioner and, together with such other information as the 265 266 Commissioner may require, shall state: (1) The name of the applicant; 267 (2) The business address of the applicant; 268
- 269 (3) The complete telephone number and email address of the applicant;

270	(4) The location where the applicant will sell or offer for sale consumable hemp products
271	in this state and whether such location is owned or leased by the applicant; and
272	(5) If the applicant is a business entity, the name of the owners, partners, members, or
273	shareholders of such entity.
274	(c) Retail consumable hemp establishment licenses shall be issued by the department for
275	one calendar year at an annual licensing fee of \$250.00.
276	(d) Retail consumable hemp establishment licenses issued by the department pursuant to
277	this Code section shall be issued in connection with a single retail location where
278	consumable hemp products will be sold or offered for sale to consumers by the licensee.
279	For a person to sell or offer for sale consumable hemp products to consumers at multiple
280	retail locations, such person shall be required to obtain from the department separate retail
281	consumable hemp establishment licenses for each such retail location."
282	SECTION 10.
282 283	<b>SECTION 10.</b> Said chapter is further amended by adding a new Code section to read as follows:
283	Said chapter is further amended by adding a new Code section to read as follows:
283 284	Said chapter is further amended by adding a new Code section to read as follows: " <u>2-23-6.3.</u>
283 284 285	<ul> <li>Said chapter is further amended by adding a new Code section to read as follows:</li> <li>"2-23-6.3.</li> <li>(a) Except as otherwise provided in this chapter, consideration, issuance, and revocation</li> </ul>
283 284 285 286	<ul> <li>Said chapter is further amended by adding a new Code section to read as follows:</li> <li>"2-23-6.3.</li> <li>(a) Except as otherwise provided in this chapter, consideration, issuance, and revocation of wholesale consumable hemp licenses issued by the department pursuant to this Code</li> </ul>
283 284 285 286 287	<ul> <li>Said chapter is further amended by adding a new Code section to read as follows:</li> <li>"2-23-6.3.</li> <li>(a) Except as otherwise provided in this chapter, consideration, issuance, and revocation of wholesale consumable hemp licenses issued by the department pursuant to this Code section shall be accomplished in accordance with Chapter 5 of this title, and such licenses</li> </ul>
283 284 285 286 287 288	<ul> <li>Said chapter is further amended by adding a new Code section to read as follows:</li> <li>"2-23-6.3.</li> <li>(a) Except as otherwise provided in this chapter, consideration, issuance, and revocation of wholesale consumable hemp licenses issued by the department pursuant to this Code section shall be accomplished in accordance with Chapter 5 of this title, and such licenses shall otherwise be governed by such chapter.</li> </ul>
283 284 285 286 287 288 289	<ul> <li>Said chapter is further amended by adding a new Code section to read as follows:</li> <li>"2-23-6.3.</li> <li>(a) Except as otherwise provided in this chapter, consideration, issuance, and revocation of wholesale consumable hemp licenses issued by the department pursuant to this Code section shall be accomplished in accordance with Chapter 5 of this title, and such licenses shall otherwise be governed by such chapter.</li> <li>(b) Applications for a wholesale consumable hemp license shall be made on a form</li> </ul>
283 284 285 286 287 288 289 290	<ul> <li>Said chapter is further amended by adding a new Code section to read as follows:</li> <li>"2-23-6.3.</li> <li>(a) Except as otherwise provided in this chapter, consideration, issuance, and revocation of wholesale consumable hemp licenses issued by the department pursuant to this Code section shall be accomplished in accordance with Chapter 5 of this title, and such licenses shall otherwise be governed by such chapter.</li> <li>(b) Applications for a wholesale consumable hemp license shall be made on a form furnished by the Commissioner and, together with such other information as the</li> </ul>

294 (3) The complete telephone number and email address of the applicant;

(4) The location of the facility where the applicant will store consumable hemp products
and otherwise operate as a wholesaler of consumable hemp products in this state and
whether such facility is owned or leased by the applicant; and
(5) If the applicant is a business entity, the name of the owners, partners, members, or
shareholders of such entity.
(c) Wholesale consumable hemp licenses shall be issued by the department for one
calendar year at an annual licensing fee of at least \$500.00 but not more than \$10,000.00,
as established by the Commissioner. The Commissioner may establish separate classes of
wholesale consumable hemp licenses based on the amount of consumable hemp products
to be sold by the licensee, and the annual licensing fees required by this subsection shall
be in different amounts for each such separate class of wholesale consumable hemp
licenses.
(d) Wholesale consumable hemp licenses issued by the department pursuant to this Code
section shall be issued in connection with a single facility where the licensee will store
consumable hemp products or otherwise operate as a wholesaler of consumable hemp
products. For a person to store consumable hemp products or otherwise operate as a
wholesaler of consumable hemp products at multiple facilities, such person shall be
required to obtain from the department separate wholesale consumable hemp licenses for
each such facility."
SECTION 11.
Said chapter is further amended by adding a new Code section to read as follows:
" <u>2-23-6.4.</u>
(a) Except as otherwise provided in this chapter, consideration, issuance, and revocation
of manufacturer licenses issued by the department pursuant to this Code section shall be
accomplished in accordance with Chapter 5 of this title, and such licenses shall otherwise
be governed by such chapter.

321	(b) Applications for a manufacturer license shall be made on a form furnished by the
322	Commissioner and, together with such other information as the Commissioner may require,
323	shall state:
324	(1) The name of the applicant;
325	(2) The business address of the applicant;
326	(3) The complete telephone number and email address of the applicant;
327	(4) The location of the facility where the applicant will manufacture hemp products in
328	this state and whether such facility is owned or leased by the applicant; and
329	(5) If the applicant is a business entity, the name of the owners, partners, members, or
330	shareholders of such entity.
331	(c) Manufacturer licenses shall be issued by the department for one calendar year at an
332	annual licensing fee of \$5,000.00; provided, however, that any person who holds a hemp
333	processor permit issued by the department under this chapter shall not be required to pay
334	the annual licensing fee provided for in this subsection in order for such person to be issued
335	a manufacturer license by the department under this Code section.
336	(d) Manufacturer licenses issued by the department pursuant to this Code section shall be
337	issued in connection with a single facility where the licensee will manufacture hemp
338	products. For a person to manufacture hemp products at multiple facilities, such person
339	shall be required to obtain from the department separate manufacturer licenses for each
340	such facility."
341	SECTION 12.
342	Said chapter is further amended by adding a new Code section to read as follows:
343	" <u>2-23-6.5.</u>
344	(a) Any person desiring to perform in this state tests or analyses of any plant within the
345	genus Cannabis, including but not limited to hemp, or any product made or derived from
346	such plant, including but not limited to hemp products and consumable hemp products,

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347	shall register with the department as a registered laboratory and pay a one-time registration
348	<u>fee of \$250.00.</u>
349	(b) Except as otherwise provided in this chapter, consideration, acceptance, and revocation
350	of a registration made pursuant to this Code section shall be accomplished in accordance
351	with Chapter 5 of this title, and such registration shall otherwise be governed by such
352	chapter.
353	(c) Registration with the department as a registered laboratory shall be made on a form and
354	in a manner as prescribed by the Commissioner. Such registration shall include, together
355	with such other information as the Commissioner may require, the following information:
356	(1) The name of the registrant;
357	(2) The business address of the registrant;
358	(3) The complete telephone number and email address of the registrant;
359	(4) The location of the laboratory facility where the registrant will perform tests and
360	analyses of any plant within the genus Cannabis or any product made or derived from
361	such plant; and
362	(5) If the registrant is a business entity, the name of the owner, partners, members, or
363	shareholders of such entity.
364	(d) The department shall not accept a registration under this Code section unless the
365	registrant demonstrates, to the department's satisfaction, that it is not affiliated with any
366	licensee or permittee and has been accredited pursuant to the standards of the International
367	Organization for Standardization for the competence, impartiality, and consistent operation
368	of laboratories.
369	(e) Registrations made under this Code section shall be in connection with a single
370	laboratory facility. For a person to perform tests or analyses of any plant within the genus
371	Cannabis or any product made or derived from such plant at multiple laboratory facilities,
372	such person shall be required to register each such laboratory facility with the department
373	under this Code section.

374	(f) A registered laboratory, or any person employed by a registered laboratory, shall not
375	be subject to arrest, prosecution, or any civil penalty for possessing, or having under his or
376	her control, THC or marijuana, as such term is defined in Code Section 16-13-21, provided
377	that such possession or control occurs in connection with a test or analysis performed in
378	accordance with the rules and regulations promulgated by the department pursuant to this
379	<u>chapter.</u>
380	(g) The department shall provide by rule and regulation a procedure by which registered
381	laboratories shall dispose of plants or products within their possession that do not comply
382	with the provisions of this chapter or are otherwise unlawful under the laws of this state."
383	SECTION 13.
384	Said chapter is further amended in Code Section 2-23-7, relating to business agreements,
385	transportation, and reimbursement for crop destruction, by revising subsections (a) and (c)
386	as follows:
387	"(a) Every permittee shall at all times have in place written agreements with each hemp
388	grower licensee governing their business relationship. Each permittee shall provide a copy
389	of each such agreement, and any amendments thereto, to the department within ten days
390	of execution of each such agreement or amendment thereto."
391	"(c) Until December 31, 2022, when a <u>hemp grower</u> licensee disposes of a lot pursuant to
392	Code Section 2-23-8, the permittee with whom the <u>hemp grower</u> licensee has entered into
393	an agreement pursuant to this Code section shall reimburse the hemp grower licensee for
394	half of the amount of the combined value of the seed, fertilizer, labor costs, and any other
395	reasonable and customary input expenses incurred with such disposed of lot."

396

## **SECTION 14.**

397 Said chapter is further amended in Code Section 2-23-8, relating to sampling and random398 testing of hemp, by revising paragraph (1) of subsection (a) as follows:

399 "(a)(1) The department shall have the right, either through its own personnel or through 400 an independent contractor as provided for in Code Section 2-23-9, to collect samples of 401 hemp for testing as provided for in this chapter from the fields and greenhouses of all 402 <u>hemp grower</u> licensees. Samples shall be representative of each lot with the same global 403 positioning coordinates. No hemp shall be harvested until such samples are collected. 404 Such testing, and the harvesting of the hemp tested, shall be conducted in compliance 405 with this chapter and with regulations promulgated by the department."

406

## **SECTION 15.**

Said chapter is further amended by revising Code Section 2-23-10, relating to enforcement,
corrective action plan, revocation of licenses, and reporting of licensees and permittees to the

409 Attorney General, as follows:

410 "2-23-10.

(a) A violation of a plan authorized by Code Section 2-23-11 and approved by the
secretary of agriculture of the United States by a licensee or permittee shall be subject to
enforcement in accordance with this Code section.

414 (b)(1) A <u>hemp grower</u> licensee or permittee under this chapter shall be required to
415 conduct a corrective action plan if the Commissioner determines that the <u>hemp grower</u>
416 licensee or permittee has negligently violated this chapter or has violated rules and
417 regulations promulgated by the department pursuant to this chapter by:

(A) Failing to provide a legal description and global positioning coordinates sufficient
for locating fields and greenhouses the <u>hemp grower</u> licensee uses to cultivate and
harvest hemp or facilities at which the permittee processes hemp;

421 (B) Failing to properly obtain a <u>hemp grower</u> license <del>or permit</del> from the department;

- 422 (C) Producing Cannabis sativa L. with more than the federally defined THC level for423 hemp; or
- 424 (D) Otherwise negligently violating this chapter.

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- 425 (2) A corrective action plan required by this Code section shall include:
- 426 (A) A reasonable date by which the <u>hemp grower</u> licensee or permittee shall correct
  427 the negligent violation; and
- 428 (B) A requirement that the <u>hemp grower</u> licensee or permittee shall periodically report
- 429 to the Commissioner on the compliance status of the <u>hemp grower</u> licensee <del>or permittee</del>
- with the corrective action plan for a period of not less than two calendar years after theviolation.
- (c) Except as provided in subsection (d) of this Code section, a <u>hemp grower</u> licensee or
  permittee that negligently violates this chapter or rules and regulations promulgated by the
  department pursuant to this chapter shall not as a result be subject to any criminal or civil
  enforcement action by any government agency other than the enforcement action
  authorized under subsection (b) of this Code section.
- (d) A <u>hemp grower</u> licensee or permittee that negligently violates the corrective action
  plan under subsection (b) of this Code section this chapter or the rules and regulations
  promulgated by the department pursuant to this chapter three times in a five-year period
  shall have its <u>hemp grower</u> license or permit issued pursuant to this chapter immediately
  revoked and shall be ineligible to reapply for a <u>hemp grower</u> license or permit for a period
  of five years after the date of the third violation.
- (e) If the Commissioner determines that a <u>hemp grower</u> licensee or permittee has violated
  state law with a culpable mental state greater than negligence, the Commissioner shall
  immediately report the <u>hemp grower</u> licensee or permittee to the United States Attorney
  General and the state Attorney General, and subsection (a) of this Code section shall not
  apply to the violation.
- 448 (f) Laws enacting criminal offenses, including laws provided for in Title 16, not in conflict
- 449 with this chapter shall continue to be enforceable and of full force and effect."

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450	SECTION 16.
451	Said chapter is further amended in Code Section 2-23-11, relating to plan for regulation of
452	hemp production and approval, by adding a new subsection to read as follows:
453	"(c) The department may submit an amended plan to the secretary of agriculture of the
454	United States if or when required by any amendment to this chapter, the rules and
455	regulations promulgated by the department pursuant to this chapter, or any federal law or
456	regulation."
457	SECTION 17.
458	Said chapter is further amended by revising Code Section 2-23-12, relating to rules and
459	regulations, as follows:
460	"2-23-12.
461	The department, in consultation with the Georgia Bureau of Investigation, shall may
462	promulgate rules and regulations as necessary to implement the provisions of this chapter.
463	Such rules and regulations shall include the plan provided for in Code Section 2-23-11
464	upon the approval of such plan by the secretary of agriculture of the United States."
465	SECTION 18.
466	This Act shall become effective on October 1, 2024
467	SECTION 19.
468	All fees collected pursuant to this Act shall be paid into the general fund of the state treasury.
469	SECTION 20.
470	All laws and parts of laws in conflict with this Act are repealed.