Senate Bill 494

By: Senators Watson of the 11th, Robertson of the 29th, Kirkpatrick of the 32nd, Goodman of the 8th, Sims of the 12th and others

## 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 prohibit persons from performing certain activities without licenses; to provide for penalties;
- 4 to revise disqualifications for a hemp grower license; to revise disqualifications for a hemp
- 5 processor permit; to revise the annual fee for such a permit; to provide for the issuance of
- 6 retail consumable hemp establishment licenses; to provide for the issuance of wholesale
- 7 consumable hemp licenses; to provide for the issuance of manufacturer licenses; to provide
- 8 for the registration of laboratories; to revise provisions concerning violations; to conform
- 9 terminology; to provide for related matters; to repeal conflicting laws; and for other purposes.

## 10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

- 12 Chapter 23 of Title 2 of the Official Code of Georgia Annotated, relating to the 'Georgia
- 13 Hemp Farming Act,' is amended in Code Section 2-23-2, relating to intent, by revising
- 14 paragraph (6) as follows:
- 15 "(6) Enable the department, <u>hemp grower</u> licensees, and universities to promote the
- cultivation and processing of hemp and the commercial sale of hemp products."

## 17 SECTION 2.

18 Said chapter is further amended by revising Code Section 2-23-3, relating to definitions, as

- 19 follows:
- 20 "2-23-3.
- 21 As used in this chapter, the term:
- 22 (1) 'Commercial sale' means the sale of products in the stream of commerce at retail, at
- wholesale, and online.
- 24 (1.2) 'Consumable hemp product' means a hemp product intended to be ingested,
- 25 <u>absorbed</u>, or inhaled by humans or animals.
- 26 (2) 'Cultivate' means to plant, water, grow, and harvest a plant or crop.
- 27 (3) 'Federally defined THC level for hemp' means a delta-9-THC concentration of not
- 28 more than 0.3 percent on a dry weight basis, or as defined in 7 U.S.C. Section 16390,
- whichever is greater.
- 30 (4) 'Handle' means to possess or store hemp plants for any period of time on premises
- 31 owned, operated, or controlled by a person licensed to cultivate or permitted to process
- 32 hemp, or to possess or store hemp plants in a vehicle for any period of time other than
- during the actual transport of such plants from the premises of a person licensed to
- 34 cultivate or permitted to process hemp or a college or university authorized to conduct
- research pursuant to Code Section 2-23-4 to the premises of another licensed or permitted
- person or to a college or university authorized to conduct research pursuant to Code
- 37 Section 2-23-4; provided, however, that this term shall not include possessing or storing
- 38 finished hemp products.
- 39 (5) 'Hemp' means the Cannabis sativa L. plant and any part of such plant, including the
- seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts
- of isomers, whether growing or not, with the federally defined THC level for hemp or a
- 42 lower level.

43 (5.1) 'Hemp grower licensee' means an individual or business entity possessing a hemp

- 44 grower license issued by the department under the authority of this chapter to handle and
- 45 <u>cultivate hemp in the State of Georgia.</u>
- 46 (6) 'Hemp products' means all products with the federally defined THC level for hemp
- derived from, or made by, processing hemp plants or plant parts that are prepared in a
- form available for legal commercial sale, but not including food products infused with
- 49 THC unless approved by the United States Food and Drug Administration.
- 50 (6.1) 'Industrial hemp product' means any hemp product that is not a consumable hemp
- 51 product.
- 52 (7) 'Key participant' means a sole proprietor, a partner in a partnership, or a person with
- executive managerial control in a corporation when such sole proprietor, partnership, or
- corporation is an applicant to be a <u>hemp grower</u> licensee or a permittee. A person with
- executive managerial control in a corporation includes persons serving as a chief
- executive officer, chief operating officer, chief financial officer, or any other individual
- 57 identified in regulations promulgated by the department. This term shall not include
- 58 nonexecutive managers, such as farm, field, or shift managers.
- 59 (8) 'Licensee' means an individual or business entity possessing a hemp grower license
- issued by the department under the authority of this chapter to handle and cultivate hemp
- 61 in the State of Georgia.
- 62 (8.1) 'Manufacture' means to create, produce, manipulate, combine, or package.
- 63 (8.2) 'Manufacturer license' means a license issued by the department under the authority
- of this chapter to an individual or business entity that manufactures consumable hemp
- 65 products or industrial hemp products in this state.
- 66 (9) 'Permittee' means an individual or business entity possessing a hemp processor permit
- issued by the department under the authority of this chapter to handle and process hemp
- in the State of Georgia.

69 (10)(A) 'Process' or 'processing,' except as otherwise provided in subparagraph (B) of

- this paragraph, means converting an agricultural commodity into a legally marketable
- 71 form.
- 72 (B) Such term shall not include:
- (i) Merely placing raw or dried material into another container or packaging raw or
- 74 dried material for resale; or
- 75 (ii) Traditional farming practices such as those commonly known as drying, shucking
- and bucking, storing, trimming, and curing.
- 77 (10.1) 'Registered laboratory' means an individual or business entity that tests or analyzes
- any plant within the genus Cannabis, including but not limited to hemp, and products
- 79 made from or derived from such plant, including but not limited to hemp products and
- 80 consumable hemp products, and that has registered with the department under this
- 81 <u>chapter.</u>
- 82 (11) 'Research' or 'researching' means experimental field, greenhouse, or laboratory
- 83 activity for the ultimate purpose of developing new hemp varieties and products,
- 84 improving existing hemp products, developing new uses for existing hemp products, or
- developing or improving methods for producing hemp products.
- 86 (11.1) 'Retail consumable hemp establishment license' means a license issued by the
- 87 <u>department under the authority of this chapter to an individual or business entity that</u>
- prepares or sells prepackaged consumable hemp products to consumers.
- 89 (12) 'THC' means tetrahydrocannabinol, tetrahydrocannabinolic acid, or a combination
- 90 of tetrahydrocannabinol and tetrahydrocannabinolic acid.
- 91 (13) 'Wholesale consumable hemp license' means a license issued by the department
- 92 under the authority of this chapter to an individual or business entity that sells, in bulk,
- 93 prepackaged consumable hemp products to retail consumable hemp establishment
- 94 <u>licensees or to other retail establishments located outside of the State of Georgia that are</u>

authorized to sell consumable hemp products to consumers in the jurisdiction where such
 establishments are located."

97 SECTION 3.

- 98 Said chapter is further amended in Code Section 2-23-4, relating to required licenses,
- 99 research by colleges and universities, and processing of other products, by revising
- 100 subsection (a) as follows:
- 101 "(a) Except as otherwise provided in subsection (b) of this Code section, it shall be
- 102 unlawful for:
- 103 (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 <u>hemp grower</u> licensee <del>or permittee</del>;
- 106 (2) A permittee to accept hemp for processing from any person other than a <u>hemp grower</u>
- 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;
- 110 (3) A hemp grower licensee to provide or sell hemp to any person other than another
- hemp grower licensee, a college or university authorized to conduct research pursuant to
- subsection (b) of this Code section, or a permittee with whom the hemp grower licensee
- enters into an agreement pursuant to Code Section 2-23-7, unless such person is located
- in a state with a plan to regulate hemp production that is approved by the Secretary of
- 115 Agriculture secretary of agriculture of the United States, or otherwise in accordance with
- regulations promulgated by the United States Department of Agriculture, and such person
- 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;
- 123 (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
- 127 States Department of Agriculture;
- 128 (6) Any <u>hemp grower</u> licensee or permittee to otherwise fail to comply with the
- requirements of this chapter or any applicable state or federal law or regulation;
- 130 (7) Any person to offer for sale at retail the unprocessed flower or leaves of the hemp
- 131 plant; or
- 132 (8) Any person to cultivate or handle hemp in any structure that is used for residential
- purposes."
- SECTION 4.
- 135 Said chapter is further amended by adding a new Code section to read as follows:
- 136 "<u>2-23-4.1.</u>
- 137 (a) Except as provided in subsection (b) of this Code section, it shall be unlawful for any
- 138 person:
- (1) To process hemp in this state unless such person holds a processing permit issued by
- the department or is employed by a permittee;
- 141 (2) To handle hemp in this state unless such person holds a hemp grower license, a
- processing permit, or a manufacturer license issued by the department or has registered
- with the department as a registered laboratory or is employed by a person who holds such
- a license or who has registered with the department as a registered laboratory;

145 (3) To sell or offer for sale any consumable hemp product in this state to consumers

- 146 <u>unless such person holds a retail consumable hemp establishment license issued by the</u>
- department or is employed by a person who holds such a license;
- 148 (4) To sell or offer for sale any consumable hemp product in this state to retail
- consumable hemp establishment licensees or other retail establishments unless such
- person holds a wholesale consumable hemp license issued by the department or is
- employed by a person who holds such a license;
- 152 (5) To manufacture hemp products in this state unless such person holds a manufacturer
- license issued by the department or is employed by a person who holds such a license;
- 154 <u>or</u>
- 155 (6) Perform in this state tests or analyses of any plant within the genus Cannabis,
- including but not limited to hemp, or any product made or derived from such plant,
- including but not limited to hemp products and consumable hemp products, unless such
- person has registered with the department as a registered laboratory or is employed by a
- person who has registered with the department as a registered laboratory.
- 160 (b) The prohibitions contained in paragraphs (2) and (6) of subsection (a) of this Code
- section shall not apply to a college or university authorized to conduct research pursuant
- 162 <u>to Code Section 2-23-4 or a person assisting such college or university with such research</u>
- pursuant to Code Section 2-23-4.
- (c)(1) Any person who violates any provision of subsection (a) of this Code section shall:
- (A) Be guilty of a misdemeanor for a first offense; and
- (B) For a second or subsequent offense, be guilty of a misdemeanor of a high and
- aggravated nature.
- (2) Each violation of any provision of subsection (a) of this Code section shall constitute
- a separate offense.
- 170 (d) In addition to the criminal penalties provided for in subsection (c) of this Code section,
- any person who violates any provision of subsection (a) of this Code section shall be

subject to a civil penalty of not more than \$5,000.00 for each violation. The amount of the civil penalty imposed pursuant to this subsection shall be fixed by the Commissioner after notice and hearing as provided in Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act,' for contested cases. For purposes of this subsection, each day a violation of subsection (a) of this Code section occurs or continues shall constitute a separate violation."

SECTION 5.

- 179 Said chapter is further amended in Code Section 2-23-5, relating to procedure for licensing, 180 fees, license requirements, and limitations on license, by revising paragraph (3) of
- 181 subsection (c) and paragraph (3) of subsection (d) as follows:
- 182 "(3) No license shall be issued to any applicant who has been convicted of a misdemeanor involving sale of or trafficking in a controlled substance or a felony related
- to a state or federally controlled substance within ten years of the date of application or
- who materially falsifies any information contained in a license application."
- 186 "(3) For purposes of this subsection:
- 187 (A) The term 'person' shall include all members of a <u>hemp grower</u> licensee's family and
- all corporations, limited partnerships, limited liability companies, and other business
- entities in which a <u>hemp grower</u> licensee holds more than a 50 percent ownership
- interest; the term 'family' shall include any person related to the holder of the hemp
- 191 grower license within the first degree of consanguinity and affinity as computed
- according to the canon law and who is claimed as a dependent by the <u>hemp grower</u>
- licensee 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."

196 **SECTION 6.** 

- 197 Said chapter is further amended in Code Section 2-23-6, relating to procedure for permitting 198 and limitations on permits and interests, by revising paragraph (3) of subsection (c),
- 199 subsection (e), and paragraph (3) of subsection (h) as follows:
- 200 "(3) No permit shall be issued to any applicant who has been convicted of a misdemeanor
- 201 involving sale of or trafficking in a controlled substance or a felony related to a state or
- 202 <u>federally controlled substance within ten years of the date of application</u> or who
- 203 materially falsifies any information contained in a license application."
- 204 "(e) Hemp processor permits shall be issued for one calendar year at an annual permit fee
- of \$25,000.00 \$10,000.00, so long as no administrative action has been taken by the
- 206 department regarding such permittee under this chapter."
- 207 "(3) For purposes of this subsection:
- 208 (A) The term 'person' shall include all members of a licensee's permittee's family and
- all corporations, limited partnerships, limited liability companies, and other business
- 210 entities in which a licensee permittee holds more than a 50 percent ownership interest;
- the term 'family' shall include any person related to the holder of the hemp processor
- 212 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
- 214 tax purposes; and
- 215 (B) The beneficiaries of a trust shall be considered to have a beneficial interest in any
- business forming a part of the trust estate."

217 **SECTION 7.** 

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

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Any applicant for a hemp processor permit shall make and deliver to the Commissioner a surety bond executed by a surety corporation authorized to transact business in this state and approved by the Commissioner. Any and all bond applications 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 state, it shall be the duty of the Commissioner of Insurance to notify the Commissioner within 30 days. The bond shall be in such amount as the Commissioner may determine, not exceeding an amount equal to 2 percent of the amount of hemp purchased from hemp grower licensees by the permittee in the most recent calendar year; provided, however, that the minimum amount of such bond shall be \$300,000.00 and the maximum amount shall be \$1 million. Such bond shall be upon a form prescribed or approved by the Commissioner and shall be conditioned to secure the faithful accounting for and payment 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 shall determine that a previously approved bond has for any cause become insufficient, the Commissioner may require an additional bond or bonds to be given in compliance with this Code section. Unless the additional bond or bonds are given within the time fixed by 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." "(d) If such settlement is not effected within such time, the Commissioner or the hemp grower licensee may bring an action to enforce the claim. If the hemp grower licensee is not satisfied with the ruling of the Commissioner, he or she may commence and maintain an action against the principal and surety on the bond of the parties complained of as in any civil action.

247 (e) If the bond or collateral posted is insufficient to pay in full the valid claims of hemp

- 248 grower licensees, the Commissioner may direct that the proceeds of such bond shall be
- 249 divided pro rata among such hemp grower licensees."

**SECTION 8.** 

- 251 Said chapter is further amended by adding a new Code section to read as follows:
- 252 "2-23-6.2.
- 253 (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
- 255 Code section shall be accomplished in accordance with Chapter 5 of this title, and such
- 256 <u>licenses shall otherwise be governed by such chapter.</u>
- 257 (b) Applications for a retail consumable hemp establishment license shall be made on a
- 258 form furnished by the Commissioner and, together with such other information as the
- 259 <u>Commissioner may require, shall state:</u>
- 260 (1) The name of the applicant;
- 261 (2) The business address of the applicant;
- 262 (3) The complete telephone number and email address of the applicant;
- 263 (4) The location where the applicant will sell or offer for sale consumable hemp products
- in this state and whether such location is owned or leased by the applicant; and
- 265 (5) If the applicant is a business entity, the name of the owners, partners, members, or
- shareholders of such entity.
- 267 (c) Retail consumable hemp establishment licenses shall be issued by the department for
- 268 one calendar year at an annual licensing fee of at least \$250.00 but not more
- 269 than \$4,000.00, as established by the Commissioner. The Commissioner may establish
- 270 <u>separate classes of retail consumable hemp establishment licenses based on the amount of</u>
- 271 consumable hemp products to be sold by the licensee, and the annual licensing fees

272 required by this subsection shall be in different amounts for each such separate class of

- 273 <u>retail consumable hemp establishment licenses.</u>
- 274 (d) Retail consumable hemp establishment licenses issued by the department pursuant to
- 275 this Code section shall be issued in connection with a single retail location where
- 276 consumable hemp products will be sold or offered for sale to consumers by the licensee.
- 277 For a person to sell or offer for sale consumable hemp products to consumers at multiple
- 278 retail locations, such person shall be required to obtain from the department separate retail
- 279 consumable hemp establishment licenses for each such retail location."
- SECTION 9.
- 281 Said chapter is further amended by adding a new Code section to read as follows:
- 282 "<u>2-23-6.3.</u>
- 283 (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.
- 287 (b) Applications for a wholesale consumable hemp license shall be made on a form
- 288 <u>furnished by the Commissioner and, together with such other information as the</u>
- 289 <u>Commissioner may require, shall state:</u>
- 290 (1) The name of the applicant;
- 291 (2) The business address of the applicant;
- 292 (3) The complete telephone number and email address of the applicant;
- 293 (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
- 296 (5) If the applicant is a business entity, the name of the owners, partners, members, or
- shareholders of such entity.

298 (c) Wholesale consumable hemp licenses shall be issued by the department for one 299 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 300 wholesale consumable hemp licenses based on the amount of consumable hemp products 301 302 to be sold by the licensee, and the annual licensing fees required by this subsection shall 303 be in different amounts for each such separate class of wholesale consumable hemp 304 licenses. 305 (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 306 307 consumable hemp products or otherwise operate as a wholesaler of consumable hemp 308 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 309 310 required to obtain from the department separate wholesale consumable hemp licenses for 311 each such facility."

312 **SECTION 10.** 

313 Said chapter is further amended by adding a new Code section to read as follows:

- 314 "2-23-6.4.
- 315 (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
- 317 accomplished in accordance with Chapter 5 of this title, and such licenses shall otherwise
- 318 be governed by such chapter.
- 319 (b) Applications for a manufacturer license shall be made on a form furnished by the
- 320 Commissioner and, together with such other information as the Commissioner may require,
- 321 shall state:
- 322 (1) The name of the applicant;
- 323 (2) The business address of the applicant;

- 324 (3) The complete telephone number and email address of the applicant;
- 325 (4) The location of the facility where the applicant will manufacture hemp products in
- 326 this state and whether such facility is owned or leased by the applicant; and
- 327 (5) If the applicant is a business entity, the name of the owners, partners, members, or
- 328 <u>shareholders of such entity.</u>
- 329 (c) Manufacturer licenses shall be issued by the department for one calendar year at an
- annual licensing fee of \$5,000.00; provided, however, that any person who holds a hemp
- processor permit issued by the department under this chapter shall not be required to pay
- 332 the annual licensing fee provided for in this subsection in order for such person to be issued
- a manufacturer license by the department under this Code section.
- 334 (d) Manufacturer licenses issued by the department pursuant to this Code section shall be
- 335 issued in connection with a single facility where the licensee will manufacture hemp
- 336 products. For a person to manufacture hemp products at multiple facilities, such person
- 337 shall be required to obtain from the department separate manufacturer licenses for each
- 338 such facility."

339 **SECTION 11.** 

- 340 Said chapter is further amended by adding a new Code section to read as follows:
- 341 "2-23-6.5.
- 342 (a) Any person desiring to perform in this state tests or analyses of any plant within the
- 343 genus Cannabis, including but not limited to hemp, or any product made or derived from
- 344 such plant, including but not limited to hemp products and consumable hemp products,
- shall register with the department as a registered laboratory and pay a one-time registration
- 346 fee of \$250.00.
- 347 (b) Except as otherwise provided in this chapter, consideration, acceptance, and revocation
- of a registration made pursuant to this Code section shall be accomplished in accordance

with Chapter 5 of this title, and such registration shall otherwise be governed by such

- 350 chapter.
- 351 (c) Registration with the department as a registered laboratory shall be made on a form and
- in a manner as prescribed by the Commissioner. Such registration shall include, together
- 353 with such other information as the Commissioner may require, the following information:
- 354 (1) The name of the registrant;
- 355 (2) The business address of the registrant;
- 356 (3) The complete telephone number and email address of the registrant;
- 357 (4) The location of the laboratory facility where the registrant will perform tests and
- analyses of any plant within the genus Cannabis or any product made or derived from
- such plant; and
- 360 (5) If the registrant is a business entity, the name of the owner, partners, members, or
- 361 <u>shareholders of such entity.</u>
- 362 (d) The department shall not accept a registration under this Code section unless the
- 363 <u>registrant demonstrates, to the department's satisfaction, that it is not affiliated with any</u>
- 364 <u>licensee or permittee and has been accredited pursuant to the standards of the International</u>
- 365 Organization for Standardization for the competence, impartiality, and consistent operation
- of laboratories.
- 367 (e) Registrations made under this Code section shall be in connection with a single
- 368 <u>laboratory facility</u>. For a person to perform tests or analyses of any plant within the genus
- 369 Cannabis or any product made or derived from such plant at multiple laboratory facilities,
- 370 such person shall be required to register each such laboratory facility with the department
- 371 <u>under this Code section.</u>
- 372 (f) A registered laboratory, or any person employed by a registered laboratory, shall not
- 373 <u>be subject to arrest, prosecution, or any civil penalty for possessing, or having under his or</u>
- 374 <u>her control, THC or marijuana, as such term is defined in Code Section 16-13-21, provided</u>
- 375 that such possession or control occurs in connection with a test or analysis performed:

376	(1) On behalf of:
377	(A) A person licensed under this chapter or under Article 9 of Chapter 12 of Title 16;
378	<u>or</u>

379 (B) The department or the Georgia Access to Medical Cannabis Commission; and

(2) In accordance with the rules and regulations promulgated by the department pursuant

381 to this chapter.

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382 (g) The department shall provide by rule and regulation a procedure by which registered

383 <u>laboratories shall dispose of plants or products within their possession that do not comply</u>

with the provisions of this chapter or are otherwise unlawful under the laws of this state."

385 **SECTION 12.** 

386 Said chapter is further amended in Code Section 2-23-7, relating to business agreements,

transportation, and reimbursement for crop destruction, by revising subsections (a) and (c)

388 as follows:

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389 "(a) Every permittee shall at all times have in place written agreements with each <u>hemp</u>

390 grower licensee governing their business relationship. Each permittee shall provide a copy

of each such agreement, and any amendments thereto, to the department within ten days

of execution of each such agreement or amendment thereto."

393 "(c) Until December 31, 2022, when a <u>hemp grower</u> licensee disposes of a lot pursuant to

Code Section 2-23-8, the permittee with whom the <u>hemp grower</u> licensee has entered into

an agreement pursuant to this Code section shall reimburse the hemp grower licensee for

half of the amount of the combined value of the seed, fertilizer, labor costs, and any other

reasonable and customary input expenses incurred with such disposed of lot."

398 **SECTION 13.** 

399 Said chapter is further amended in Code Section 2-23-8, relating to sampling and random

400 testing of hemp, by revising paragraph (1) of subsection (a) as follows:

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

408 **SECTION 14.** 

409 Said chapter is further amended by revising Code Section 2-23-10, relating to enforcement,

- 410 corrective action plan, revocation of licenses, and reporting of licensees and permittees to the
- 411 Attorney General, as follows:
- 412 "2-23-10.

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- 413 (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
- 415 enforcement in accordance with this Code section.
- 416 (b)(1) A hemp grower licensee or permittee under this chapter shall be required to
- 417 conduct a corrective action plan if the Commissioner determines that the <u>hemp grower</u>
- 418 licensee or permittee has negligently violated this chapter or has violated rules and
- regulations promulgated by the department pursuant to this chapter by:
- 420 (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;
- 423 (B) Failing to properly obtain a <u>hemp grower</u> license <del>or permit</del> from the department;
- 424 (C) Producing Cannabis sativa L. with more than the federally defined THC level for
- hemp; or
- 426 (D) Otherwise negligently violating this chapter.

- 427 (2) A corrective action plan required by this Code section shall include:
- 428 (A) A reasonable date by which the <u>hemp grower</u> licensee <del>or permittee</del> shall correct
- the negligent violation; and
- (B) A requirement that the <u>hemp grower</u> licensee <del>or permittee</del> shall periodically report
- to the Commissioner on the compliance status of the <a href="hempgrower">hempgrower</a> licensee or permittee
- with the corrective action plan for a period of not less than two calendar years after the
- 433 violation.
- 434 (c) Except as provided in subsection (d) of this Code section, a hemp grower licensee or
- 435 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
- 437 enforcement action by any government agency other than the enforcement action
- authorized under subsection (b) of this Code section.
- 439 (d) A <u>hemp grower</u> licensee or permittee that negligently violates the corrective action
- 440 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 hemp grower license or permit issued pursuant to this chapter immediately
- revoked and shall be ineligible to reapply for a hemp grower license or permit for a period
- of five years after the date of the third violation.
- 445 (e) If the Commissioner determines that a <u>hemp grower</u> licensee <del>or permittee</del> has violated
- state law with a culpable mental state greater than negligence, the Commissioner shall
- immediately report the hemp grower licensee or permittee to the United States Attorney
- 448 General and the state Attorney General, and subsection (a) of this Code section shall not
- apply to the violation.
- 450 (f) Laws enacting criminal offenses, including laws provided for in Title 16, not in conflict
- with this chapter shall continue to be enforceable and of full force and effect."

452	SECTION 15.
152	SECTION 10

- 453 Said chapter is further amended by revising Code Section 2-23-12, relating to rules and
- 454 regulations, as follows:
- 455 "2-23-12.
- 456 The department, in consultation with the Georgia Bureau of Investigation, shall may
- promulgate rules and regulations as necessary to implement the provisions of this chapter.
- 458 Such rules and regulations shall include the plan provided for in Code Section 2-23-11
- 459 upon the approval of such plan by the secretary of agriculture of the United States."

460 **SECTION 16.** 

461 All laws and parts of laws in conflict with this Act are repealed.