

The Senate Committee on Rules offered the following substitute to SB 481:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 23 of Title 2 of the Official Code of Georgia Annotated, relating to hemp  
2 farming, so as to provide for intent; to provide for definitions; to provide for license and  
3 permit fees; to provide for retail hemp food establishment licenses and wholesale hemp food  
4 establishment licenses; to provide for bonds; to allow persons convicted of any misdemeanor  
5 or a felony not related to a state or federally controlled substance within ten years of the  
6 application date to grow industrial hemp; to provide for related matters; to provide for an  
7 effective date; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Chapter 23 of Title 2 of the Official Code of Georgia Annotated, relating to hemp farming,  
11 is amended in Code Section 2-23-2, relating to intent, by revising paragraphs (5) and (6) and  
12 by adding a new paragraph to read as follows:

13 "(5) Balance the desire to explore the cultivation and processing of hemp with public  
14 health, safety, and welfare regarding the potential for unwanted and unlawful uses of  
15 chemical elements of hemp; and

- 16 (6) Enable the department, licensees, and universities to promote the cultivation and  
17 processing of hemp and the commercial sale of hemp products; and  
18 (7) Have revenue produced as a result of this chapter appropriated to the department for  
19 costs of administering this chapter."

20

**SECTION 2.**

21 Said chapter is further amended in Code Section 2-23-3, relating to definitions, by revising  
22 paragraph (6) and paragraph (12) and by adding new paragraphs to read as follows:

23 "(6) 'Hemp products' means all products with the federally defined THC level for hemp  
24 derived from, or made by, processing hemp plants or plant parts that are prepared in a  
25 form available for legal commercial sale, but not including food products infused with  
26 THC unless approved by the United States Food and Drug Administration a finished  
27 product with a delta-9 tetrahydrocannabinol concentration of not more than the federally  
28 defined THC level for hemp that is derived from or made by processing a hemp plant or  
29 plant part and prepared in a form available for commercial sale. Such term includes  
30 cosmetics, personal care products, food intended for human or animal consumption,  
31 cloth, cordage, fiber, fuel, paint, paper, particleboard, plastics, and any product containing  
32 one or more hemp derived cannabinoids, such as cannabidiol. Hemp products shall not  
33 be considered controlled substances due to the presence of hemp or hemp derived  
34 cannabinoids."

35 "(12) 'Retail hemp food establishment license' means a license issued by the department  
36 under the authority of this chapter to a food establishment that prepares or sells  
37 prepackaged food consisting of or containing hemp extract to an end consumer.

38 (13) 'THC' means tetrahydrocannabinol, tetrahydrocannabinolic acid, or a combination  
39 of tetrahydrocannabinol and tetrahydrocannabinolic acid.

40 (14) 'Wholesale hemp food establishment license' means a license issued by the  
41 department under the authority of this chapter to a food establishment that manufactures,

42 processes, packs, holds, or prepares food consisting of or containing hemp extract for sale  
43 to other businesses."

44 **SECTION 3.**

45 Said chapter is further amended in Code Section 2-23-5, relating to procedure for licensing,  
46 fees, licensing requirements, and limitations on licenses, by revising paragraph (2) of  
47 subsection (a) and paragraph (3) of subsection (c) as follows:

48 "(2) Hemp grower licenses shall be issued for one calendar year at an annual license fee  
49 of \$50.00 per acre cultivated up to a maximum license fee of ~~\$5,000.00~~ \$650.00."

50 "(3) No license shall be issued to any applicant who has been convicted of a  
51 ~~misdemeanor involving sale of or trafficking in a controlled substance or a felony related~~  
52 to a state or federally controlled substance within ten years of the date of application or  
53 who materially falsifies any information contained in a license application."

54 **SECTION 4.**

55 Said chapter is further amended in Code Section 2-23-6, relating to procedure for permitting,  
56 and limitations on permits and interests, by revising paragraph (3) of subsection (c) and  
57 subsection (e) as follows:

58 "(3) No permit shall be issued to any applicant who has been convicted of a ~~misdemeanor~~  
59 ~~involving sale of or trafficking in a controlled substance or a felony related to a state or~~  
60 federally controlled substance within ten years of the date of application or who  
61 materially falsifies any information contained in a license application."

62 "(e) Hemp processor permits shall be issued for one calendar year at an annual permit fee  
63 of ~~\$25,000.00~~ \$650.00, so long as no administrative action has been taken by the  
64 department regarding such permittee under this chapter."

**SECTION 5.**

65

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

69 "(a) Any applicant for a hemp processor permit shall make and deliver to the  
70 Commissioner a surety bond executed by a surety corporation authorized to transact  
71 business in this state and approved by the Commissioner. Any and all bond applications  
72 shall be accompanied by a certificate of good standing issued by the Commissioner of  
73 Insurance. If any company issuing a bond shall be removed from doing business in this  
74 state, it shall be the duty of the Commissioner of Insurance to notify the Commissioner  
75 within 30 days. The bond shall be in such amount as the Commissioner may determine,  
76 not exceeding an amount equal to 2 percent of the amount of hemp purchased from  
77 licensees by the permittee in the most recent calendar year; provided, however, that the  
78 minimum amount of such bond shall be ~~\$300,000.00~~ \$100,000.00 and the maximum  
79 amount shall be \$1,000,000.00. Such bond shall be upon a form prescribed or approved  
80 by the Commissioner and shall be conditioned to secure the faithful accounting for and  
81 payment to licensees for hemp purchased by such permittee as well as to secure the  
82 permittee's compliance with the requirements of this chapter. Whenever the Commissioner  
83 shall determine that a previously approved bond has for any cause become insufficient, the  
84 Commissioner may require an additional bond or bonds to be given in compliance with this  
85 Code section. Unless the additional bond or bonds are given within the time fixed by  
86 written demand therefor, or if the bond of a permittee is canceled, the permit of such  
87 permittee shall be immediately revoked by operation of law without notice or hearing, and  
88 such permittee shall be ineligible to reapply for such permit for a period of four years after  
89 such revocation."

90 **SECTION 6.**

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

92 "2-23-6.2.

93 (a) A retail hemp food establishment license shall be issued by the department's Food  
94 Safety Division. Such license shall be issued for one calendar year at an annual permit fee  
95 of \$650.00.

96 (b) A wholesale hemp food establishment license shall be issued by the department's Food  
97 Safety Division. Such license shall be issued for one calendar year at an annual permit fee  
98 of \$650.00."

99 **SECTION 7.**

100 This Act shall become effective upon its approval by the Governor or upon its becoming law  
101 without such approval.

102 **SECTION 8.**

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