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## Synopsis of House Committee Amendments

(This synopsis does not address amendments that may have been adopted on the House Floor.)

### Sub. S.B. 57 of the 133rd General Assembly

### House Agriculture and Rural Development

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### Hemp processing license

Instead of requiring the issuance of a hemp processing license only when a person is processing hemp to produce cannabidiol, requires the issuance a hemp processing license to process hemp into *any hemp product*; makes conforming changes throughout the bill to reflect this change.

### Definitional changes

Defines “process” or “processing” as converting hemp and its byproducts into a hemp product.

For purposes of determining if a plant is hemp with a delta-9 tetrahydrocannabinol concentration of 0.3% or less, defines “delta-9 tetrahydrocannabinol” as the sum of the percentage by weight of tetrahydrocannabinolic acid (THCa) multiplied by 0.877 plus the percentage by weight of delta-9 tetrahydrocannabinol (THC). (Otherwise put: delta-9 tetrahydrocannabinol = THC + (THCa x 0.877). As such, the definition encompasses the total potential THC amount by combining the existing THC amount and the potential THC amount that exists in THCa.)

For purposes of a hemp cultivation license, specifically defines “cultivate” or “cultivating” to mean to plant, water, grow, fertilize, till, or harvest a plant or crop; “cultivating” includes processing and storing a plant or crop on a premises where that plant or crop was cultivated until transported to the first point of sale.

Excludes “hemp” and “hemp product” from the definition of “drug” in the pharmacy dangerous drug law.

Re-defines “university” as an institution of higher education and a private nonprofit institute with a certificate of authorization.

## Additional rules

Requires the Director to adopt rules that do the following:

Establish an initial application fee and an annual license fee (as opposed to only an application fee), and requires both of the following:

1. The application fee and annual license fee for each hemp cultivation license and hemp processing license to be established at a rate not to exceed the amount sufficient to cover costs incurred by the Department of Agriculture to administer and enforce the Hemp Program; and
2. The rate for the application fee and annual license fee to be uniform as applied to hemp cultivation licensees.

Require an applicant to comply with existing procedures governing criminal background checks (which correspondingly requires the Bureau of Criminal Identification and Investigation to conduct the criminal background check), and prohibits the Director from issuing a license to an applicant that fails to comply.

Require the Director to revoke a person's hemp cultivation license or the hemp processing license, for a period of ten years, if the person pleads guilty to or is convicted of a felony related to a controlled substance.

Establish a procedure for testing, using post-decarboxylation or other methods, the delta-9 tetrahydrocannabinol concentration of plants and products (as opposed to hemp and hemp products) for purposes of determining compliance with the Program.

Establish requirements and procedures governing the production, storage, and disposal of hemp byproducts. (The bill allows a hemp byproduct to exceed a delta-9 THC concentration of more than 0.3% and still maintain its status as a hemp product that is not subject to regulation and criminal enforcement as marijuana. However, the byproduct must be produced, stored, and disposed of in accordance with rules in order for this exception to apply.)

Establish requirements and procedures for the issuance of corrective action plans.

Establish procedures to inspect all cannabis-type plants cultivated by a hemp cultivation license holder to ensure compliance (as opposed to inspecting hemp).

Require the Director to conduct the inspections to verify that hemp processing license holders are not operating in violation of Hemp Program rules.

Establish procedures for the effective disposal of products produced in violation of Hemp Program rules.

Establish a prohibition on processing hemp in a building used as a personal residence or on land that is zoned residential.

Establish procedures and requirements for the transportation and storage of both hemp and hemp products.

Establish requirements for the experience, equipment, facilities, or land necessary to obtain a hemp cultivation license.

Establish requirements and procedures regarding standards of financial responsibility for each applicant for a hemp processing license.

Establish production standards and manufacturing practices for processing hemp.

## **Emergency orders**

Specifies that if the Director determines that emergency conditions exist requiring immediate action to protect public health or safety or the environment, the Director may issue an order requiring specific actions be taken to mitigate those conditions without prior notice or a hearing.

Requires any person to whom such an order is issued to immediately comply, but allows the person to apply to the Director for an adjudication hearing.

On the basis of the hearing, specifies that the Director must continue, revoke, or modify the order.

Authorizes the Director, the Attorney General, or a county prosecutor to apply to a court of common pleas for an injunction restraining any person from continuing to violate the order.

## **Release of previously seized hemp**

Authorizes any person that had hemp or a hemp product (hemp) seized prior to the bill's enactment to request the law enforcement agency responsible for the seizure to release the hemp if the hemp has not yet been disposed of, provided that the person requesting its release either:

1. Demonstrates that the seized hemp was cultivated or processed in accordance with federal law; or
2. The person pays for testing to demonstrate that the hemp's THC concentration is below 0.3%.

## **Additional provisions**

Prohibits a person from transporting hemp or a hemp product in violation of rules; imposes a minor misdemeanor for a first offense and a fourth degree misdemeanor for each subsequent offense.

Declares that the addition of hemp or a hemp product to any other product does not adulterate that other product (instead of declaring that the addition of hemp or cannabinoids derived from hemp to any product does not adulterate that product).

Qualifies hemp farming for the Current Agricultural Use Value property tax program.

Declares an emergency.