By Senator Albritton

26-01154-19 20191058

A bill to be entitled

An act relating to the state hemp program; creating s. 581.217, F.S.; creating the state hemp program within the Department of Agriculture and Consumer Services; providing legislative findings; providing definitions; providing requirements for program registration and distribution and retail sale of hemp, hemp products, and hemp extract; providing applicability; directing the department, in consultation with the Department of Health and the Department of Business and Professional Regulation, to adopt specified rules; providing corrective measures for violations; directing the Commissioner of Agriculture, in consultation with the Governor and Attorney General, to submit a specified plan to the United States Secretary of Agriculture; amending s. 1004.4473, F.S.; authorizing universities to implement industrial hemp pilot projects pursuant to the state hemp program; providing an effective date.

2021

1

2

3

4

5

6

7

8

9

10

11

12

13

1415

1617

18

19

Be It Enacted by the Legislature of the State of Florida:

2223

Section 1. Section 581.217, Florida Statutes, is created to read:

2425

581.217 State hemp program.—

2627

28

(1) CREATION AND PURPOSE.—The state hemp program is created within the department to promote the cultivation, handling, processing, and sale of hemp, hemp products, and hemp extract in

29 the state.

26-01154-19 20191058

(2) LEGISLATIVE FINDINGS.—The Legislature finds that:

- (a) Hemp is an agricultural commodity.
- (b) Hemp-derived cannabinoids, including, but not limited to, cannabidiol, are not controlled substances or adulterants.
- (c) Products containing one or more hemp-derived cannabinoids, including, but not limited to, cannabidiol, intended for ingestion are foods and not controlled substances or adulterated products.
- (d) The addition of hemp derivatives, including, but not limited to, hemp-derived cannabidiol, to cosmetics, personal care products, and products intended for human or animal consumption is not an adulteration of such products.
 - (3) DEFINITIONS.—As used in this section, the term:
- (a) "Cannabidiol" means the compound by the same name derived from the hemp variety of the Cannabis sativa L. plant.
- (b) "Cultivate" means planting, watering, growing, and harvesting a hemp plant or crop.
- (c) "Federally defined THC level for hemp" means a total delta-9-tetrahydrocannabinol concentration, including immediate precursors, that does not exceed 0.3 percent on a dry-weight basis, or the tetrahydrocannabinol concentration for hemp defined in 7 U.S.C. s. 5940, whichever is greater.
- (d) "Handle" means possessing or storing hemp plants for any period of time on premises owned, operated, or controlled by a person or an entity registered to cultivate or process hemp, including the possession or storage of hemp plants in a vehicle for any period of time other than during the actual transport from the premises of a person registered to cultivate or process hemp or industrial hemp to the premises of another registered

26-01154-19 20191058

person. The term does not include the possession or storage of finished hemp products.

- (e) "Hemp" means the plant Cannabis sativa L. and any part of that plant, including seeds, derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers thereof, whether growing or not, that has the federally defined THC level for hemp. The term includes industrial hemp as defined in s. 1004.4473.
- $\underline{\mbox{(f) "Hemp extract" means a no-THC or low-THC substance or}} \\ \mbox{compound that:}$
- 1. Is derived from or contains any part of the plant

 Cannabis sativa L. that meets the definition of industrial hemp

 under s. 1004.4473;
- 2. Contains a total delta-9-tetrahydrocannabinol concentration, including immediate precursors, that does not exceed 0.3 percent on a dry-weight basis; and
 - 3. Does not contain other controlled substances.
- (g) "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 retail sale, including, but not limited to cosmetics, personal care products, food intended for animal or human consumption, cloth, cordage, fiber, fuel, paint, paper, particleboard, plastics, and any product containing one or more hemp-derived cannabinoids, such as cannabidiol.
- (h) "Independent testing laboratory" means a laboratory
 that:
- 1. Does not have a direct or indirect interest in the entity whose product is being tested;

26-01154-19 20191058

2. Does not have a direct or indirect interest in a facility that cultivates, processes, distributes, dispenses, or sells no-THC or low-THC hemp extract or a substantially similar substance in another jurisdiction; cultivates, processes, distributes, dispenses, or sells marijuana, as defined in s. 381.986; or cultivates, processes, distributes, dispenses, or sells industrial hemp; and

- 3. Is accredited by a third-party accrediting body, such as the American Association for Laboratory Accreditation or Assured Calibration and Laboratory Accreditation Select Services, as a competent testing laboratory pursuant to ISO/IEC 17025 of the International Organization for Standardization.
- (i) "Process" means the conversion of hemp into a marketable form.
- (4) (a) REGISTRATION.—A person or entity seeking to cultivate, handle, process, transport, or sell hemp, hemp products, or hemp extract must register with the department.
- (b) A person or entity may not cultivate, handle, process, transport, or sell hemp, hemp products, or hemp extract in the state without being registered with the department.
- (c) A person or entity seeking to cultivate hemp must provide to the department the legal land description and global positioning coordinates of the area where hemp will be cultivated.
- (d) A person or entity seeking to cultivate, handle, process, transport, or sell hemp must provide to the department prior written consent allowing representatives of the department, the state police, and other state and local law enforcement agencies to enter onto all premises where hemp is

26-01154-19 20191058

cultivated, handled, or processed for the purpose of conducting
physical inspections and ensuring compliance with the
requirements of this section and department rules.

- (5) INDUSTRIAL HEMP PILOT PROJECTS.—Notwithstanding s.

 1004.4473, an existing industrial hemp project approved by a
 university under s. 1004.4473 is eligible to cultivate, handle,
 and process hemp and may register with the department to
 participate in the state hemp program.
- (6) (a) DISTRIBUTION AND RETAIL SALE OF HEMP AND HEMP PRODUCTS.—Distribution and retail sale of hemp and hemp products may be conducted when the hemp or the hemp used in products are legally cultivated in another state or jurisdiction and meet the same or substantially the same requirements for cultivating, handling, and processing hemp and hemp products under this section.
- (b) Hemp and hemp products may be legally transported across state lines and exported to foreign nations consistent with federal laws and the laws of respective foreign nations.
- (7) DISTRIBUTION AND RETAIL SALE OF HEMP EXTRACT.—Before

 December 31, 2019, hemp extract may be distributed in the state

 without meeting the requirements of this section. Beginning

 December 31, 2019, hemp extract may only be distributed or sold

 in the state if the product:
- (a) 1. Has been approved by the United States Food and Drug Administration or the United States Drug Enforcement

 Administration as a prescription drug or an over the counter drug; or
- 2. Has a certificate of analysis prepared by an independent testing laboratory that states:

147

148149

150

151

152

153

154

155

156

157

158

159

160

161

162163

164

165

166

167

168169

170171

172

173174

26-01154-19 20191058

a. The hemp extract is the product of a batch tested by the independent testing laboratory; and

- b. The batch contained a total delta-9-tetrahydrocannabinol concentration, including immediate precursors, that did not exceed 0.3 percent on a dry-weight basis pursuant to the testing of a random sample of the batch.
 - (b) Is distributed or sold in packaging that includes:
- 1. A scannable bar code or quick response code linked to the certificate of analysis of the hemp strain extract by an independent testing laboratory;
 - 2. The batch number;
- 3. The Internet address of a website to obtain batch information;
 - 4. The expiration date;
- 5. The number of milligrams of no-THC or low-THC hemp extract; and
- 6. A statement that the product contains a total delta-9-tetrahydrocannabinol concentration, including immediate precursors, that does not exceed 0.3 percent on a dry-weight basis.
 - (8) APPLICABILITY.—Notwithstanding any other law:
- (a) This section does not authorize a registrant to violate any federal or state law or regulation.
- (b) Section 1004.4473 does not apply to the cultivation, handling, processing, transport, or sale of hemp products and hemp extracts pursuant to this section, including those products and extracts containing one or more hemp-derived cannabinoids, including, but not limited to, cannabidiol.
 - (c) A registrant that negligently violates this section or

26-01154-19 20191058

department rules is not subject to any criminal or civil
enforcement action by the state or a local government other than
the enforcement action authorized under subsection (10).

- (9) RULES.—Within 90 days of the effective date of this act, the department shall, in consultation with the Department of Health and the Department of Business and Professional Regulation, adopt rules to administer the state hemp program. The rules shall ensure the application process and registration requirements are reasonable and attainable for small farmers, small businesses, and private individuals. The rules shall provide for:
- (a) A minimal application that does not include extensive and prohibitive requirements to become registered, such as additional credentials, expertise, certifications, licensing, bonding capacity, financing, insurance, equipment, security and chain of control, or other similar provisions;
- (b) Standards, best practices, and self-regulation for registrants, including specific guidelines to ensure that registrants remain in compliance with department rules;
- (c) University participation in or affiliation with the state hemp program;
- (d) Sampling and testing measures to ensure that hemp, hemp products, and hemp extract cultivated, handled, and processed under this section do not exceed the federally defined THC level for hemp;
- (e) Due process, an appeals process, and opportunities to cure unintentional and negligent violations for registrants;
 - (f) Enforcement of this section and department rules;
 - (g) A civil penalty schedule for violations;

205

206

207

208

209

210

211

212

213

214

215

216

217

218

219

220

221222

223

224

225

226

227

228229

230

231

232

26-01154-19 20191058

(h) A schedule of nonrefundable fees for administering the program;

- (i) Strategies for assisting registrants in the development of high-quality products and successful competition in national and global hemp markets; and
- (j) Inclusion of the state hemp program in the Florida

 Agricultural Promotional Campaign and for promotion and labeling
 of hemp, hemp products, and hemp extract as "Fresh from
 Florida."
- (10) (a) VIOLATIONS.—Registrants must complete a corrective action plan if the department determines that a registrant has negligently violated this section or department rules, including negligently:
- 1. Failing to provide a legal land description and global positioning coordinates pursuant to subsection (4);
- 2. Failing to obtain a proper registration or other required authorization from the department; or
- 3. Producing Cannabis sativa L. with more than the federally defined THC level for hemp.
 - (b) The corrective action plan must include:
- 1. A reasonable date by which the registrant must correct the negligent violation; and
- 2. A requirement that the registrant periodically report to the department on compliance with the program for a period of not less than 2 calendar years after the date of the violation.
- (c) A registrant that negligently violates the corrective action plan under this subsection three times within 5 years is ineligible to produce hemp for 5 years from the date of the third violation.

26-01154-19 20191058

(d) If the department determines that a registrant has violated this section or department rules with a culpable mental state greater than negligence, the department shall immediately report the registered participant to the Attorney General and the United States Attorney General.

- (11) (a) DEPARTMENT PLAN.—Within 90 days of the effective date of this act, the Commissioner of Agriculture, in consultation with the Governor and Attorney General, shall submit to the United States Secretary of Agriculture the department plan for regulating hemp production. The plan must include:
- 1. A procedure for maintaining relevant information regarding the locations in the state where hemp is cultivated, handled, and processed for not less than 3 calendar years;
- 2. A procedure that uses post-decarboxylation or other similarly reliable methods for testing delta-9-tetrahydrocannabinol concentration levels of hemp cultivated, handled, and processed in the state;
- 3. A procedure for the effective disposal of hemp, hemp products, and hemp extract cultivated, handled, and processed in violation of this section and department rules; and
 - 4. Guidance for compliance with enforcement procedures.
- (b) If the department plan for regulating hemp production is not approved by the United States Secretary of Agriculture, the Commissioner of Agriculture, in consultation with the Governor and Attorney General, shall submit an amended plan.
- Section 2. Subsection (8) is added to section 1004.4473, Florida Statutes, to read:
 - 1004.4473 Industrial hemp pilot projects.-

26-01154-19 20191058 262 (8) Notwithstanding this section, a university may choose to implement an industrial hemp pilot project pursuant to s. 263 58<u>1.217.</u> 264 Section 3. This act shall take effect July 1, 2019. 265